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**City Charges District of Columbia Public Schools
Nearly \$1 Million in Utility Expenses That
Should Have Been Charged To Other Entities**

Table of Contents

EXECUTIVE SUMMARY	-i-
Purpose	-i-
Conclusion	-i-
Major Findings	-ii-
Major Recommendations	-iii-
PURPOSE	-1-
OBJECTIVE, SCOPE, AND METHODOLOGY	-1-
BACKGROUND	-2-
<i>FINDINGS</i>	-5-
OPM Failed to Properly Manage the Utility Bill Review and Certification Process with Regard to DCPS During Fiscal Year 2001	-5-
OPM Certified and OFRM Used DCPS Funds to Pay At Least \$848,309 in Utility Costs During Fiscal Year 2001 and \$44,560 for the First Quarter of Fiscal Year 2002 for Facilities That Were Not Occupied or Controlled by DCPS	-5-
Substantial Improvements Are Needed in Monitoring Compliance with Use and Lease Agreements to Ensure That Utility Costs Are Paid in Accordance with Such Agreements	-10-
OPM Erroneously Certified and OFRM Paid Utility Expenses from DCPS Funds for Facilities Occupied and Controlled by Other District Agencies	-11-
OPM Erroneously Certified and OFRM Paid Utility Expenses From DCPS Funds for At Least 11 Charter Schools	-15-
CONCLUSION	-17-

EXECUTIVE SUMMARY

PURPOSE

Pursuant to Public Law 93-198 and requests from Councilmembers Kevin Chavous and Phil Mendelson, in addition to the President and Vice-President of the Board of Education, the District of Columbia Auditor is conducting a comprehensive review of the District of Columbia Public School System's (DCPS) operations, finances, and management. Within this comprehensive review, the Auditor undertook an examination of utility expenses charged to DCPS during fiscal year 2001. The specific scope of this examination included the use of DCPS funds to pay for natural gas, electric, fuel oil, and water and sewer expenses for buildings that appeared not to be controlled, occupied, or used by DCPS during fiscal year 2001. This report presents the District of Columbia Auditor's findings regarding apparent discrepancies in the use of DCPS funds to pay utility expenses for these particular facilities.

CONCLUSION

The Auditor determined that employees in the Office of Property Management (OPM) erroneously certified amounts to be paid to utility companies for utility expenses of facilities not occupied or controlled by DCPS. In blind reliance upon these erroneous certifications, employees in the Office of Finance and Resource Management (OFRM) made payments to utility vendors with DCPS funds for utility expenses of facilities that were not occupied or controlled by DCPS. Approximately \$892,869 were paid during fiscal year 2001 and the first quarter of fiscal year 2002 using DCPS funds to cover electric, gas, water and sewer, and fuel oil expenses for facilities that had either been sold, leased to, or used by non-DCPS entities, including other District government agencies. As a result of OPM management's: (1) failure to adequately verify whether the D.C. Public School System was responsible for paying utility expenses generated by these facilities, and (2) failure to properly manage the utility bill review and certification processes, the District of Columbia Public School System was improperly held financially responsible for utility expenses of facilities it did not occupy or control. Consequently, DCPS was deprived of critical financial resources that could have been used to provide books, services, and supplies needed to educate District public school students. These resources also could have been used to fund the hiring of additional teachers, teacher aides, or to provide facility improvements at various District public schools.

The Auditor found that managers of OPM and DCPS' Realty Office failed to adequately monitor compliance with lease and use agreements to ensure that entities occupying these facilities paid utility costs in accordance with the agreements. Neither the DCPS Realty Office nor OPM could provide the Auditor with any documentation showing that lessees reimbursed DCPS for utility expenses paid from DCPS funds even though, in most instances, utility expenses were the sole responsibility of lessees. Further, there appeared to be a massive failure in communication between managers at OPM and the DCPS Realty Office in that they failed to clarify their respective roles and responsibilities regarding DCPS properties that had been transferred to the jurisdiction of the Mayor. The failure of both parties to clarify and properly discharge their management responsibilities regarding these facilities resulted in the absence of effective management and a system of management accountability. The parties also failed to acknowledge and accept responsibility for management deficiencies uncovered by this audit. Once again, however, the real tragedy is the failure of these two governmental entities to properly manage financial and related resources that could ultimately have been used to benefit children attending D.C. public schools.

The Office of the District of Columbia Auditor will conduct a follow-up audit of utility charges to DCPS' intra-District funds within 180 days to determine the status of compliance with recommendations made in this report.

MAJOR FINDINGS

1. OPM failed to properly manage the utility bill review and certification process with regard to DCPS during fiscal year 2001.
2. OPM certified and OFRM used DCPS funds to pay at least \$848,309 in utility costs during fiscal year 2001 and \$44,560 for the first quarter of fiscal year 2002 for facilities that were not occupied or controlled by DCPS.
3. Substantial improvements are needed in monitoring compliance with use and lease agreements to ensure that utility costs are paid in accordance with such agreements.
4. OPM erroneously certified and OFRM paid utility expenses from DCPS funds for facilities occupied and controlled by other District agencies.
5. OPM erroneously certified and OFRM paid utility expenses from DCPS funds for at least 11 charter schools.

MAJOR RECOMMENDATIONS

1. The Chief Property Management Officer of OPM must immediately develop an accurate database of all facilities for which DCPS has responsibility for the payment of utility expenses. The Chief Property Management Officer must develop the database of DCPS facilities in collaboration with the Chief Operating Officer for DCPS, the Deputy CFO for OFRM, and the DCPS CFO. The database must be regularly reviewed by DCPS staff and regularly updated by OPM staff. The Auditor will confirm compliance with this recommendation within 60 days of this report.
2. Prior to certifying payment for any DCPS utility bills, OPM managers and staff must ensure that the payment is only for a facility occupied and controlled by DCPS. OPM managers and staff who fail to comply with this recommendation must be held accountable to the fullest extent permitted under the District of Columbia Comprehensive Merit Personnel Act of 1978, as amended, and the District Personnel Regulations.
3. The Deputy Chief Financial Officer for the Office of Finance and Resource Management must work in collaboration with the Chief Property Management Officer, the DCPS Chief Operating Officer, and the Chief Financial Officer of DCPS to ensure that DCPS funds are used to pay utility expenses only for those facilities occupied and controlled by DCPS.
4. The District of Columbia Board of Education and the Chief Property Management Officer must immediately establish a valid lease or use agreement with the D.C. Fire and Emergency Medical Services Department (DCFEMS) and the D.C. Department of Corrections (Corrections) which provides that these two agencies pay, at a minimum, all utility expenses for Grimke School.
5. The Chief Property Management Officer and the Deputy Chief Financial Officer for OFRM must immediately determine the amount of DCPS intra-District funds that were used to pay utility expenses for the D.C. Fire and Emergency Medical Services Department and the Department of Corrections between fiscal years 1999 through 2002. These payments must be recovered from the DCFEMS and Corrections, and credited to DCPS' intra-District utility account for fiscal year 2003. The District's Chief Financial Officer should provide assistance, where necessary, in recovering these payments from DCFEMS and Corrections.

6. The manager of DCPS' Realty Office, in collaboration with the Chief Property Management Officer, must immediately ensure that the MPD complies with the lease agreement between MPD and DCPS, and that MPD transfers all utility accounts for the Petworth School to MPD's name. Further, the Chief Property Management Officer and the manager of DCPS' Realty Office must immediately take all steps necessary to recover the \$8,538.30 from MPD; and must immediately take the appropriate steps legally necessary to credit this amount to DCPS' fiscal year 2003 intra-District utility account.
7. OPM and DCPS officials must work cooperatively in determining which agency will manage each of the properties that the Control Board transferred to the Mayor and ensure that OFRM does not continue paying utility costs from DCPS' intra-District fund transfers for schools not occupied or controlled by DCPS.
8. DCPS and OPM officials must immediately review all use and lease agreements for DCPS facilities and negotiate and execute new agreements to replace those that have expired.
9. OPM and DCPS officials specifically designated by the Chief Property Management Officer and Superintendent of DCPS must monitor lease and use agreements to ensure that all provisions of the agreements are met. Lessees must show proof that utilities have been placed in their name and that they have received and paid all utility bills. Further, the Chief Property Management Officer and the manager of DCPS' Realty Office must take the appropriate administrative and/or legal steps necessary to recover \$602,151 from charter schools identified in this report and credit this amount to DCPS for fiscal year 2003. The Office of the Corporation Counsel should provide assistance, where necessary, in recovering these payments from charter schools.

PURPOSE

Pursuant to Public Law 93-198 and requests from Councilmembers Kevin Chavous and Phil Mendelson, in addition to the President and Vice-President of the Board of Education, the District of Columbia Auditor is conducting a comprehensive review of the District of Columbia Public School System's (DCPS) operations, finances, and management. Within this comprehensive review, the Auditor undertook an examination of utility expenses charged to DCPS during fiscal year 2001. The specific scope of this examination included the use of DCPS funds to pay for natural gas, electric, fuel oil, and water and sewer expenses for buildings that appeared not to be controlled, occupied, or used by DCPS during fiscal year 2001. This report presents the District of Columbia Auditor's findings regarding apparent discrepancies in the use of DCPS funds to pay utility expenses for these particular facilities.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of the Auditor's analysis of utility costs was to determine whether fiscal year 2001 utility payments certified by the Office of Property Management (OPM) and paid with DCPS funds by the Office of Finance and Resource Management (OFRM) were properly and adequately supported by invoices and represented costs actually incurred by a facility occupied and/or controlled by DCPS.

The scope of the audit included a review of utility costs charged to DCPS during fiscal year 2001. We also reviewed utility bills for facilities identified as questionable to determine if OPM employees continued to certify, and OFRM employees continued to pay, utility expenses for these facilities with DCPS funds during the first quarter of fiscal year 2002.

Our review included an analysis of invoices from utility companies, summary reports from OPM and OFRM, relevant information from both DCPS and OPM regarding surplus schools, school sales, use and lease agreements, and Memoranda of Understanding (MOU) between OFRM and DCPS and OFRM and other District agencies. The audit team interviewed representatives of DCPS, OPM, OFRM, and other District agencies as deemed necessary. The audit team made site visits to facilities for which addresses, as listed on utility invoices, could not be matched to the DCPS Public Schools Directory. The site visits were made to determine whether the facilities located at the addresses were occupied by or under the jurisdiction of DCPS.

The Auditor relied, in part, on copies of invoices and summary cost reports provided by OPM and OFRM. The review of invoices was a labor-intensive, time-consuming exercise due to the volume of records involved, incomplete information initially provided by OPM, and the untimely response to the Auditor's repeated requests for missing invoices. Further, it was necessary to use various facility listings in order to match bills with school names and locations.

BACKGROUND

According to the Fiscal Year 2001 Proposed Operating Budget and Financial Plan, the mission of the District of Columbia Public Schools (DCPS) is to "make dramatic improvements in the achievement of all students today in preparation for their world tomorrow." DCPS is governed by a nine-member Board of Education consisting of four members appointed by the Mayor and confirmed by the Council of the District of Columbia, and five elected members including a president. The day-to-day management and direction of all matters pertaining to instruction and operations are handled by a Superintendent appointed by the Board of Education.

DCPS functions as both a local education agency (LEA) and a state education agency (SEA). In most school districts, SEA functions are typically handled by a state department of education while local education functions are handled by a local school board. DCPS receives one appropriation which covers both LEA and SEA responsibilities.

During fiscal year 2001, DCPS finances were handled by a Chief Financial Officer (CFO) appointed by and under the management control of the Chief Financial Officer of the District of Columbia. Although appointed by and under the management control of the District's CFO, the DCPS CFO is expected to serve the financial information and financial management needs of the Superintendent of DCPS and the Board of Education.

Office of Finance and Resource Management

The Office of Finance and Resource Management (OFRM), which is under the organizational umbrella and management control of the Chief Financial Officer of the District of Columbia, is the central office responsible for paying utility, telecommunications, rent, and other costs for District government agencies. According to information presented in the Fiscal Year 2001 Proposed Operating Budget and Financial Plan, OFRM was established primarily to provide budget and financial services and centralized miscellaneous vendor payments for various agencies. OFRM is also responsible for budget development and execution, vendor payments, and financial oversight services.

OFRM provides financial services to DCPS which necessitates the transfer of funds, in an amount determined by OPM, from DCPS to OFRM in order to make payments to vendors providing utilities, rent, telephone, custodial, security and other related services.

Office of Property Management

The Office of Property Management (OPM) was established in accordance with the Office of Property Management Establishment Emergency Act of 1998, as a subordinate agency under the authority of the Mayor of the District of Columbia. OPM was created by consolidating two divisions of the former Department of Administrative Services and two divisions of the Department of Public Works. OPM, which has primary responsibility for facility management, is divided into the following seven divisions: (a) Portfolio Management, which is responsible for the acquisition and disposition of real estate; (b) Facility Management, which administers building operations and services, and manages and monitors janitorial, trash, and landscape services contracts; (c) Protective Services, which administers security contracts; (d) Postal Services, which manages the District's internal mail service; (e) Facility Repair, which provides monitoring and management of all facility repairs; (f) Capital and Construction Services, which provides design and engineering services, project management, and construction management oversight of the facilities' capital improvement program; and (g) Energy Management, which is responsible for negotiating the procurement of natural gas and fuel oil supplies, and estimating and managing the District's energy costs.

According to an OPM official, through its Energy Management Division, OPM employees were responsible for receiving, reviewing, and certifying the accuracy of DCPS' fiscal year 2001 utility bills and submitting the certification to OFRM for payment. Utility bills were initially sent by the vendor to OPM. The official indicated that upon receipt of the bills from the vendor, OPM staff reviewed the bills to determine the amount to be paid each vendor, certified the amount to be paid, and provided OFRM written notification, in the form of a certification, of the amount to be paid. [See Attachment I for Example of a Certification] According to the OPM official, actual payments are to be made by OFRM once the certification is received from OPM. The Auditor notes that OFRM officials indicated that, in some instances, payments are made prior to receiving a certification from OPM in order to avoid incurring late fees.

DCPS Realty Office

According to the mission statement of the DCPS Realty Office, its mission is “to provide for the current and future facility needs of the D.C. Public School children, providing them with a safe and comfortable environment for learning through generation of maximum revenues from operating and excess DCPS Property.” The objectives of the DCPS Realty Office are:

- to manage the fixed asset portfolio of DCPS in a manner to ensure maximization of annual income and return on assets. This is to be achieved by asset disposition and leasing, short and long term. All revenues of the Real Estate Office, net of office expenditures, are transferred to Facilities Management to fund capital improvements and/or preventive maintenance on operating schools;
- to improve communications and accountability; and
- to spearhead the effective implementation of real estate policies in coordination with and on behalf of the Office of the Superintendent.

Table I presents the status of DCPS property under the jurisdiction of the DCPS Realty Office and OPM through January 2002.

Table I
Status of DCPS Property
Through January 2002

Type of Facility	Management Accountability	Number of Facilities
Schools ¹	DCPS	151
Charter Schools, District Agencies, & Vacant Buildings	OPM	31
Sold ²	DCPS	21
DCPS Lease/Use Agreement	DCPS	4
Transportation/Storage	DCPS	4
Miscellaneous ³	DCPS	5
Vacant Properties	DCPS	1
Total DCPS Inventory		217

Source DCPS Realty Office

¹ This category includes the Elementary, Junior High, Senior High, Technical, Professional and Special Education schools listed on the inventory of school buildings prepared by the DCPS Realty Office in January 2002

² Six of these facilities are included in our discrepancy listing presented in Table II

³ The miscellaneous category includes two buildings designated as administrative offices, one museum, one building categorized as razed/renovation, and one building categorized as “swing space”

FINDINGS

OPM FAILED TO PROPERLY MANAGE THE UTILITY BILL REVIEW AND CERTIFICATION PROCESS WITH REGARD TO DCPS DURING FISCAL YEAR 2001

OPM Certified and OFRM Used DCPS Funds to Pay At Least \$848,309 in Utility Costs During Fiscal Year 2001 and \$44,560 for the First Quarter of Fiscal Year 2002 for Facilities That Were Not Occupied or Controlled by DCPS

For fiscal year 2001 and the first quarter of fiscal year 2002, the Auditor found that OPM certified and OFRM paid approximately \$892,869 in utility costs using DCPS funds for facilities that were not occupied or controlled by DCPS. The \$892,869 identified by the Auditor included \$848,309 for fiscal year 2001 and \$44,560 for the first quarter of fiscal year 2002. The properties had either been sold or leased to other entities, including other District government agencies. Table II lists all the facilities for which utility expenses were erroneously paid using DCPS funds.

**Table II
Utility Expenses Erroneously
Paid Using DCPS Funds During Fiscal Year 2001
and the 1st Quarter of Fiscal Year 2002**

ELECTRICITY			
Address	Building or School Name	Current Use or Occupant	Amount
100 Peabody Street, NW	Rabaut JHS	Charter Schools	\$80,659.23
100 45 th & Lee Street, NE	Carver ES	Charter School	75,688.55
100 Vermont Ave., NW	Grimke ES	Fire & Corrections	52,573.83
100 8 th Oglethorpe St., NW	Paul JHS	Charter School	36,955.93
2427 M.L.K., Jr. Ave., SE	Nichols Avenue ES	CEEP/Arch Training Ctr	25,813.26
1301 V Street, NW	Harrison ES	Charter School	18,526.38
305 G Street, SE	Giddings	Sold	10,503.31
1700 38 th Street, NW	Ellington Field Houses 2 Small Bldgs	Mixed use: Metropolitan Police Boys and Girls Club in South Bldg. No information on second bldg.	9,403.77
813 Shepherd Street, NW	Petworth School	Leased to MPD	8,430.73

1005 5 th Street, NW	Hayes ES/Sold	Office of Aging	1,964.43
100 8 th & Shepherd St	Petworth School	Leased to MPD	90.01
Electricity Total			\$320,609.43
GAS			
100 Peabody Street, NW	Rabaut JHS	Charter Schools	\$135,151.54
4525 Lee Street, NE	Carver ES	Charter School	69,066.90
931 U Street, NW	Grimke ES	Fire & Corrections	75,060.19
5830 8 th St., NW	Paul JHS	Charter School	89,349.08
305 G Street, SE	Giddings	Sold	2,782.04
Gas Total			\$371,409.75
FUEL OIL			
1301 V Street, NW	Harrison ES	Charter School	\$26,292.71
WATER & SEWER			
770 Kenyon Street, NW	Bruce Monroe ES	DHS	36,013.23
2 nd & Oglethorpe Street, NW	Rabaut JHS	Charter Schools	33,504.68
45 th & Lee Street, NE	Carver ES	Charter School	10,009.28
725 19 th Street, NE	Blow-Pierce*	Charter School	9,251.76
8 th & Oglethorpe St., NW	Paul JHS	Charter School	6,288.28
Lincoln Rd Douglas Street, NE	Blair	DHS - Shelter at former Blair located at 635 I Street, NE	6,034.01
616 H Street, NE	Finance & Revenue	DPW - Motor Vehicles	4,514.39
14 th & Potomac Ave, SE	Chamberlain*	Charter School	4,393.10
31 st & Ft Lincoln Dr., NE ⁴	Pool & Rec/COGA	Parks & Recreation	4,356.93
429 O Street, NW	Bundy ES	DHS	3,942.91
1 st & T Street, NE	Langley	Charter School	2,798.15
2427 M.L.King Ave	CEEP/Arch Training Center	CEEP/Arch Training Center	1,606.81
N.Cap & 1 st St at P St, NW	Slater/Langston	Charter School	1,460.17
Avon Pl & R Street, NW	Jackson	Art Center	1,352.59

⁴The pool is located in the school, however, the Auditor was unable to determine who was responsible for the utilities at this facility OPM should investigate this matter further

Carlton & Central Ave, NE	Woodridge ES*	Charter School	1,065.52
Carlton & Central Ave, NE	Incinerator #4*	Charter School	660.88
Carlton & Central Ave, NE	Woodridge ES*	Charter School	371.86
7 th & G Streets, SE	COGA	Capitol Hill Arts Workshop	883.85
13 th St & Independence Ave. SE	Bryan ES	Sold	814.34
31 st & V Sts., NW	Harrison ES	Charter School	656.42
8 th & Shepherd Sts, NW	Petworth School	leased to MPD	17.56
Water & Sewer Total			\$129,996.72
FY 2001 Questionable Costs			\$848,308.61
FY 2002 Questionable Costs Paid			44,560.13
Total Questionable Utility Costs			<u>\$892,868.74</u>

Source Utility Invoices and information provided by OPM and DCPS Realty Office

***These buildings were sold November 2000.**

OPM certified the payment of utility expenses without ascertaining whether the expenses were the legitimate responsibility of the District of Columbia Public School system or the District of Columbia government. In blind reliance upon certifications prepared by OPM employees, OFRM paid utility expenses using DCPS funds for facilities that were not controlled or occupied by DCPS.

While OFRM representatives indicated that they only paid utility invoices after they were certified by OPM, the Auditor found, for reasons not adequately explained by OPM or OFRM representatives, that none of the fiscal year 2001 electric bills paid by OFRM using DCPS funds were reviewed and certified by OPM prior to payment. This lack of certification may have been one of the contributing factors resulting in the payment of \$320,609 in electric expenses for facilities not occupied or controlled by DCPS. The repeated use of this practice throughout fiscal year 2001 violated the system of checks and balances represented by OPM's review and certification process.

Throughout the audit process, the audit team requested OPM and OFRM managers and employees to provide written policies and procedures governing the review, certification, and payment of utility expenses from intra-District funds provided to OFRM by District agencies, including DCPS. Despite repeated requests, OPM representatives did not provide the Auditor with written policies and procedures that were in effect prior to and during fiscal year 2001 governing the

review of utility invoices and the certification of the payment of utility expenses. OFRM managers and representatives also could not provide the Auditor with written policies and procedures that were in effect prior to and during fiscal year 2001 governing the payment of utility invoices. Rather, OFRM representatives indicated that the MOU represented OFRM's policies and procedures regarding the payment process for utility expenses. However, after the release of the draft report for review and comment, OFRM representatives provided for the Auditor's review policies and procedures that did not speak to issues such as the development of utility estimates, resolution of disagreements with estimates, among other important issues which would be of concern to agencies.

The certification and payment processes, as well as the development of cost estimates for utility expenses each fiscal year, has not heretofore been a transparent process between OPM, OFRM and District agencies. OPM's and OFRM's roles, responsibilities, and authority have not been clearly defined and communicated in a written document to District agencies. For example, OPM develops cost projections for agencies' utility budgets, however, OFRM prepares an annual Memoranda of Understanding in which OPM's projections are presented for agencies' review and ultimate execution. When disagreements with projections or other matters arise, it is unclear whether agencies should seek to resolve these matters with OPM or OFRM, and the procedure for doing so is not spelled out.

Payments of utility expenses for facilities not controlled or occupied by DCPS were made despite the fact that OPM's certifications included questionable facilities. In fact, a former DCPS CFO addressed a memorandum to the deputy CFO for OFRM stating that the payment of utility expenses for 20 of the buildings in Table II were not the responsibility of DCPS because DCPS either did not control or occupy the facilities. In a memorandum dated October 11, 2000, to the deputy CFO for OFRM, the former DCPS CFO indicated that a DCPS review of the fiscal year 2001 energy forecast for electricity, natural gas, and water and sewer costs revealed that OPM's utility forecast included buildings that were not controlled or used by DCPS. [See Attachment II for a copy of the DCPS CFO's Memorandum] The former DCPS CFO's memorandum further stated that he would reduce DCPS' original utility forecast for fiscal year 2001 by \$519,670, which reflected the former CFO's estimate of the fiscal year 2001 expenses for the buildings that were not "owned" by DCPS. The former CFO provided detailed information identifying the non-DCPS buildings including the ID number, building name and address, account number, the type of utility, and the estimated utility cost for fiscal year 2001. Although the former DCPS CFO indicated that the October 11, 2000 memorandum was sent to the Deputy CFO for OFRM, the Deputy CFO for OFRM indicated that she did not receive the memorandum and further stated that this information should have been sent to OPM not OFRM. Notwithstanding the October 11, 2000 memorandum, the Auditor reviewed at least one additional memorandum from DCPS' former CFO to the Deputy CFO

for OFRM in which he referenced the reduction of \$519,670 from DCPS' intra-District transfers. The Deputy CFO for OFRM stated that she also did not receive the second memorandum. After these initial attempts by DCPS' former CFO to discontinue the use of DCPS funds to pay utilities for facilities not controlled or used by DCPS, there were no further discernible efforts made by officials assigned to the DCPS Office of the Chief Financial Officer after July 2001 to resolve these discrepancies with OPM or OFRM.

Not only were utility expenses paid for questionable facilities during fiscal year 2001, the Auditor also found \$44,560 in additional payments made during the first quarter of fiscal year 2002 for the same facilities. Based upon the review of first quarter fiscal year 2002 utility charges to DCPS for electricity, natural gas, fuel, and water and sewer services, it appeared that OPM and OFRM had not resolved discrepancies regarding utility charges to DCPS' budget for buildings not controlled or occupied by DCPS, or improved the review, certification, and payment process relative to DCPS utility charges.

RECOMMENDATIONS

1. The Chief Property Management Officer of OPM must immediately develop an accurate database of all facilities for which DCPS has responsibility for the payment of utility expenses. The Chief Property Management Officer must develop the database of DCPS facilities in collaboration with the Chief Operating Officer for DCPS, the Deputy CFO for OFRM, and the DCPS CFO. The database must be regularly reviewed by DCPS staff and regularly updated by OPM staff. The Auditor will confirm compliance with this recommendation within 60 days of this report.
2. Prior to certifying payment for any DCPS utility bills, OPM managers and staff must ensure that the payment is only for a facility occupied and controlled by DCPS. OPM managers and staff who fail to comply with this recommendation must be held accountable to the fullest extent permitted under the District of Columbia Comprehensive Merit Personnel Act of 1978, as amended, and the District Personnel Regulations.
3. The Deputy Chief Financial Officer for the Office of Finance and Resource Management must work in collaboration with the Chief Property Management Officer, DCPS Chief Operating Officer, and the Chief Financial Officer of DCPS to ensure that DCPS funds are used to pay utility expenses only for those facilities occupied and controlled by DCPS.

SUBSTANTIAL IMPROVEMENTS ARE NEEDED IN MONITORING COMPLIANCE WITH USE AND LEASE AGREEMENTS TO ENSURE THAT UTILITY COSTS ARE PAID IN ACCORDANCE WITH SUCH AGREEMENTS

The Auditor found that accountable managers in OPM and DCPS' Realty Office failed to adequately monitor lease and use agreements for DCPS facilities to ensure that entities occupying these facilities paid utility costs in accordance with the terms of lease and use agreements. OPM and the DCPS Realty Office did not ensure that entities leasing schools made the necessary arrangements to have utility companies transfer utility services and the resulting bills to the lessees' name and address, thereby ensuring that lessees received utility bills directly and were responsible for paying the bills. Also, in those instances in which the utility bills were not sent directly to lessees but were received by OPM, OPM failed to forward the bills to the lessee for payment or to DCPS' Realty Office so that the bills could be forwarded to lessees. Neither OPM nor the DCPS Realty Office could provide the Auditor with any documentation showing that lessees reimbursed DCPS for utility expenses paid from DCPS funds in fiscal year 2001, even though utility expenses were the responsibility of the lessees. The Auditor found that OPM and the DCPS Realty Office mismanaged various aspects of lease and use agreements pertaining to DCPS facilities. As a consequence, DCPS funds were used to pay utility expenses for facilities that were not the responsibility of DCPS.

Prior to leasing or selling some public schools, the DCPS Board of Education determined that certain properties were surplus and no longer needed for the purpose of operating a District of Columbia public school. On March 29, 2000, the District of Columbia Financial Responsibility and Management Assistance Authority (Control Board) transferred jurisdiction of 32 surplus facilities and properties from DCPS to the Mayor. According to the DCPS Realty Office, the properties that were transferred to the Mayor were placed under the management control of OPM.

According to the Control Board's Order, 23 of the 32 properties transferred to the Mayor were under an existing lease or use agreement between DCPS and various organizations and District agencies. The Control Board's order failed to specify whether the functions related to the collection of monies and fees due to DCPS as a result of the agreements would continue to be performed by the DCPS Realty Office or the Mayor via OPM. The Auditor found that DCPS funds were used to pay utility expenses for at least 10 of the 23 facilities, even though the lease or use agreements stated that the lessee was to be responsible for the payment of utility expenses. Neither OPM nor DCPS Realty Office managers adequately monitored compliance with the lease and use agreements to ensure that the responsible parties paid consistent with the terms of the agreements.

The Auditor could not find any evidence that responsible managers at OPM or DCPS attempted in any way to clarify their responsibilities with respect to the properties transferred to the jurisdiction of the Mayor. This failure in communication resulted in a lack of management and financial accountability. The parties also failed to acknowledge and accept responsibility for deficiencies uncovered by the audit. For example, an OPM representative stated that the DCPS Realty Office was to collect the fees related to the agreements. On the other hand, a DCPS Realty Office representative indicated that the collection of fees should have been performed by OPM since the Control Board had transferred jurisdiction of the properties to the Mayor. Further, a representative of the DCPS Realty Office indicated that one reason they did not bill lessees for utility expenses was because they did not receive reports or copies of utility bills from OPM or OFRM. Therefore, they were not aware of the amount of the bills. In contrast, OFRM officials indicated that all utility bills were provided to the DCPS CFO and that it was the responsibility of the Realty Office to obtain the bills from the DCPS CFO. During this lapse in effective management, DCPS funds were disbursed to pay utility expenses on facilities that were not the responsibility of DCPS. The Auditor found that these payments were not subsequently recovered from lessees.

The justifications expressed above by the parties indicate a massive failure in communication, coordination, and cooperation. The failure of OPM and the DCPS Realty Office to monitor compliance with lease and use agreements and to obtain the necessary documentation to clarify and effectively perform their respective responsibilities contributed to DCPS paying utility expenses on buildings that should have been paid by lessees and users of those buildings.

OPM Erroneously Certified and OFRM Paid Utility Expenses from DCPS Funds for Facilities Occupied and Controlled by Other District Agencies

Of the \$848,309 paid in fiscal year 2001 utility expenses for facilities that were not occupied by DCPS, approximately \$191,034, or approximately 23%, were paid for at least seven buildings occupied by other District government agencies. Table III presents the seven District agencies.

Table III
DCPS Funds Used to Pay for Utilities of
Facilities Occupied By District Agencies

Building/School Name and Address	Facility Use/User
Blair 635 I Street, NE	DHS - Shelter
Bruce 770 Kenyon Street, NW	DHS
Bundy 429 O Street, NW	DHS
Finance & Revenue 616 H Street, NE	DPW - Department of Motor Vehicles
Pool & Rec/COGA 31 st & Ft Lincoln Dr., NE	Parks and Recreation
Grimke Elementary 1923 Vermont Ave, NW	Fire & Corrections (Other addresses on bills and OPM payment summary sheet: 931 U Street, NW and 100 Vermont Ave, NW)
Petworth School 813 Shepherd Street, NW 100 8 th & Shepherd 8 th & Shepherd Streets, NW	MPD (Former Petworth School - 3 addresses shown to indicate service addresses used by different service providers)

Source Utility Invoices and information provided by OPM and DCPS Realty Office

Grimke School

Of the \$191,034, approximately \$127,634, or 67%, was paid for electric and natural gas expenses at the Grimke School. Two agencies, the D.C. Fire and Emergency Medical Services Department (Fire Department) and D.C. Department of Corrections (Corrections) currently occupy this building and are responsible for the payment of both electric and natural gas expenses at Grimke School.

Based on documentation reviewed by the Auditor, both the Fire Department and Department of Corrections have occupied the Grimke School since 1983. A representative of the Department of Corrections indicated that Corrections paid utilities for Grimke and that the D.C. Fire Department was to reimburse Corrections for one-half of all utility expenses. The Corrections representative failed to provide the Auditor with any documentation to support this assertion. Indeed, the Auditor found that DCPS funds were used to pay electricity and natural gas expenses under account numbers identified by OPM as belonging to Grimke School. The Auditor reviewed MOUs between OFRM

and Corrections, and OFRM and the Fire Department. While the MOUs contained an estimate for utility expenses, they did not indicate whether the estimate included electricity and natural gas for Grimke. Although the service address on the invoices differed from the addresses included on summary sheets, the OPM representative indicated that the account numbers associated with the service address were for Grimke School. Table IV presents the address and account numbers identified by OPM as belonging to Grimke School. These expenses are the financial responsibility of the Corrections and Fire departments and not the District of Columbia Public School System.

TABLE IV
Addresses Identified by OPM
for Grimke School

Service Provider	Billing Address	Service Address	Account No.	Amount
Washington Gas	DC GOVT GA AAAA 931 U ST NW #FUR	931 U ST NW #FUR	0433.807072	\$75,060.19
PEPCO	DC GOVT GA ENERGY MGMT DIV BMA DAS 441 4 th St NW	100 VERMONT AV NW	0252 2730 08	\$52,573.83
Total				\$127,634.02
Summary Sheets prepared by OPM for bills charged against DCPS funds indicated that these utility account numbers were assigned to Grimke School located at 1923 Vermont Avenue, N.W.				

Source OPM

Based on correspondence reviewed by the Auditor, there does not appear to have ever been a formal lease agreement between DCPS and the Fire Department or Department of Corrections. Thus, there is no agreement governing which agency is responsible for the payment of utility expenses. The current situation appears longstanding. The Auditor notes that the issue regarding the payment of appropriate expenses by the Fire and Corrections Departments for use of Grimke School was addressed in 1989 by the then-Board of Education President Linda W. Cropp, who suggested a transfer of funds by way of the annual appropriations process.

A June 10, 1994 memorandum of space assignment from the then-director of the former Department of Administrative Services to the D.C. Fire Chief stated that “unless other agreements are made in writing, all expenses of occupying, maintaining and developing the property shall be paid by the D.C. Fire/EMS.” The space agreement was never signed by responsible officials for the Fire Department indicating acceptance of the conditions of the space assignment. No additional documentation was provided to the Auditor to further clarify this matter. The D.C. Fire Department and Department of Corrections have occupied the building for over 18 years.

Petworth School

In another instance, OFRM paid approximately \$8,521 in electric expenses and \$17.56 for water and sewer services during fiscal year 2001 for the Petworth School which is occupied by the Metropolitan Police Department (MPD). The lease agreement between DCPS and MPD indicated that the term of the lease was 15 years with an option to renew for an additional 15 years. The lease agreement was undated, therefore, the Auditor could not determine when MPD moved into the building. The lease agreement provided that all utility expenses were the sole obligation of MPD. Prior to occupying the premises, MPD was to make arrangements with utility companies to have utility accounts established in MPD's name. MPD was to provide proof of utility payments to DCPS on a quarterly basis. However, this proof was not provided to DCPS by MPD. Further, DCPS could not provide the Auditor with any documentation from MPD indicating that the electric service, in its entirety, for the Petworth School was established in MPD's name. The Auditor found that DCPS funds were used to pay approximately \$8,521 in electric expenses for the Petworth school during fiscal year 2001. Again, both the DCPS Realty Office and OPM failed to ensure that MPD paid the utility expenses, in their entirety, for the Petworth School as required by the lease agreement.

RECOMMENDATIONS

1. The District of Columbia Board of Education and the Chief Property Management Officer must immediately establish a valid lease or use agreement with the D.C. Fire and Emergency Medical Services Department and the D.C. Department of Corrections which provides that these two agencies pay, at minimum, all utility expenses for Grimke School.
2. The Chief Property Management Officer and the Deputy Chief Financial Officer for OFRM must immediately determine the amount of DCPS intra-District funds that were used to pay utility expenses for the D.C. Fire and Emergency Medical Services Department and the Department of Corrections between fiscal years 1999 through 2002. These payments must be recovered from the DCFEMS and Corrections, and credited to DCPS' intra-District utility account for fiscal year 2003. The District's Chief Financial Officer should provide assistance, where necessary, in recovering these payments from DCFEMS and Corrections.
3. The manager of DCPS' Realty Office, in collaboration with the Chief Property Management Officer, must immediately ensure that the MPD complies with the lease agreement between MPD and DCPS, and that MPD transfers all utility accounts for the Petworth School to MPD's name. Further, the Chief Property Management Officer and the manager of DCPS'

Realty Office must immediately take all steps necessary to recover the \$8,538.30 from MPD; and must immediately take the appropriate steps legally necessary to credit this amount to DCPS' fiscal year 2003 intra-District utility account.

OPM Erroneously Certified and OFRM Paid Utility Expenses From DCPS Funds for At Least 11 Charter Schools

The Auditor found that \$602,151, or 71%, of the \$848,309 were erroneously certified by OPM and subsequently paid by OFRM for utility expenses using fiscal year 2001 DCPS intra-District funds for at least 11 charter schools. Payments were made despite the fact that agreements between each charter school and DCPS stated that the charter schools were responsible for paying their utility expenses.

Each of the 11 charter schools for which DCPS funds were used to pay utility expenses had entered into written lease or use agreements with DCPS. Nine entered into lease agreements and two entered into use agreements. During fiscal year 2001, three of these charter schools—Blow-Pierce School, Chamberlain Elementary School, and Woodridge School—were sold.

Although the 11 charter schools initially entered into lease or use agreements, the agreements for four of the charter schools had expired as of March 2001, and DCPS files did not contain documentation extending the lease or use agreements. As previously noted, the Control Board's Order failed to specifically state whether DCPS or the Mayor would be responsible for negotiating new leases on the properties transferred to the Mayor. The responsible party for payment of utility expenses was specified in the expired agreements for each of the four schools. Further, the agreements indicated whether: 1) the charter schools were to pay the utilities directly by contacting the utility companies and arranging to have the utility accounts established in their name; or 2) DCPS was to collect payments for utility expenses from the charter schools. Six of the schools were to pay utility expenses directly to the utility company by having the accounts established in their name. Further, the schools were to send to DCPS proof of payment of all utilities on a quarterly basis.

The Auditor found no documentary evidence that proof of payment was provided to DCPS by any charter school. For five of the schools, DCPS was to bill the charter schools for utility expenses incurred by the school. The Auditor found no documentary evidence that DCPS billed any of the charter schools. One agreement did not specify how the utilities were to be paid, although it did specify that the charter school was responsible for paying its pro-rata share of utility costs. In one instance, a representative for a charter school indicated that the charter school's funds had been

used to pay for maintenance and repair expenses which should have been paid by DCPS. Therefore, the charter school's finance manager did not pay utilities to DCPS during fiscal year 2001. Instead, they offset utility expenses against maintenance and repair expenses paid by the charter school. DCPS Realty Office employees were unable to provide documentation regarding the propriety of this action and could not document when the offset began and when it ended.

Table V identifies the charter schools and the terms of the use or lease agreements for each school.

Table V
Auditor's Review of Charter School Agreements
To Determine Responsibility for Utility Costs

DCPS Facility and Address	Lessor and Lessee	Lease Term and Summary	Responsibility for Utilities
Carver School 1045 45 th St , NE	<u>Lessor</u> : DCPS <u>Lessee</u> : IDEA PCS	8/30/99 - 8/29/00	Lease agreement indicates tenant to pay a pro-rata share of operating costs.
Langley Junior High 101 T St , NE	<u>Lessor</u> : DCPS <u>Lessee</u> : Hyde Leadership PCS	5 years from 9/1/99	Amended lease requires Hyde to pay utilities directly to the vendor.
Langston ES & Slater ES 43 P & 45 P St. NW	<u>Lessor</u> : DCPS <u>Lessee</u> : ARE PCS	5 years from 7/2/98	ARE to pay providers directly
Harrison E S 2100 13 th St , NW	<u>Lessor</u> : DCPS <u>Lessee</u> : Children's Studio School	9/1/98-8/31/99	Children's Studio School
Rabaut Junior High 100 Peabody Street, NW	<u>Lessor</u> : DCPS <u>Lessee</u> : New Vistas PCS	8/16/99-7/15/04	Tenant pays a pro-rata share of all operating expenses
Rabaut Junior High 100 Peabody Street, NW	<u>Lessor</u> : DCPS <u>Lessee</u> : Ideal Academy PCS	10/22/00 - 1/3/01 for 3 rd fl	Ideal must reimburse District for pro-rata share of utilities upon presentation of bill by DC.
Rabaut Junior High 100 Peabody St , NW	<u>Lessor</u> : DCPS <u>Lessee</u> : Richard Milburn Academy PCS	8/16/99 - 7/15/04	Milburn to pay DCPS its share of expenses within 10 days of invoice
Paul JHS 5800 8th Street, NW	<u>Lessor</u> : DCPS <u>Lessee</u> : Paul JHS PCS	9/1/00 - 03/31/01	User shall pay charges for all materials, services, and utilities
Blow-Pierce School 725 19 th Street NE	Sold 11/00 to Friendship-Edison PCS ⁵		
Chamberlain ES 1345 Potomac Ave. SE	Sold 11/00 to Friendship-Edison PCS		
Woodridge ES 2929 Carlton Street NE	Sold 11/00 to Friendship-Edison PCS		

Source: DCPS

⁵ Prior to the sale of the buildings, Friendship Charter School leased each of the three buildings

RECOMMENDATIONS

1. OPM and DCPS officials must work cooperatively in determining which agency will manage each of the properties that the Control Board transferred to the Mayor and ensure that OFRM does not continue paying utility costs from DCPS' intra-District fund transfers for schools not occupied or controlled by DCPS.
2. DCPS and OPM officials must immediately review all use and lease agreements for DCPS facilities and negotiate and execute new agreements to replace those that have expired.
3. OPM and DCPS officials specifically designated by the Chief Property Management Officer and Superintendent of DCPS must monitor lease and use agreements to ensure that all provisions of the agreements are met. Lessees must show proof that utilities have been placed in their name and that they have received and paid all utility bills. Further, the Chief Property Management Officer and the manager of DCPS' Realty Office must take the appropriate administrative and/or legal steps necessary to recover \$602,151 from charter schools identified in this report and credit this amount to DCPS for fiscal year 2003. The Office of the Corporation Counsel should provide assistance, where necessary, in recovering these payments from charter schools.

CONCLUSION

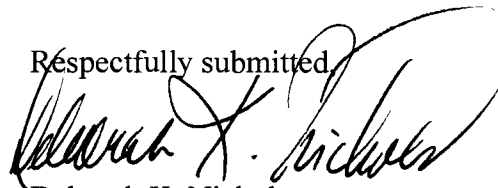
The Auditor determined that employees in the Office of Property Management (OPM) erroneously certified amounts to be paid to utility companies for utility expenses of facilities not occupied or controlled by DCPS. In blind reliance upon these erroneous certifications, employees in the Office of Finance and Resource Management (OFRM) made payments to utility vendors with DCPS funds for utility expenses of facilities that were not occupied or controlled by DCPS. Approximately \$892,869 were paid during fiscal year 2001 and the first quarter of fiscal year 2002 using DCPS funds to cover electric, gas, water and sewer, and fuel oil expenses for facilities that had either been sold, leased to, or used by non-DCPS entities, including other District government agencies. As a result of OPM management's: (1) failure to adequately verify whether the D.C. Public School System was responsible for paying utility expenses generated by these facilities, and (2) failure to properly manage the utility bill review and certification processes, the District of Columbia Public School System was improperly held financially responsible for utility expenses of facilities it did not occupy or control. Consequently, DCPS was deprived of critical financial resources that could have been used to provide books, services, and supplies needed to educate

District public school students. These resources also could have been used to fund the hiring of additional teachers, teacher aides, or to provide facility improvements at various District public schools.

The Auditor found that managers of OPM and DCPS' Realty Office failed to adequately monitor compliance with lease and use agreements to ensure that entities occupying these facilities paid utility costs in accordance with the agreements. Neither the DCPS Realty Office nor OPM could provide the Auditor with any documentation showing that lessees reimbursed DCPS for utility expenses paid from DCPS funds even though, in most instances, utility expenses were the sole responsibility of lessees. Further, there appeared to be a massive failure in communication between managers at OPM and the DCPS Realty Office in that they failed to clarify their respective roles and responsibilities regarding DCPS properties that had been transferred to the jurisdiction of the Mayor. The failure of both parties to clarify and properly discharge their management responsibilities regarding these facilities resulted in the absence of effective management and a system of management accountability. The parties also failed to acknowledge and accept responsibility for management deficiencies uncovered by this audit. Once again, however, the real tragedy is the failure of these two governmental entities to properly manage financial and related resources that could ultimately have been used to benefit children attending D.C. public schools.

The Office of the District of Columbia Auditor will conduct a follow-up audit of utility charges to DCPS' intra-District funds within 180 days to determine the status of compliance with recommendations made in this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deborah K. Nichols", written over the typed name.

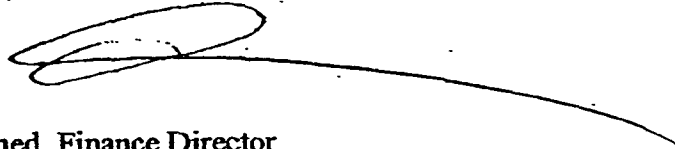
Deborah K. Nichols

District of Columbia Auditor

ATTACHMENTS

Attachment

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PROPERTY MANAGEMENT



To: Mohamed Mohamed, Finance Director
Office of Finance & Resource Management

From: Michael Lorusso, Deputy Director
Office of Property Management

Date: February 21, 2002

Subject: Authorization to Pay Washington Gas for December 2001 Natural Gas:

The Office of Property Management certifies payment to Washington Gas in the amount of \$232,295.88 for supply of natural gas in the month of December 2001. This payment covers the charges payable in the month of January 2002. Attached are the invoices associated with the above sum as well as a listing of the agencies, amounts payable, and account numbers.

Should you have any questions regarding the above, please feel free to contact either Faith Scott or Jimmy Jiminez on (202) 724-4400.

AGENCY SUMMARY OF WASHINGTON GAS PAYMENT FOR DECEMBER 2001

CODE	AGENCY	TOTAL
AA	OFFICE OF THE MAYOR	\$ 8.93
AM	PROPERTY MANAGEMENT	\$ 47.35
BA	OFFICE OF THE SECRETARY	\$ 58.79
BY	OFFICE ON AGING	\$ -
CE	PUBLIC LIBRARY	\$ 3,424.39
DL	BOARD OF ELECTIONS	\$ 792.33
FA	POLICE DEPARTMENT	\$ 3,621.23
FB	FIRE DEPARTMENT	\$ 7,335.78
FL	CORRECTIONS	\$ 13,153.04
GA	PUBLIC SCHOOLS	\$ 151,648.77
HA	PARKS & RECREATION	\$ 1,369.66
JA	HUMAN SERVICES	\$ 13,409.44
HC/JB	HEALTH DEPARTMENT (PUBLIC BENEFITS CORP)	\$ 455.55
KA	PUBLIC WORKS	\$ 6,707.77
KV	MOTOR VEHICLES	\$ 34.62
RM	COMMISSION ON MENTAL HEALTH	\$ 30,228.23
TOTAL		\$ 227,958.84

GA	100 Gallatin St NE	0226.309003	1,451.70
GA	100 L St NW	0396.496010	286.84
GA	100 L St NW	0396.496101	1,086.05
GA	100 Peabody St NW	0332.999317	2,980.96
GA	1001 Monroe St NE	0210.199212	28.67

Agency Code	Service Address	WG Asset	PAYMENT
GA	1001 Monroe St NE	0210.477402	3,067.24
GA	1008 21st St NW	0554.476002	1,294.70
GA	1100 50th Pl NE	0137.033502	810.83
GA	1100 Kenyon St NW	0430.240028	1,503.90
GA	1200 Clifton St NW	0054.829106	12,523.95
GA	1200 Clifton St NW	0416.000503	73.35
GA	1200 L St NW	0456.392109	1,164.22
GA	1200 S St NW	0462.142001	1,189.56
GA	1219 Neal St NE	0118.117001	2,604.06
GA	1224 Const Ave NE	0106.320005	1,388.90
GA	1225 48th St NE	0002.992428	875.60
GA	1320 44th St NE	0129.114500	1,777.99
GA	1350 Upshur St NW	0425.499704	1,872.83
GA	1400 Kalmia Rd NW	0346.225709	1,661.24
GA	1401 Brentwood Pkwy NE	0156.171001	1,808.54
GA	1401 Mich Ave NE	0204.343503	3,449.53
GA	1503 10th St NW	0445.451826	1,553.10
GA	1720 E Cap St NE	0003.828704	4,887.02
GA	1730 R St NW	0511.175515	214.19
GA	1755 Newton St NW	0498.279504	2,171.30
GA	1800 E St NE	0088.058003	990.67
GA	1820 Monroe St NE	0195.160502	1,108.86
GA	1831 35th St NW	0578.104606	4,111.15
GA	1850 Const Ave NE	0002.044501	18.23
GA	1850 Const Ave NE	0003.828803	4,488.46
GA	1925 Franklin St NE	0180.058505	2,072.02
GA	200 Douglas St NE	0216.190009	947.93
GA	2115 5th St NE	0218.166213	281.07
GA	2122 13th St NW	0465.079531	45.49
GA	2122 G St NW	0556.190015	1,032.70
GA	215 G St NE	0159.147008	47.94
GA	2409 N St NW	0081.989709	4,293.48
GA	2409 N St NW	0561.290206	463.66
GA	2501 11th St NW	0416.486017	1,279.08
GA	2520 Benning Rd NE	0140.006917	259.59
GA	2520 Benning Rd NE	0140.007303	90.57
GA	27 O St NW	0393.122007	69.78
GA	27 O St NW	0393.123104	539.81
GA	2801 Calvert St NW	0651.111726	844.26
GA	300 Bryant St NW	0415.400001	1,274.15

Agency Code	Service Address	WG Acct#	PAYMENT
GA	301 Elm St NW	0383.026200	369.31
GA	3012 GA Ave NW	0425.059508	1,805.66
GA	3101 16th St NW	0489.050013	121.10
GA	3106 14th St NE	0202.047007	351.69
GA	3145 Hiatt Pl NW	0489.240002	3.31
GA	3145 Hiatt Pl NW	0489.946400	64.09
GA	3219 O St NW	0570.092007	535.04
GA	3501 Reservoir Rd NW	0081.989402	4,541.86
GA	3501 Reservoir Rd NW	0635.364003	531.11
GA	3535 V St NE	0172.295016	1,633.83
GA	4001 Calvert St NW	0586.219503	597.17
GA	410 E St NE	0160.038501	1,882.38
GA	420 34th St NE	0142.015403	873.48
GA	425 C St NE	0162.325005	399.42
GA	430113th St NW	0365.784107	8,467.50
GA	435 P St NW	0411.548803	12.21
GA	4400 Brooks St NE	0134.135003	1,218.89
GA	4426 13th St NW	0365.182005	2,492.92
GA	445 Riggs Rd NE	0233.099514	1,531.89
GA	4501 Kansas Ave NW	0299.130005	2,041.14
GA	4525 Lee St NE	0130.182801	953.94
GA	4811 Macarthur Blvd NW	0593.294002	337.88
GA	5002 Hayes St NE	0171.375215	233.21
GA	503 Sheridan St NW	0335.195509	11.77
GA	503 Sheridan St NW	0336.597604	2,031.03
GA	5200 2nd St NW	0310.099403	1,759.69
GA	5201 S Dakota Ave NE	0242.049104	64.97
GA	5201 S Dakota Ave NE	0242.992709	2,998.88
GA	533 48th Pl NE	0251.210001	1,227.54
GA	5500 Eads St NE	0252.127501	293.37
GA	5500 Eads St NE	0252.800305	2,089.67
GA	5600 E Cap St NE	0138.001003	2,586.03
GA	5600 Eads St NE	0252.135009	1,157.48
GA	5830 8th St NW	0329.100010	2,708.63
GA	601 G St NE	0152.182705	2,137.43
GA	615 15th St NE	0099.309205	2,339.05
GA	6401 5th St NW	0054.829007	5,499.73
GA	6401 5th St NW	0337.194500	215.62
GA	650 Anacostia Ave NE	0139.029003	1,696.41
GA	6950 Plney Branch Rd NW	0230.035511	14.06

Agency Code	Service Address	MS Acc'd	AMEN
GA	704 26th St NE	0140.007402	68.81
GA	704 26th St NE	0140.989500	697.28
GA	800 Euclid St NW	0416.526002	4,196.23
GA	815 Division Ave NE	0173.993007	871.46
GA	818 Ingraham St NW	0313.199507	1,514.31
GA	855 26th St NE	0140.007808	11.65
GA	917 13th St NW	0452.447501	11.04
GA	917 Spring Rd NW	0374.595908	1,195.25
GA	917 Spring Rd NW	0374.855807	149.04
GA	920 F St NE	0148.340003	1,718.72
GA	931 R I Ave NW	0442.186219	3,289.40
GA	931 U St NW	0433.037009	544.72
GA	931 U St NW	0433.807401	1,565.30
			15,048.97



**DISTRICT OF COLUMBIA
PUBLIC SCHOOLS**

Attachment

Office of the Chief Financial Officer
825 North Capitol Street, N.E., 7th Floor
Washington, D.C. 20002-4232
202-442-5300, fax: 202-442-5304
www.k12.dc.us

Memorandum

To: Mrs. Barbara Jumper
Deputy Chief Financial Officer
Office of Finance and Resource Management

From: Donald L. Rickford *DLR*
Chief Financial Officer

Date: October 11, 2000

Subject: FY 2001 MOU for DCPS Utilities

Attached is the revised MOU for DC Public Schools' FY 2001 utilities in the amount of \$26,047,046.

After careful review of the FY 2001 Energy Forecast for Electric, Natural Gas and Water & Sewer, we have made deductions totaling \$519,670. These reductions represent estimated expenses for buildings that are not owned by DCPS. We have also attached a detailed analysis of these reductions.

Also, OCTO, Verizon and DCPS are in the process of analyzing the phone lines charged to DCPS. To date, they have identified a few hundred lines that do not belong to DCPS. We are, therefore, reserving the right to make reductions to telephone estimates. When the analysis is completed, we will notify you.

Again, the original forecast for FY 2001 Utilities in the amount of \$26,566,716 has been reduced to \$26,047,046.

Attachments

**DISTRICT OF COLUMBIA PUBLIC SCHOOLS
REVISION OF FY-2001 ENERGY FORECAST
FOR NON-DCPS BUILDINGS
@October 05, 2000**

ID	Building Name	Address	Account #	Energy	Amount
GA-005	Armstrong Adult (City)	122 P St NW	0108333907	Electric	1,277
GA-129	Rabaut Jr. High (Charter) (Buena Vista/Ideal/ Milburn)	100 Peabody St NW	0251245007	Electric	72,910
GA-124	Petworth ES (MPD)	8th&Shepherd St NW	0252300009	Electric	55
GA-124	Petworth ES		0254250004	Electric	82
GA-068	Hayes ES (Aging)	1005 5th St NE	0253347025	Electric	438
GA-057	Giddings (Private- Congressional Squash)	305 G St SE	0254052004	Electric	81
GA-113	Nichols Ave ES (Smithsonian)	2427 MLK Ave SE	0254083009	Electric	23,330
GA-120	Paul JHS (Charter)	8th&Oglethorpe St NW	0251213005	Electric	37,665
GA-192	Buchanan Facility (Nat'l Graduate Univ)	1318 E St SE	0254043029	Electric	490
TOTAL					136,328
GA-027	Carver ES (Charter) (Richard Milburn Acad) (IDEA Public Charter)	4525 Lee St NE	0130182801	Natural Gas	37,676
GA-052	Grimke ES (Fire)	1923 Vermont Ave NW	0433037009	Natural Gas	6,395
GA-052	Grimke ES	1923 Vermont Ave NW	0433807401	Natural Gas	34,564
GA-044	Emery (Old) (DHS)	100 Lincoln Road NE	0168041812	Natural Gas	636
GA-044				Dist Fuel	18,072
GA-120	Paul JHS (Charter)	8th&Oglethorpe St NW	0329100010	Natural Gas	53,197
GA-129	Rabaut JHS (Charter) (Buena Vista/Ideal/ Milburn)	100 Peabody St NW	0332999317	Natural Gas	63,935
GA-046	Filmore School (Corcoran Gallery)	1801 35th St NW	0578104606	Natural Gas	588
TOTAL					215,063
GA-076	Jackson Bldg (A Salon)	3058 R St NW	1236546006	Water&Sewer	1,751
GA-204	School (Sr.Citizen Bldg)	3rd&Elm St NW	1236557003	Water&Sewer	11,926
GA-023	Burdick SHS (Excel Institute/DHCD)	1300 Allison St NW	2235849003	Water&Sewer	20,401
GA-052	Grimke ES (Fire)	1923 Vermont Ave NW	2236583007	Water&Sewer	7,550

**DISTRICT OF COLUMBIA PUBLIC SCHOOLS
REVISION OF FY-2001 ENERGY FORECAST
FOR NON-DCPS BUILDINGS
@October 05, 2000**

GA-008A	Slater/Langston (Assoc Renewal Educ)	N Cap & 1st Sts	2236594004	Water&Sewer	1,914
GA-113	Nichols Ave ES (Smithsonian)	2427 MLK Ave SE	3235939000	Water&Sewer	3,272
GA-207	Lennox Annex (Fedora)	725 5th St SE	3236185009	Water&Sewer	2,683
GA-185	Woodridge ES (Edison)	2959 Carlton Ave	5236045000 5236067004	Water&Sewer Water&Sewer	393 3,166
GA-142C	Blair ES (DHS)	1st Bet 7th&6th	5236084009	Water&Sewer	18,912
GA-015	Blow-Pierce ES (Edison)	725 19th St NE	5236095005	Water&Sewer	10,830
GA-089	Langley JHS (Hyde Charter School)	115 T St NE	5236102009	Water&Sewer	3,043
GA-027	Carver ES (Richard Milburn Aca) (IDEA Public Charter)	4525 Lee St NE	5236160007	Water&Sewer	4,384
GA-071A	COGA	7th & G St SE	1179082001	Water&Sewer	2,299
GA-129	Rabaut JHS (Charter) (Buena Vista/Idea/ Milburn)	100 Peabody St NW	2235832009	Water&Sewer	17,096
GA-120	Paul JHS (Charter)	8th&Oglethorpe St NW	2235840002	Water&Sewer	6,012
GA-005A	Bundy (DHS)	429 O St NW	2236401002	Water&Sewer	3,706
GA-081B	Bryan (DC Gov't) Pending	1325 Indepen Ave SE	3235965005	Water&Sewer	11,043
GA-071A	COGA	7th & G St SE	3235974007	Water&Sewer	597
GA-206	Chamberlain (Edison)	1345 Potomac Ave SE	3235984006	Water&Sewer	5,129
GA-205	School (Charter) (Edison)	Carlton&Central Ave.	5236068002	Water&Sewer	32,172
TOTAL					168,279
Grand Total					\$ 519,670

Note: DCPS' Facilities Management Division and the Realty Office have verified use of these school buildings and have determined that Energy charges are not our responsibility. We are thereby excluding them from the FY-2001 Energy Forecast.

**DISTRICT OF COLUMBIA PUBLIC SCHOOLS
SUMMARY OF FY-2001 ENERGY FORECAST
FOR NON-DCPS BUILDINGS
@October 05, 2000**

<u>Utility</u>	<u>Original Forecast</u>	<u>Reduction</u>	<u>New Forecast</u>
Electric	\$ 9,413,543	\$ 136,328	\$ 9,277,215
Natural Gas	5,845,950	215,063	5,630,887
Water&Sewer	2,471,938	168,279	2,303,659
Security	247,921	-	247,921
Custodial	11,375	-	11,375
Telephone	2,310,727	-	2,310,727
Rent	5,066,656	-	5,066,656
Occupancy	295,610	-	295,610
Fuel	902,996	-	902,996
Total	<u>\$ 26,566,716</u>	<u>\$ 519,670</u>	<u>\$ 26,047,046</u>

INTRA-DISTRICT STANDARD REQUEST FORM
Government of the District of Columbia

PART I

GENERAL

MOU NUMBER: _____

DATE OF MOU: 10/05/00

SELLER INFORMATION

AGENCY: OFFICE OF FINANCE & RESOURCE MANAGEMENT

AGENCY CODE: AS0

NAME OF CONTACT: STEVE KIDD

ADDRESS: 441 4TH STREET, NW - SUITE 890N

WASHINGTON, DC

TELEPHONE #: (202) 727-0333

FAX #: (202) 727-0659

AUTHORIZING OFFICER: BARBARA JUMPER

DATE: / /

BUYER INFORMATION

AGENCY: DC PUBLIC SCHOOLS

AGENCY CODE: GA0

NAME OF CONTACT: Margaret J. Kelly

ADDRESS: 825 N. Capitol St. N.E.

7th Floor

Washington, DC 20002

TELEPHONE #: 202-442-5279

FAX #: 202-442-5305

AUTHORIZING FINANCIAL OFFICER: Ronald R. Rufford DATE: 10/10/00

AUTHORIZING AGENCY OFFICER: _____ DATE: _____

\$26,047,046 DTR
\$26,047,046 10/10/00

PLEASE SEE NEXT PAGE FOR SERVICE INFORMATION AND FUNDING CODES

MEMORANDUM OF UNDERSTANDING
FOR
INTRA-DISTRICT FUNDING

This Memorandum of Understanding ("MOU") is made as of this 1st day of October 2000, by and between Office of Finance and Resource Management ("Seller") and DC Public Schools ("Buyer").

WHEREAS, a project or specific services are provided by the Seller to the Buyer and budgeted under Intra-District funding; and

WHEREAS, the Seller and Buyer agencies must budget for the same amount by project to ensure that such agencies are reflecting the agreed upon costs for the proposed project or services; and

WHEREAS, the Seller will be funded at the beginning of the fiscal year for Intra-District projects or services provided to the Buyer during such fiscal year; and

WHEREAS, the Seller (Office of Property Management) reserves the right to charge a fee set in accordance with District of Columbia policy in support of intra-district services as approved by the District's Chief Financial Officer; and

WHEREAS, the Buyer shall assume responsibility for expenditures incurred for the consumption of goods and services provided by the Seller under this MOU and shall make available funds to pay for such goods and services as consumed by the Buyer. In the absence of available funds the Buyer shall accept all expenditures charged directly to the Buyer's budget by the Seller for such goods and services consumed under this MOU.

For and in consideration of the mutual premises contained herein, the Seller and Buyer agencies (hereafter the "Parties") agree as follows:

Obligations of the Seller

1. The Seller agency will make sure that the revenues for this project are reflected in the budget entry budget line item detail screen and the appropriate accumulators.
2. The Seller must establish an agency internal service fund with a corresponding index that ties to the fund and agency organization structure.
3. The Seller must provide the projected costs of providing the services under this MOU
4. The Seller shall make available to the buyer a monthly report that indicates the status of projects covered under this MOU. The report shall provide information regarding the total advance received by the Seller, the year to date expenditures booked to the project, the remaining balance of the advance, and a year end projection of expenditures for the goods and services as set forth in this MOU.
5. The Seller shall provide copies of invoices paid against the advance for the goods and services provided under this MOU
6. Any portion of the Buyer's advance not used for the payment of goods and services consumed by the Buyer will be returned to the Buyer by the Seller after all invoices have been received

Obligations of the Buyer

1. The Buyer agrees to the terms, projected cost and fund availability associated with MOU.
2. The Buyer agrees to provide a single point of collection of advance for each project as set forth under this MOU, or, the Buyer shall be responsible for submitting the advance to the Seller if there is more than one point of collection for a project set forth in this MOU.
3. Where the buyer is required to process the advance; the Buyer agrees to submit the advance within 10 working days of the beginning of the fiscal year, or within 5 business days of the receipt of this MOU.
4. The Buyer processes an ADVANCE of the projected costs to the Seller on an agreed upon frequency (quarterly or annually).

Additional terms of agreement

These terms have been agreed to by both the Buyer and the Seller:

IN WITNESS WHEREOF, the Parties hereto have signed this MOU as of the day and year first written above.

Seller _____ (Date)

Buyer Donald L. Pickford 10/10/00 (Date)

The buyer of a good or service are responsible for all charges over and above these MOU amounts which are incurred though contract re-negotiations for services, salary increases for protective services employees, un-anticipated cost increases generated by market forces outside of the control of the District of Columbia Government. The Office of Finance and Resource Management shall make every effort to notify agencies in the event increased costs are to occur.

INTRA DISTRICT REQUEST FORM

MEMORANDUM OF UNDERSTANDING

Government of the District of Columbia

PART II

MOU NUMBER

Page 1 of 3

SERVICE INFORMATION AND FUNDING CODES

All fields must be completed in their entirety

Good/ Service

SECURITY

Total Value

\$247,921.00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AM0	01		140GA	00002	4600			1440GA
Buyer	GA0	01	8720	87211	99000	0440			

Good/ Service

CUSTODIAL

Total Value

\$11,375.00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AM0	01		130GA	00002	4600			1430GA
Buyer	GA0	01	8720	87211	99000	0430			

Good/ Service

TELEPHONE

Total Value

\$2,310,727.00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AM0	01		108GA	00002	4600			1308GA
Buyer	GA0	01	8720	87211	99000	0308			

Good/ Service

ELECTRIC

Total Value

\$9,413,543.00

9,277,215.00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AM0	01		105GA	00002	4600			1305GA
Buyer	GA0	01	8720	87211	99000	0305			

INTRA DISTRICT REQUEST FORM

MEMORANDUM OF UNDERSTANDING Government of the District of Columbia

MOU NUMBER

Page 2 of 3

SERVICE INFORMATION AND FUNDING CODES

All fields must be completed in their entirety

Good/ Service	RENT
Total Value	\$5,219,046.00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AS0	01		109GA	00002	4600			1309GA
Buyer	GA0	01	8720	87211	99000	0309			

Good/ Service	WATER
Total Value	\$2,471,938.22

68

2,303,659.00 D/H 10/00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AS0	01		107GA	00002	4600			1307GA
Buyer	GA0	01	8720	87211	99000	0307			

Good/ Service	FUEL
Total Value	\$902,996.00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AS0	01		102GA	00002	4600			1302GA
Buyer	GA0	01	8720	87211	99000	0301			

Good/ Service	NATURAL GAS
Total Value	\$5,845,950.00

5,630,887.00 D/H 10/00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AS0	01		104GA	00002	4600			1304GA
Buyer	GA0	01	8720	87211	99000	0304			

INTRA DISTRICT REQUEST FORM

MEMORANDUM OF UNDERSTANDING
Government of the District of Columbia

INTRA DISTRICT REQUEST FORM

MEMORANDUM OF UNDERSTANDING
Government of the District of Columbia

INTRA DISTRICT REQUEST FORM

MEMORANDUM OF UNDERSTANDING
Government of the District of Columbia

MOU NUMBER Page 3 of 3

SERVICE INFORMATION AND FUNDING CODES
All fields must be completed in their entirety

SERVICE INFORMATION AND FUNDING CODES
All fields must be completed in their entirety

Occupancy
\$295,610.00

Occupancy
\$295,610.00

Occupancy
\$295,610.00

Occupancy
\$295,610.00

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller	AM0	01		119GA	00002				1319GA
Buyer	GA0	01	8720	87211	99000	0309			

[illegible]

	Agy	Year	Org Code	Index	PCA	Object	Agy Obj	Grant/Phs	Prj/Phase
Seller		01							
Buyer		01							

[illegible]

AGENCY COMMENTS

AUDITOR'S ANALYSIS OF AGENCY COMMENTS

On March 7, 2002, the Office of the District of Columbia Auditor submitted this report, in draft, for review and comment to the following agency officials: Chief Property Management Officer, Office of Property Management; Deputy Chief Financial Officer for the Office of Finance and Resource Management; President of the District of Columbia Board of Education; Interim Chief Financial Officer for the District of Columbia Public Schools; Fire Chief, Department of Fire and Emergency Medical Services; Chief Financial Officer of the District of Columbia; Director of the Department of Corrections; Executive Director of the District of Columbia Public Charter School Board; Superintendent and Chief Operating Officer of the District of Columbia Public School System; and Chief of Police of the Metropolitan Police Department.

Written comments were received from the following: Office of Property Management; Office of Finance and Resource Management; Department of Corrections; the Metropolitan Police Department; and the DCPS Realty Office. Where appropriate, changes were made to the final report to reflect the comments provided by responding agencies. All written comments received by the Auditor are appended, in their entirety, as part of this final report. The Auditor expresses appreciation to the Office of Finance and Resource Management and the Office of Property Management for their cooperation and invaluable assistance provided to the audit team during this engagement.

The Auditor found that the comments submitted by OPM officials did not respond to a significant number of the findings and recommendations specifically directed to OPM in the report. The Director of OPM, in his comments, indicated that OPM would modify its database to correct the deficiencies identified in the report. The comments also did not address the Auditor's recommendation that OPM and DCPS officials work cooperatively in determining which agency would manage schools transferred to the Mayor to ensure compliance with the terms of use and lease agreements.

This draft report did not address or contain findings regarding whether DCPS incurred a deficit in utilities for fiscal year 2001. The Auditor will discuss this issue in a second report on DCPS utilities.

The Director of the Department of Corrections disavowed any responsibility for the Department's utilities paid from DCPS funds. Further, the DOC Director failed to provide any documentation indicating that the Department of Corrections in fact paid its pro-rata share of all utility expenses at Grimke School.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PROPERTY MANAGEMENT



March 15, 2001

Ms. Debra Nichols, DC Auditor
717 14th Street NW
Suite 900
Washington, D.C. 20005

Dear Ms. Nichols:

Pursuant to the draft report on the "Review of Discrepancies in Energy Expenses Charged to the District of Columbia Public Schools During Fiscal Year 2001" issued by the Office of the District of Columbia Auditor, the Office of Property Management (OPM) submits the following comments in response to the information contained in the referenced report.

It should be noted that the District budgeted for the costs associated with energy services under the respective agencies, including DCPS. Any adjustment in the cost to be assumed by other agencies would, in turn, result in a reallocation of budget authority from DCPS to the agencies in question. Moreover, during the process of establishing fixed costs projections for the ensuing fiscal year, all agencies, including DCPS, are provided with cost allocations by facility location. Each agency is requested to review the accuracy of their facility locations included in their cost estimates. DCPS was provided with such an estimate and signed the Memorandum of Understanding for the cost associated with the energy services to be provided in the ensuing year.

As indicated in the above report, OPM is charged with the responsibility for certifying payment of invoices submitted by the Office of Finance and Resource Management (OFRM) for payment. Certification entails verification of the invoices for accuracy of charges and the agencies to which these charges relate. In this regard, OPM is responsible for certifying invoices associated with payment of charges to the District of Columbia related to electricity, natural gas, water and sewer, fuel, and steam. Upon certification of invoices, OPM forwards written authorization of the sum certified to OFRM for payment.

OPM has conducted an internal review of the information contained in the draft report submitted by the Office of the District of Columbia Auditor. The review

included among others, communication with the energy companies, District of Columbia Public Schools (DCPS) Facilities Division, Metropolitan Police Department, and the Department of Human Services. A review was also conducted of those leases pertaining to the schools in question, and in the possession of OPM, in order to determine the method of, and responsibility for, payment of energy charges.

While OPM was unable to complete an exhaustive review due to time constraints, this office, nevertheless, was able to conduct a preliminary assessment of the energy charges certified by OPM. More specifically, OPM's assessment of the electric, natural gas, and water findings are addressed below by building/school name and address.

Rabaut Junior High School @ 100 Peabody Street NW:

Based upon information obtained from DCPS, OPM has found that the leasehold agreement with the Charter School located in Rabaut Junior High School assigns responsibility for the payment of all energy charges to DCPS. The agreement also specifies that DCPS is responsible for collecting payments made on behalf of the Charter School. The energy charges in question relate to electricity, natural gas, and water, respectively.

Carver Elementary School @ 100 45th & Lee Street NE:

Based upon information obtained from DCPS, OPM's review has revealed that the leasehold agreement with the Charter School located in Carver Elementary School specifies that DCPS is responsible for the payment of all energy charges. In addition, the agreement specifies that DCPS is responsible for collecting payments made on behalf of the Charter School. The energy charges in question relate to electricity, natural gas, and water, respectively.

Grimke Elementary School @ 100 Vermont Avenue NW:

Based upon information obtained from DCPS, OPM has found that energy charges for electricity, natural gas, and water should be charged to the Department of Corrections. Under its agreement with the Fire Department, the Department of Corrections is responsible for the collection of those costs paid on behalf of the Fire Department. OPM has taken the necessary steps to modify its certification process and database to ensure the above agency is assessed for all future energy charges pertaining to this facility. The energy charges in question are electricity, natural gas, and water, respectively.

Paul Junior High School @ 100 8th Oglethorpe St NW:

Based upon information obtained from DCPS, OPM has found that a lease agreement effective 9/1/2000 was concluded between DCPS and the Charter School. OPM was not a party to this lease. OPM was not notified about energy charges pertinent to this agreement by DCPS. OPM, however, will follow up with DCPS to ensure that past charges are properly assigned. OPM has ceased certification of payment on this facility pending verification of the energy charges.

The energy charges in question are electricity, natural gas, and water, respectively.

Nichols Elementary School @ 2427 M. L. King Jr. Avenue SE:

Based upon information obtained from DCPS, the leasehold agreement between Arch Training Center, Inc. and DCPS indicates that Arch Training Center Inc. will reimburse DCPS for energy expenses associated with this facility. OPM was not a party to this lease. The utilities charges in question are electricity and water and sewer.

Harrison Elementary School @ 1301 V Street NW:

Based upon information obtained from DCPS, a leasehold agreement was executed between DCPS and the Children's Studio Public Charter School. OPM was not a party to this lease. The agreement specifies that DCPS is responsible for collecting payments made on behalf of the Charter School. DCPS, in turn, is responsible for the collection of these costs. The energy charges in question are electricity, natural gas, fuel, and water and sewer, respectively.

Giddings @ 305 G Street NW:

This facility was sold by DCPS on 8/17/99. Certification of energy charges for this facility has been discontinued. The energy charges are electricity and natural gas.

Ellington Field Houses @ 1700 38th Street NW:

OPM requested verification of use of this facility by the Metropolitan Police Department (MPD). A member of the MPD Facilities Division visited the facility and certified to OPM that MPD did not occupy any of the field houses at Duke Ellington School of the Arts. The energy charges related to this facility consisted of electricity, natural gas, and water, respectively.

Petworth Elementary School @ 813 Shepherd Street NW:

This facility has been occupied by MPD. This arrangement was concluded between DCPS and MPD. Notification of occupancy of this facility was communicated to OPM by MPD on 3/12/02. OPM has taken the prerequisite steps to move this charge from DCPS to MPD in its database. Certification of all future charges will reflect MPD and not DCPS. OPM will also determine the extent of the retroactive charges and work with both DCPS and MPD to have these charges applied appropriately. The energy charge associated with this facility is electricity.

Hayes Elementary School @ 1005 5th Street NW

This facility was sold to the Office of Aging. OPM has made the required change in its certification process & database to ensure energy charges are applied to the above agency. Electricity constitutes the only energy charge for this facility.

Woodson Senior High School @ 55th & Foote Street NE

OPM's communication with DCPS on the above facility suggests that Woodson Senior High School is an active school facility under the purview of DCPS. The energy charges in question are electricity, natural gas, and water, respectively.

Woodson @ 4095 Minnesota Avenue NE

Friendship Public Charter School of Washington, DC, occupies this facility. OPM's review has revealed that the electric bills for this facility are forwarded by PEPCO to Angie Cortez, 521 5th St, NY NY for Edison Friendship Collegiate Academy, Inc. The energy charge in question is electricity.

Bruce Monroe Elementary School @ 770 Kenyon Street NW

The Department of Human Services (DHS) currently occupies this facility. OPM has corrected its certification process & database to reflect this change. All future energy charges will be certified for payment by DHS. OPM will also work with DCPS and DHS to determine application of retroactive charges. It should be noted that the transfer of occupancy authority from DCPS to DHS would, in turn, require the transfer of fixed costs budget authority from DCPS to DHS. The energy charges in question comprise electricity, natural gas, and water, respectively.

Blow-Pierce @ 725 19th Street NE:

OPM's review reveals that this facility has been sold. OPM has ceased payment of water & sewer on this facility. The utility company will forward future invoices to Friendship House at 619 D Street, SE. OPM will take the necessary steps to ensure that past payments are refunded. The energy charge involved is water & sewer.

Blair High School @ Lincoln Road Douglas Street NE:

The Department of Human Services (DHS) currently occupies this facility. OPM's certification process has been modified & its database corrected to reflect this change. All future certifications for energy charges for this facility will be assessed to DHS. It should be noted that the transfer of occupancy authority from DCPS to DHS would, in turn, require the transfer of fixed costs budget authority from DCPS to DHS. The energy charge involved is water & sewer.

Agency @ 616 H Street NE:

This facility is leased to the Department of Motor Vehicles (DMV) under lease #8709. OPM has modified its database to reflect this change. All future certifications for energy charges for this facility will be assessed to DMV. It should be noted that the transfer of occupancy authority from DCPS to DMV would, in turn, require the transfer of fixed costs budget authority from DCPS to the DMV. The energy charge involved is water & sewer.

Chamberlain @ 14th & Potomac Avenue SE:

This facility was sold to Friendship House Charter School. Future payment on this facility for water & sewer has been discontinued. OPM will assess retroactive charges & take steps to ensure receipt of this sum. The energy charge involved is water & sewer.

Pool & Rec/COGA @ 31st & Ft. Lincoln Drive NE:

This facility is under the purview of the Department of Parks & Recreation. OPM has modified its certification process and database to reflect this change. All future certifications for energy charges for this facility will be assessed to the Department of Parks & Recreation. It should be noted that the transfer of occupancy authority from DCPS to Parks & Recreation would, in turn, require the transfer of fixed costs budget authority from DCPS to Parks & Recreation. The energy charge involved is water & sewer.

Bundy Elementary School @ 429 O Street NW:

The Department of Human Services (DHS) currently occupies this facility. OPM's certification process has been modified & its database corrected to reflect this change. All future certifications for energy charges for this facility will be assessed to DHS. It should be noted that the transfer of occupancy authority from DCPS to DHS would, in turn, require the transfer of fixed costs budget authority from DCPS to DHS. The energy charge involved is water & sewer.

Langley Junior High School @ 1st & T Street NE:

This facility is currently occupied by Hyde Leadership Public Charter School. Certification of future payment for water & sewer on this facility has been discontinued. OPM will assess retroactive charges & take steps to ensure receipt of this sum. The energy charge involved is water & sewer.

Slater/Langston @ North Capitol & 1st Street at P Street NW:

This facility is currently occupied by ARE Public Charter School. Certification of future payment for water & sewer on this facility has been discontinued. OPM will assess retroactive charges & take steps to ensure receipt of this sum. The energy charge involved is water & sewer.

Jackson @ Avon Place & R Street NW:

This facility is currently occupied by an Art Center. Certification of future payment for water & sewer on this facility has been discontinued. OPM will assess retroactive charges & take steps to ensure receipt of this sum. The energy charge involved is water & sewer.

Woodbridge Elementary School & Incinerator 4 @ Carlton & Central Avenue NE:

These two facilities have been sold to Friendship House Charter School. Future payments on these facilities for water & sewer have been discontinued. OPM will

assess retroactive charges & take steps to ensure receipt of this sum. The energy charge involved is water & sewer.

COGA Facility @ 7th & G Street SE:

OPM has been unable to obtain verifiable information on this facility as of the date of writing. The Capitol Hill Arts Workshop occupies this facility. The energy charge in question is water & sewer.

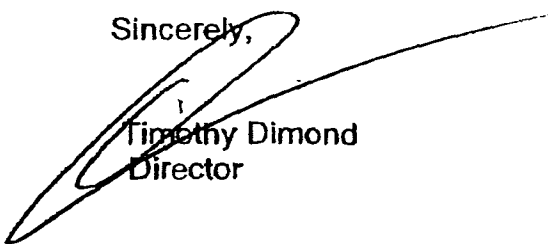
Bryan Elementary School @ 13th & Independence Avenue SE:

This facility has been sold to EYA Development, Inc. OPM database has been modified to reflect has change. OPM will assess retroactive charges & take steps to ensure receipt of this sum. The energy charge involved is water & sewer.

In closing it should also be noted that leasehold arrangements have been consummated between agencies without due notification to OPM regarding payment of energy services. In other instances, OPM initiated cessation of energy payment upon notification of the leasehold arrangements. In some instances, especially in the case of the Water & Sewer Authority, final charges were assessed some time after the utility company was notified. OPM, however, will continue to be vigilant in monitoring its certification process and database to ensure that energy charges are properly assessed and certified for payment.

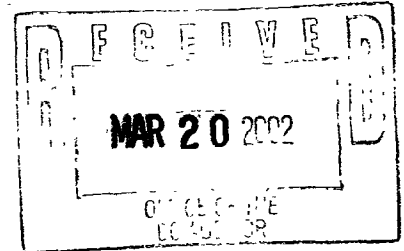
Should you have any questions relative to the foregoing, please feel free to contact either Michael Lorusso or myself at (202) 724-4400.

Sincerely,



Timothy Dimond
Director

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF FINANCE AND RESOURCE MANAGEMENT



MEMORANDUM

TO: Deborah K. Nichols, District of Columbia Auditor
Office of the District of Columbia Auditor

FROM: Barbara Jumper, Deputy Chief Financial Officer
Office of Finance and Resource Management (OFRM)

for D.K. Nichols

DATE: March 19, 2002

SUBJECT: Response to Draft Report

The Office of Finance and Resource Management (OFRM) have received the draft report entitled, "Review of Discrepancies in Utility Expenses charged to the District of Columbia Public Schools (DCPS) During Fiscal Year 2001."

1. In your opening paragraph (line 4 "As a consequence.....an initial deficit of \$8.6 million" it is assumed that there was a deficit. Our information is as follows:

DCPS Utility Budget for utilities were	\$ 31,152,707.00
DCPS expenditures were	\$ 29,970,386.37

Supporting documentation is attached.

2. Page 6 Para. 3 "The auditor found fiscal year 2002".

OFRM is of the opinion that the paragraph does not make it clear that DCPS has an input into its budget. OPM prepares the forecast, OBP submits the proposed budget to the Agency, it is reviewed and agreed upon before formal introduction into the final Budget.

3. Page 8 Para. 1 line 3 "OFRM in blind reliance.....repeated requests by the Auditor for such information".

OFRM wishes to make two comments:

1. The use of the word "blind" in line 3 is a subjective comment which is not consistent with the fact that it is the programmatic responsibility of OPM to certify bills and it is the financial responsibility of OFRM to pay based upon such certification.
2. OFRM is not aware that requests for information had not been honored. This is regretted. **Please find attached a copy of the payment process for utility expenses.**

4. Page 15 Recommendation 2 “ The Chief Property Management Officer.....fiscal year 2003”

As previously stated, OFRM does not accept the practicality of this recommendation.

OFRM wishes to advise that the issuance of credits is fiscally and legally impossible.

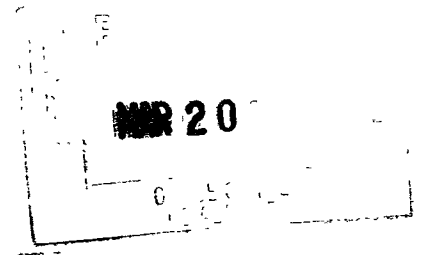
Previous fiscal years' books are closed. However in FY 2002 in order to implement the recommendation DCPS budget must be reduced by the amount recommended.

Once again, I wish to thank you for affording OFRM the opportunity to comment on this draft report.

FY 2001 Budget VS Expenditures for DCPS

Object Class	DCPS Utility Budget	Expenditures	Resp. Center's Name	Variance
30	28,227,432.00	26,997,719.24	Water, Sewer, Utilities	
31	1,931,757.00	2,427,129.88	Water, Sewer, Utilities	
32	993,518.00	545,537.25	Water, Sewer, Utilities	
	31,152,707.00	29,970,386.37		1,182,320.63

Project Description	Expenditures
Fuel	1,153,239.64
Gas	7,207,531.00
Electricity	10,585,507.66
Water	2,404,048.95
Telephone	2,625,418.26
Occupancy	84,783.34
Custodial	18,574.35
Security	238,320.43
Rent	4,888,868.83
	29,206,292.46



S061 V2.1 PRD DISTRICT OF COLUMBIA R*STARS 2.1 04/26/02 11:09 AM
LINK TO: AGENCY BUDGET FINANCIAL INQUIRY DSNF
ACTIVE

AGENCY: GAO AY: 01 ORG CODE: 8720 PGM CODE: FUNC CODE:
AP FUND: FUND: GRANT/PH: PROJECT/PH:
COMP SRC/GRP: 0030 OBJ/COBJ/AGY OBJ: AGY OBJ GROUP:
ORG LEVEL: 04 WATER, SEWER, UTILITIES, RENT
PGM LEVEL: 03 NON-PROGRAMMATIC DEPARTMENTS
FUNC LEVEL:
INQ TYPE: MC (MA, YA, MY, YY, MC, YC) DETAIL/SUMMARY: S
INQ YEAR: 02 INQ MONTH: 06 ADJ BUDG: 28,227,432.00
AGENCY BUDG AVAILABLE: 2,560,737.96 AGENCY BUDG PCT AVL: 9.07
EXP TO BUDG % : 93.20 ALLOT TO BUDG % : 0.00
AGENCY ALLT AVAILABLE: 25,666,694.04-

BT	TITLE	AMOUNT	BT	TITLE	AMOUNT
09	ORIG EXP BU	21,278,793.00			
10	EXP BUD REV	6,948,639.00			
15	CASH EXPEND	26,332,206.64			
16	INTRA-DIST	665,512.60-			
17	ACCRUED EXP	.00			

F1-HELP F2-DOC INQ F5-NEXT F9-INTERRUPT ENTER-INQUIRE CLEAR-EXIT

S061 V2.1 PRD DISTRICT OF COLUMBIA R*STARS 2.1 04/26/02 11:10 AM
LINK TO: AGENCY BUDGET FINANCIAL INQUIRY DSNF
ACTIVE

AGENCY: GAO AY: 01 ORG CODE: 8720 PGM CODE: FUNC CODE:
AP FUND: FUND: GRANT/PH: PROJECT/PH:
COMP SRC/GRP: 0031 OBJ/COBJ/AGY OBJ: AGY OBJ GROUP:
ORG LEVEL: 04 WATER, SEWER, UTILITIES, RENT
PGM LEVEL: 03 NON-PROGRAMMATIC DEPARTMENTS
FUNC LEVEL:
INQ TYPE: MC (MA, YA, MY, YY, MC, YC) DETAIL/SUMMARY: S
INQ YEAR: 02 INQ MONTH: 06 ADJ BUDG: 1,931,757.00
AGENCY BUDG AVAILABLE: 952,267.48- AGENCY BUDG PCT AVL: .00
EXP TO BUDG % : 125.60 ALLOT TO BUDG % : 0.00
AGENCY ALLT AVAILABLE: 2,884,024.48-

BT	TITLE	AMOUNT	BT	TITLE	AMOUNT
09	ORIG EXP BU	1,931,757.00			
15	CASH EXPEND	2,427,129.88			
16	INTRA-DIST	456,894.60			

F1-HELP F2-DOC INQ F5-NEXT F9-INTERRUPT ENTER-INQUIRE CLEAR-EXIT

S061 V2.1 PRD DISTRICT OF COLUMBIA R*STARS 2.1 04/26/02 11:11 AM
LINK TO: AGENCY BUDGET FINANCIAL INQUIRY DSNF
ACTIVE

AGENCY: GAO AY: 01 ORG CODE: PGM CODE: FUNC CODE:
AP FUND: FUND: GRANT/PH: PROJECT/PH:
COMP SRC/GRP: 0032 OBJ/COBJ/AGY OBJ: AGY OBJ GROUP:
ORG LEVEL: 04 FOOD AND NUTRITION SERVICES - STATE
PGM LEVEL: 03 STATE ADMINISTRATION EXPENSE
FUNC LEVEL:

INQ TYPE: MC (MA, YA, MY, YY, MC, YC) DETAIL/SUMMARY: S
INQ YEAR: 02 INQ MONTH: 06 ADJ BUDG: 993,518.00
AGENCY BUDG AVAILABLE: 171,536.04 AGENCY BUDG PCT AVL: 17.27
EXP TO BUDG % : 54.90 ALLOT TO BUDG % : 0.00

AGENCY ALLT AVAILABLE: 821,981.96-

BT	TITLE	AMOUNT	BT	TITLE	AMOUNT
09	ORIG EXP BU	125,300.00			
10	EXP BUD REV	868,218.00			
15	CASH EXPEND	545,537.25			
17	ACCRUED EXP	.00			
18	ENCUMB OUTS	276,444.71			
19	PRE-ENCUM O	.00			

F1-HELP F2-DOC INQ F5-NEXT F9-INTERRUPT ENTER-INQUIRE CLEAR-EXIT

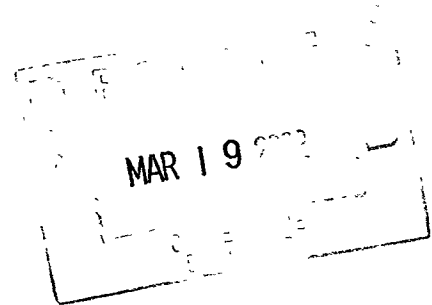
GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CORRECTIONS

Office of the Director



March 19, 2002

Deborah K. Nichols
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, NW
Suite 900
Washington, DC 20005



Dear Ms. Nichols:

This is in response to your draft report entitled, "Review of Discrepancies in Utility Expenses Charged to the District of Columbia Public Schools During Fiscal Year 2001." The D.C. Department of Corrections (DOC) has paid all energy and utility costs in accordance with the MOU provided by the Office of Property Management (OPM) and the Office Finance and Resource Management (OFRM) for FY 2001. The MOU covers all costs associated with electricity and with natural gas associated with the Grimke Building, which is located at 1923 Vermont Avenue, NW

The DOC has found all estimates and final costs to be reasonable based on the services provided. The discrepancies that are raised in the audit should be directed to the OPM and OFRM for resolution. Again, the DOC billing is current for all energy and utility costs for the Grimke Building.

Please note that the DOC strongly believes that this discrepancy is in error and should be pursued more vigorously with OPM and OFRM.

Thank you for sharing the audit and providing me an opportunity to respond.

Sincerely,

Odie Washington
Director



GOVERNMENT OF THE DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT

March 13, 2002

Deborah K. Nichols
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street N.W., Suite 900
Washington, DC 20005

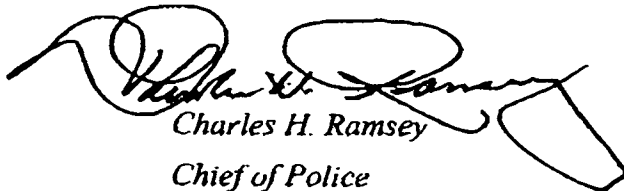
Dear Ms Nichols:

In respond to your letter of March 7, 2002, "Review of Discrepancies in Utility Expenses Charged to the District of Columbia Public Schools During Fiscal Year 2001" Page 14, we have reviewed the discrepancies and the Metropolitan Police Department (MPD) is taking the following actions.

"Mr. Edward Hampton and Mrs. Cheryl Mitchell of MPD, Office of Corporate Support, met with Ms. Kit Read, Project Manager at the Office of Property Management. All required forms were submitted to transfer both the Water and Sewer account and PEPCO account to the MPD. A Memorandum of Understanding is being prepared along with the Interagency Fund Transfer for \$8,538.30 to reimburse DC Public Schools for all cost incurred for utility expenses at the Petworth School."

If you have any questions, please contact Mr. Eric W. Coard, Senior Executive Director, Corporate Support at 727-4389.

Sincerely,



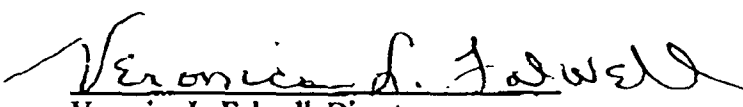
Charles H. Ramsey
Chief of Police

**DISTRICT OF COLUMBIA
PUBLIC SCHOOLS****Real Estate Office**

825 North Capitol Street, N.E., Suite 7122
Washington, D.C. 20002-4232
202-442-5199, fax: 202-442-5180
www.k12.dc.us

Memorandum

To: Matthew Aloth, Interim Chief Financial Officer
District of Columbia Public Schools

From: 
Veronica L. Falwell, Director
DCPS Realty Office

Date: March 12, 2002

Subject: Comments Regarding the Audit Report on Discrepancies in Utility Expenses
Charged to the District of Columbia Public Schools During FY2001

The Realty Office agrees that the auditor's statements are factually correct, however, circumstances beyond our control prevented us from ensuring that the lessees occupying the buildings in this report reimbursed DC Public Schools (DCPS) for the utility bills in question. For instance:

- The Office of Property Management (OPM) never informed DCPS that we were still being charged for utility payments for the following properties determined by the Board of Education as surplus and transferred to the Mayor for disposition in 1994. Representatives from DAS and DCPS signed off on documents* for the change of ownership that should have ensured that the utilities were billed to the correct DC Agency:

Grimke
Slater

Bundy
Bryan

Langston

- Our practice has been to rely upon the good faith of our lessee's occupying entire buildings to adhere to the terms and conditions of their agreements. In accordance with their agreements upon ratification the charter schools were to make the necessary arrangements with the utility companies to transfer all utilities into their names. The DCPS Realty Office was not informed by OPM, nor the DCPS Chief Financial Officer's office that the utility cost for the Charter Schools occupying the following properties were being charged to DCPS:

Harrison

Paul

Page 2, Comments Regarding the Audit Report on Discrepancies in Utility Expenses Charged to the District of Columbia Public Schools During FY2001

- The Realty Office has been unable to obtain a print-out of utility charges from OPM since 1999. The individuals who provided this information are no longer employed by OPM. After several attempts to obtain this information we were told by the new employees in this department that they had no knowledge of the utility print-out we were requesting.
- OPM and the Mayor's Office of Corporation Council have drafted lease agreements for the Charter Hub @ Rabaut, which includes a monthly utility payment along with their monthly rental payment. This lease agreement will soon go in effect, which will eliminate the utility reimbursement problem for Charter Schools in surplus buildings managed by OPM.

* Supporting documents included Exhibit A

cc: Louis Erste, Chief Operating Officer
Veleter Mazyck, General Counsel
RC Garcia, Director, Facilities Management



DISTRICT OF COLUMBIA
PUBLIC SCHOOLS

Exhibit A

Office of the Superintendent

415 12th Street, N.W.
Washington, D.C. 20004

(202) 724-4222

FAX (202) 727-1516

February 1, 1994

The Honorable Sharon Pratt Kelly
Mayor of the District of Columbia
441 Fourth Street, N.W., Suite 1100
Washington, D.C. 20001

Dear Mayor Kelly:

SUBJECT: School Building Disposition

The Board of Education ("Board") has determined that the following buildings are no longer needed for direct or alternative educational purposes:

- | | |
|---|--|
| 1. Bryan Elementary School
Independence Ave. between
13th and 14th Sts., S.E. | 6. Langston Elementary School
P St. between North Capitol
and 1st Sts., N.W. |
| 2. Buchanan Learning Center
13th and D Sts., S.E. | 7. Lovejoy Elementary School
12th and D Sts., N.E. |
| 3. Bundy School
429 O St., N.W. | 8. Randall Junior High School
1st and I Sts., S.W. |
| 4. Grimke School
Vermont Ave. and T Sts., N.W. | 9. Slater Elementary School
P St. between North Capitol
and 1st Sts., N.W. |
| 5. Kingsman Elementary School
14th and E Sts., N.E. | 10. Syphax Elementary School
Half and O Sts., S.W. |

Pursuant to D.C. Code §9-40(g), these building are to be transferred to the jurisdiction of the Mayor for sale with net proceeds to be deposited in the Board of Education's Real Property Improvement and Maintenance Fund as required by D.C. Code §9-40(b)(2). Mr William McAfee, Director of Facilities Management, is prepared to consummate the jurisdictional transfer of these properties and can be reached on 576-6612.

Yours truly,

Franklin E. Smith
Superintendent of Schools
Chief State School Officer

FLS:ljs

cc: Ms. Linda Moody
Mr. William McAfee
Ms. Helen F. Moss

Date: 2/28/94
Request #: _____

To: Department of Administrative Services
Buildings Management Administration
Energy Services Division
Washington, D.C. 20001

From: Department/Agency D.C. Public Schools
Administration/Division _____

Natural Gas ☒ POL ☐ Electricity ☒

Account# 0393198627 (Nat Gas) ?? Slater (E)
Meter# _____

Tank# _____

Building Address: 47 P St. N.W.

Request is to: Start Service ☐ Stop Service ☒ Or

Effective Date: 2/23/94

Remarks (Please Explain) Building has been turned over to ZAS

If further information is needed contact:

Name Robert E. Stokes Telephone # 576-7718

Signature of Authorized Designee: [Signature]

Date: 2/28/94
Request #: _____To: Department of Administrative Services
Buildings Management Administration
Energy Services Division
Washington, D.C. 20001From: Department/Agency D.C. Public Schools
Administration/Division CapitalNatural Gas ☒ POL ☐ Electricity ☒Account# 0393198809 (Nat Gas) 02522470 (El)Meter# _____
Tank# _____ LangstonBuilding Address: 35 P. St. N.W.Request is to: Start Service ☐ Stop Service ☒ OctEffective Date: 2/23/94Remarks (Please Explain) Building has been..
turned over to XAS (see attachment)

If further information is needed contact:

Name Robert E. Stokes Telephone # 576-7718Signature of Authorized Designee: Robert E. Stokes

D.C. GOVERNMENT DIVISION OF ADMINISTRATIVE SERVICES REAL
PROPERTY ADMINISTRATION RECEIVED FROM THE D. C. SCHOOLS
DIVISION OF FACILITIES MANAGMENT, REALTY OFFICE on May 17,
1994, THE FOLLOWING:

Bryan Building:

Keys:

Building is presently used as an administrative site

Employee for DAS receiving the above reference items:

Taine A. Boocker
Name
Real Estate Specialist
Title
May 17, 1994
Date

Witness:

A. P. [Signature]
Name
5/17/94
Date

D.C. GOVERNMENT DIVISION OF ADMINISTRATIVE SERVICES REAL
PROPERTY ADMINISTRATION RECEIVED FROM THE D. C. SCHOOLS
DIVISION OF FACILITIES MANAGMENT, REALTY OFFICE on
February 23, 1994, THE FOLLOWING:

Langston Building:

Keys: are enclosed

Building is empty

Employee for DAS receiving the above reference items:

[Signature]
Name
Real Estate Administrator
Title
February 23 1994
Date

Witness: [Signature]
Name
2-23-94
Date

D.C. GOVERNMENT DIVISION OF ADMINISTRATIVE SERVICES REAL
PROPERTY ADMINISTRATION RECEIVED FROM THE D. C. SCHOOLS
DIVISION OF FACILITIES MANAGEMENT, REALTY OFFICE on
February 23, 1994, THE FOLLOWING:

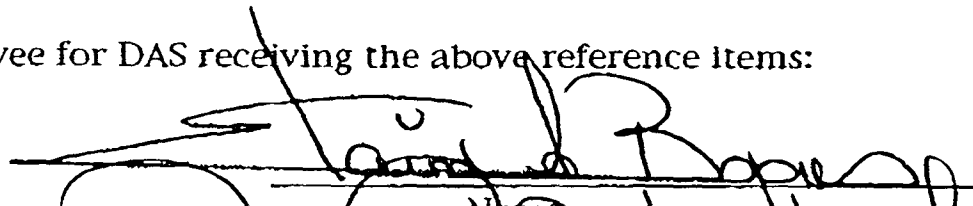
Grimke Building:

Copy of Use Agreement for Office of the Mayor's use of
Grimke School by the Departments of Correction and Fire

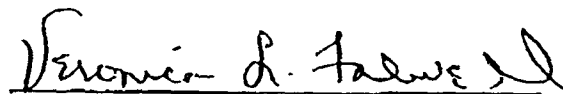
Suggested drafts of letter to Otis Latin (Fire Chief), Walter
Ridley (Dept. of Corrections), and Vincent Gray, Director (Dept.
of Human Services) advising that the Board of Education has
returned the building to DAS.

Keys: Tenant has the keys.

Employee for DAS receiving the above reference items:


Name
Gerald S. Taylor
Title
Real Estate Administration
February 23, 1994
Date

Witness:



Name

2-23-94

Date

D.C. GOVERNMENT DIVISION OF ADMINISTRATIVE SERVICES REAL
PROPERTY ADMINISTRATION RECEIVED FROM THE D. C. SCHOOLS
DIVISION OF FACILITIES MANAGMENT, REALTY OFFICE on
February 23, 1994, THE FOLLOWING:

Slater Building:

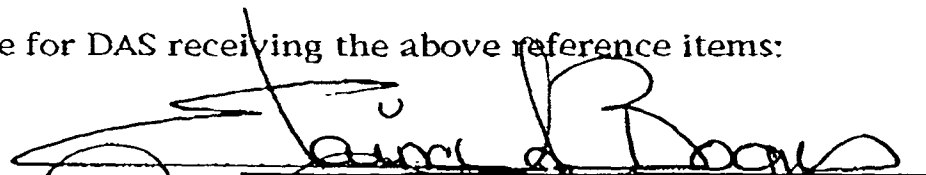
Copy of last Use Agreement for Associates for Renewal in
Education (ARE) use of Slater School

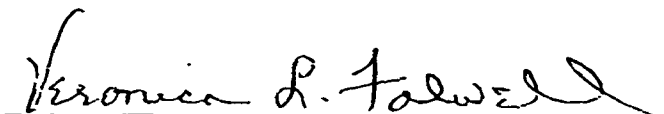
Suggested draft of letter to Brenda Strong Nixon advising
that the Board of Education has returned the building to DAS.

Copy of letter to Ms. Nixon advising of amount owed to DCPS
for utility costs for Oct. 1, 1993, through Jan. 31, 1994

Keys: Tenant has the keys.

Employee for DAS receiving the above reference items:


Name
Special Property Administrator
Title
February 23, 1994
Date

Witness: 
Name

2-23-94
Date

D.C. GOVERNMENT DIVISION OF ADMINISTRATIVE SERVICES REAL PROPERTY ADMINISTRATION RECEIVED FROM THE D. C. SCHOOLS DIVISION OF FACILITIES MANAGEMENT, REALTY OFFICE on February 23, 1994, THE FOLLOWING:

Bundy Building:

Copy of Use Agreement for Office of the Mayor's use of Bundy School by the Commission on Social Services

Suggested drafts of letter to Clifford Hubbard (Chief, MRDDA), and Ricardo Lyles (Commission on Social Services) advising that the Board of Education has returned the building to DAS.

Keys: Tenant has the keys.

Employee for DAS receiving the above reference items:

[Signature]
Name
Real Estate Administration
Title
February 23, 1994
Date

Witness: Veronica D. Fawcett
Name
2-23-94
Date