Opinion: Grand jury destroying its credibility

By Larry Weitzman

In the third and most insidiously false political report (Case GJ-14-12) from the Civil Grand Jury (FY 14/15) entitled "Putting Political Gain Above What's Right for the County" is a perfect title to describe the grand jury actions. They have become a political body and a kangaroo court worthy of a Third World dictatorship.

In another attempted political and character assassination of the county auditor, the GJ attempts to blame the alleged $3.5 million loss of federal fund reimbursement on the failure of what is known as the county Cost Allocation Plan on the auditor instead of the proper culprit, the county Information Technology director, Kelly Webb. The GJ talks of having credible witnesses, but if that list were revealed, you would find that the witnesses were the actual culprits or accessories – the responsible parties. You would also find that their testimony was not evidentiary, as it was unsworn. However, my research consists of dozens of emails, many from the actual culprit, Kelly Webb, admitting she didn't understand how to prepare and what to prepare in the way of documentation and keep and maintain the billing and record keeping required. Webb was clearly unqualified; she didn't understand record keeping within her department and that she didn't understand the CAP.

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Not only did Webb fail to understand the CAP, so did the GJ in that a large part of the reimbursement loss is a result of IT Department's failure to directly bill and maintain the related time records. That is not part of the CAP, as direct billing is an independent requirement outside of the CAP. Webb failed to do just that as listed in the state Controller's Office findings: "Detailed time sheets are not maintained for those staff that are directly billed to departments. IT Department Management does not understand the purpose of the Countywide Cost Allocation Plan."

15 years without problems

For more than 15 years the CAP rarely, if ever, had a problem with the state Controller's Office. It had gone through several desk audits during this period with no issues. IT for that period did its job with respect to the CAP and the recovery of state and federal reimbursement of IT costs with respect for the services rendered to these reimbursable programs. It's a matter of properly billing and allocating its mainframe, network usage and other expenses incurred in IT for these reimbursable programs.

Now let's get one thing clear: The CAP is not the problem or issue. The problem is each department's responsibility with the collection of reimbursable expenses, billing and data with respect to state and federal programs and that has to do with record keeping within each respective department for the CAP. And that fact is made clear in the State Controller's report. This issue was not with the CAP; it was the IT Department's failure to do proper record keeping, even IT’s failure to keep track of computers connected to its network.

What could have caused that after 15 years of no issues? Something must have changed within the IT department and it did starting with the appointment of Webb to the position of interim IT director in February 2011. One of the duties of department heads is allocating department costs to those functions and programs within the county to accurately reflect their costs. By doing so the county can recover and/or receive reimbursement for certain state and federal programs the county administers.

Key person laid off

But something else happened and that was the layoff (by having her position eliminated) of a certain senior department analyst (orchestrated by Webb and then-CAO Terri Daly). This particular IT analyst for the past several years kept the appropriate billing records and time sheets, kept track of network inventories and performed various mainframe allocations that correctly supported the CAP and to obtain reimbursements for IT time related to state and federal programs administered by El Dorado County. After this analyst’s elimination, recordkeeping and direct billing relative to the reimbursements and CAP went south. No one in IT continued the work of the eliminated senior IT analyst. A direct Webb failure.

As to requests for help from the IT Department, a series of emails demonstrates Webb’s total and complete failure in compiling necessary information and failure to maintain billing records as the cause of the county’s losing the millions of reimbursable charges from outside agencies. In several emails from Webb, she never asks for help but instead tries to use and supply knowingly bogus information

IT wandering in the desert of incompetence

It all started in an email from Feb. 28, 2012, from the CAO's office in which it was indicated that IT was "in the process of completing "the cost applied charges (direct billing) for F/Y 2012-2013." Nothing could have been further from the truth as no one in IT kept time sheets or did the direct billing and Webb knew this. And there is no documentation of help being asked for by Webb. This was all a charade to hide Webb's incompetence.

In September 2012, the Auditor's Office appears to be getting nervous when they ask for billing rates with respect to IT. No answer until a follow-up message on Jan 7, 2013, asks again for information to which a reply is received in seven minutes saying, "These rates are so old that we have been unable to determine the methodology behind them. Kelly Webb and I know that all the IT rates need to be looked at." IT is not doing their job. In between this series of emails another series of emails from the Auditor's Office also asked for the same information directly below.

On Nov. 2, 2012, an email directed to Webb from the Auditor's Office asks Webb for IT costs-applied amounts (direct billing) for mainframe use and that the costs need to be updated: "We cannot use these amounts as they are currently budgeted." Twenty-five minutes later from Webb was an email response: "The current FY 12-13 budget does currently have IT cost applied amounts the same as FY 11-12. Laura and I have met but have not had time to go over the methodology in detail. I will need to talk to Laura to figure out who we have available to work on updating the FY 12-13 rates."

In a series of June 2013 emails starting with Webb, she admits she is trying to "recreate a scenario for both mainframe and network" from documents that are years old but admits, "We are out of time for cash departments … but it would only be useful at this point for non-cash departments." A week later IT again asks in an email, "Would it be appropriate to use the 11/12 methodology and apply to the 12/13 budget to come up with something for 12/13?” The auditor’s response on June 26, 2013: “Posting the FY 11-12 IT cost applied (direct billing) to FY 12-13 is not acceptable.”

In all the emails spanning over a year, nowhere is there a request for help from the IT Department, probably because the IT Department head was so incompetent she didn’t know what help to ask for. And this is not the whole extent of the mistakes and lack of knowledge demonstrated by Webb’s emails. There is more.

A direct email from the State Controller’s Office to EDC on July 24, 2013, says it all:

“We are in the process of our A-87 Cost Plan field review and I am requesting some supporting documentation from Information Technologies as follows:

“Please provide for each charging function (Systems and Programming, Network & PC Support, Telephone Communications, Central Duplicating and Records Management):

“1. The methodology used for direct billing

“2. Samples of direct billing invoices for

“ a. Child Support

“b. Social Services

“c. Roads

“If time records are used for any of the above methodologies, I need to know how they’re developed and whether estimates or actual time is used.

“Should you have any questions, please feel free to contact me.

“Thank you.

“State Controller’s Office”

The Controller’s Office is clear: The failure of IT management is the reason the for the loss of reimbursable costs and it clearly stated in its audit report: “detailed time sheets are not maintained for staff that are directly billed to departments.”

That is a management failure of IT alone and no one else. The auditor can’t reproduce those records or cure that fatal failure. Additionally, and most devastating was the finding by controller that “IT Department Management does not understand the purpose of the countywide Cost Allocation Plan.”

This problem was not apparent in any other county department and not in IT until Kelly Webb was appointed Interim IT director. The Grand Jury’s conclusion not only lacked evidence, but it was absolutely incorrect. Why should anyone believe any of their reports? The GJ has no credibility. Even as political spin doctors; they are guilty of gross malpractice. They are attacking competent county employees with a suicide bomb of incompetence.

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