



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Dr. Donald E. Fennoy, Superintendent
Chair and Members of the Audit Committee

PLC

FROM: Lung Chiu, Inspector General

DATE: February 8, 2019

SUBJECT: Transmittal of Final Investigative Report
Case # 18-804 Forest Hill Community High School

In accordance with School Board Policy 1.092 we hereby transmit the above-referenced final report.

The report addresses the following allegations:

1. Shea Stockman, a former teacher at Forest Hill Community High School, provided screen printing services to Forest Hill Community High School, possibly creating a conflict of interest. *Substantiated.*
2. Shea Stockman, a former teacher at Forest Hill Community High School, submitted an invoice to a District school using a different vendor name for work completed by his company. *Substantiated.*
3. Shea Stockman, a former teacher at Forest Hill Community High School, violated District internal procedures by instructing a parent to pay him/his business directly for soccer items. *Substantiated.*
4. Laura Warner, a substitute teacher, submitted invoices to District schools using a different vendor name for work she completed. *Substantiated.*

The report is finalized and will be posted on the Inspector General's website; https://www.palmbeachschools.org/departments/inspector_general_s_office.



Donald E. Fennoy, II, Ed. D.
Superintendent

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL



INVESTIGATIVE REPORT

K. Lung Chiu, CPA
Inspector General

Case Number:
18-804

Date of Complaint:
June 26, 2018

Subjects:
Shea Stockman, Teacher, Forest Hill Community High School
Laura Warner, Substitute Teacher

Witnesses:
Eugena Feaman, Principal, Emerald Cove Middle School
Connie Rider, Treasurer, Forest Hill Community High School
Mary Stratos, Principal, Forest Hill Community High School
Omar Turrall, Three60Printing, LLC

Type of Report:
FINAL

AUTHORITY

School Board Policy 1.092 provides for the Inspector General to receive and consider complaints, and conduct, supervise, or coordinate such inquiries, investigations, or reviews, as the Inspector General deems appropriate.

This investigation was conducted by Senior Investigator Veronica Vallecillo in compliance with the *Quality Standards for Investigations, Principles and Standards for Offices of Inspector General*, promulgated by the Association of Inspectors General.

INTRODUCTION

During a review of the allegations of Office of Inspector General (OIG) Case # 18-750 regarding fundraisers at Forest Hill Community High School, the OIG determined that a District employee, Mr. Shea Stockman, owns a screen printing business (Cyan Shores, LLC) that does business with Forest Hill Community High School, possibly creating a conflict of interest.

The OIG also determined that District employee, Laura Warner and Mr. Stockman submitted invoices to District schools using the name of a District bid awarded vendor, Three60Printing, LLC (Three60Printing).

The OIG discussed the allegations with School Police. Detective Kevin McCoy, who determined the nature of the allegations did not rise to the level of criminal conduct.

Note: During the OIG's investigation, Mr. Stockman resigned from his job at Forest Hill Community High School.

BACKGROUND

Cyan Shores, LLC is a Florida Limited Liability Company that provides screen printing services.

Three60Printing, LLC is a Florida Limited Liability Company that offers professional custom t-shirts, custom apparel and promotional products. The company is a District bid awarded vendor as part of a term contract for the purchase of promotional items, custom shirts, apparel, and trophies.

Promos Plus offers silk screening, embroidery, laser printing, and other printing services.

Cyan Shores, LLC. and Promos Plus are not currently District bid awarded vendors.

ALLEGATIONS AND FINDINGS¹

1. Shea Stockman, a former teacher at Forest Hill Community High School, provided screen printing services to Forest Hill Community High School, possibly creating a conflict of interest. ***Substantiated.***
2. Shea Stockman, a former teacher at Forest Hill Community High School, submitted an invoice to a District school using a different vendor name for work completed by his company. ***Substantiated.***
3. Shea Stockman, a former teacher at Forest Hill Community High School, violated District internal procedures by instructing a parent to pay him/his business directly for soccer items. ***Substantiated.***
4. Laura Warner, a substitute teacher, submitted invoices to District schools using a different vendor name for work she completed. ***Substantiated.***

GOVERNING DIRECTIVES

- **Florida Statute 112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.**
- **Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools - Chapter 8.**
- **School Board Policy 3.02 Code of Ethics.**
- **District Internal Accounts Manual – Chapter 7 & 8.**
- **District Purchasing Manual – Chapter 12.**

¹ The OIG findings were determined using the standards that appear on the signature page at the end of this report.

- **16C-36B Term Contract for the Purchase of Promotional/Novelty Items, Custom Imprinted Shirts and Apparel and Trophies.**
- **14C-19B Term Contract for Promotional/Novelty Items, Trophies and Plaques (A supplement to Bid 12C-25B)**

ALLEGATION 1: EVIDENCE & TESTIMONY

Allegation: Shea Stockman, a former teacher at Forest Hill Community High School, provided screen printing services to Forest Hill Community High School, possibly creating a conflict of interest.

Testimony of Shea Stockman, Former Teacher, Forest Hill Community High School

Mr. Stockman stated he is the owner of a screen printing business named Cyan Shores, LLC. Mr. Stockman started Cyan Shores in August 2017 (previously named Pheebz, LLC) and has been in screen printing for about 10 years.

Mr. Stockman stated he started print business with Forest Hill Community High School after August 2017, as a result of him communicating to other teachers that he would not be able to coach because he needed to focus on his printing business. Some teachers learned about Mr. Stockman's business and placed orders with him. Mr. Stockman continued to receive additional orders through word of mouth.

Mr. Stockman confirmed he did not obtain approval from the Forest Hill Community High School Principal prior to doing business with the school.

Mr. Stockman confirmed his wife works at a District school, Allamanda Elementary. Mr. Stockman stated neither him nor his wife advertise the business. All business from District schools has been through word of mouth.

Mr. Stockman confirmed he has done business with Emerald Cove Middle School, Allamanda Elementary School, and John I Leonard High School. Mr. Stockman believes Emerald Cove and Allamanda may have used PTSAs (Parent Teacher Student Association) funds instead of internal funds to pay for the orders.

Mr. Stockman explained that in May 2018, he stopped doing business with Forest Hill High School after he was approached by the School Principal who told him that because he is not an approved vendor, they could no longer purchase from his business. Mr. Stockman was under the assumption that it was acceptable to do business with the District, as long as he was not working on school grounds and was providing competitive pricing. Mr. Stockman also assumed that since the school was paying him for completed orders, there were no issues.

Mr. Stockman stated he inquired about becoming a District awarded vendor with Ms. Jan Butts in the Purchasing Department. Ms. Butts explained to him that he could not be a vendor because he was a District employee.

Testimony of Mary Stratos, Principal, Forest Hill Community High School

Ms. Stratos confirmed that Forest Hill Community High School was doing business with Shea Stockman. Ms. Stratos learned about Mr. Stockman's screen printing business during an activities meeting in October 2017 from a teacher. Ms. Stratos recalls placing an order with Mr. Stockman for long/short sleeved shirts and recalls that Mr. Stockman's prices were better than other vendors.

Ms. Stratos was not aware that the school doing business with Mr. Stockman was a conflict of interest. Ms. Stratos did not know that Mr. Stockman's business was not a bid awarded vendor. Ms. Stratos confirmed she did not directly ask her Treasurer Connie Rider if Mr. Stockman's business was a District bid awarded vendor nor did Ms. Rider bring it to her attention at the time.

Sometime in May 2018, Ms. Stratos' secretary Lisa Martin brought it to her attention that Mr. Stockman's business was not a District bid awarded vendor. Subsequently, Ms. Stratos began to research and do her due diligence and determined that the process was not allowed.

Documentation Reviewed

The Division of Corporations, the State of Florida's official business entity index and commercial activity website (Sunbiz.org), reflects Mr. Shea Stockman is the registered agent and managing member for Cyan Shores, LLC.²(Cyan Shores). The records indicate Cyan Shores was incorporated on August 7, 2017. Mr. Stockman was also a registered agent for Pheebz, LLC. Pheebz, LLC was registered on June 7, 2016 and records show a dissolution dated September 22, 2017.

According to the Cyan Shores Instagram Account, the business works with the local Palm Beach County community to provide services to small or large businesses, charities, schools, family events, companies, and more.

The OIG reviewed the District's internal fund accounts and determined that Cyan Shores and Pheebz, LLC were compensated \$42,964.75 between December 19, 2016 and August 9, 2018 as follows:

| School | Business Name | # of Transactions | Total Amount Paid |
|-------------------------|----------------------|--------------------------|--------------------------|
| Forest Hill High | Cyan Shores | 74 ³ | \$40,014.25 |
| John I. Leonard High | Cyan Shores | 2 | \$834.50 |
| Forest Hill High | Pheebz | 3 | \$2,028.00 |
| Palm Beach Central High | Pheebz | 1 | \$88.00 |
| TOTAL | | 80 | \$42,964.75 |

² As of September 20, 2018.

³ Includes four transactions paid using the school's purchasing card.

The review also determined that on October 4, 2017, Forest Hill Community High School made three checks payable to Mr. Stockman totaling \$2,219.25 for three orders.

Total payments to Mr. Stockman, Cyan Shores and Pheebz related to printing jobs totaled \$45,184.

Florida Statute and School Board Policy Violations

Florida Statute 112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys

(3) *Doing Business with One's Agency* states, in part, "Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer's or employee's own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision."

(7a) *Conflicting Employment or Contractual Relationship* states, "No public officer or employee of an agency shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of, or is doing business with, an agency of which he or she is an officer or employee, excluding those organizations and their officers who, when acting in their official capacity, enter into or negotiate a collective bargaining contract with the state or any municipality, county, or other political subdivision of the state; nor shall an officer or employee of an agency have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties."

School Board Policy 3.02 (e)Code of Ethics provides that "A conflict of interest can exist anytime your position or decisions provide the District or yourself with a financial benefit or improper advantage. A conflict of interest shall be defined as a situation in which the employee's regard for a private interest tends to lead to a disregard of the employee's public duty or interest. We are permitted to receive outside income as long as it does not create a conflict with our work in the School District. Unethical conduct includes, but is not limited to, the employee:

iv. Advertising business or professional activities on school district property or use work hours, property or services to perform or promote personal business or professional activities, or to campaign or raise money for any candidates for political office."

Although Mr. Stockman resigned from employment on October 23, 2018, the above took place while he was employed by the School District. Based on testimony obtained and documentation reviewed, the OIG determined that the allegation that Shea Stockman, a former teacher at Forest

Hill Community High School, provided screen printing services to Forest Hill Community High School, creating a conflict of interest was **Substantiated**.

ALLEGATION 2: EVIDENCE & TESTIMONY

Allegation: Shea Stockman, a former teacher at Forest Hill Community High School, submitted an invoice to a District school using a different vendor name for work completed by his company.

Testimony of Shea Stockman, Former Teacher, Forest Hill Community High School

The OIG presented Mr. Stockman with an image from his business Instagram Account reflecting shirts for “Grad Venture” for Emerald Cove Middle School. Mr. Stockman was asked to explain how Emerald Cove Middle School paid for that particular job. Mr. Stockman stated he was subcontracted by a company named Three60Printing. Mr. Stockman described the process as him being a drop shipper. Mr. Stockman confirmed he completed the artwork and printing for Emerald Cove Middle School.

Mr. Stockman stated that a teacher at Emerald Cove contacted him to place the order for the “Grad Venture” shirts. Since Emerald Cove did not allow orders to be placed through Cyan Shores, he worked with the teacher to find another vendor the school could use. Mr. Stockman stated Three60Printing provided the school with an invoice. Mr. Stockman confirmed he was paid approximately 80% of the gross total by Three60Printing for the job.

Mr. Stockman stated he does not have a written agreement with Three60Printing.

Mr. Stockman does not recall subcontracting with any other vendors in the past, except for possibly one order with Suncoast High School.

Mr. Stockman stated that he has never been able to work with Emerald Cove “officially”. Mr. Stockman has received conflicting information regarding the issue in the past and no one has ever been able to explain to him what the specific rules are, even though he has asked multiple times. Emerald Cove never gave him an explanation as to why they were not allowed to purchase from his business.

Testimony of Laura Warner, Substitute Teacher

Ms. Warner explained that she met Shea Stockman through him placing orders from her business during the time she was a bid awarded vendor. Ms. Warner said he has his own shirt printing business and she did business for him because he wasn’t a bid awarded vendor. In 2018 Mr. Stockman asked her to assist him with orders from Emerald Cove and Suncoast High School. Ms. Warner stated she assisted by handling the sales portion. Ms. Warner stated that for those orders she went through Three60Printing. Ms. Warner said she was reimbursed by Three60Printing and in turn she reimbursed Mr. Stockman.

Documentation Reviewed

District email records reflect an email dated January 24, 2017, from Ms. Warner to Mr. Stockman that states, “I’m working with someone who is an approved school vendor since school purchasing really pulled crappy one on me and several other vendors. If you get order you want to process call me. I have also state license [sic] (**Exhibit 1**).”

The OIG reviewed Cyan Shores Instagram Account and noted images of shirts with District school names other than Forest Hill and John I. Leonard High School. Based on the images, Emerald Cove Middle School, Allamanda Elementary School, and Palm Beach Central High School also had shirt printing services performed by Cyan Shores (**Exhibit 2**). Internal fund accounts for these schools did not reflect any payments to Cyan Shores or Mr. Stockman.

Further research revealed that Emerald Cove Middle School purchased shirts for “Grad Venture” from Three60Printing, although Cyan Shores Instagram Account reflected an image of shirts for Emerald Cove Middle School with the following caption “200 middle schoolers are ready for Gradventure at Universal Studios...”

The OIG contacted Ms. Kellie McCauley, the teacher responsible for the Grad Venture event at Emerald Cove Middle School. Ms. McCauley stated she reached out to Shea Stockman, a previous employee of Emerald Cove Middle School, who she knew did screen printing. Ms. McCauley confirmed that Mr. Stockman assisted her and informed her the invoice for the order would be coming from Three60Printing.

Emerald Cove Middle School internal fund account records indicate the school submitted a payment to Three60Printing totaling \$2,166.50 dated May 24, 2018. The supporting documentation for the payment included an invoice that appears to be from Three60Printing reflecting the following items (**Exhibit 3**):

| Description | Qty. | Price | Amount |
|--|------|--------|-------------------|
| Gildan 5000 Athletic Grey – Two Color Front/One Color Back | 240 | \$5.75 | \$1,380.00 |
| Next Level Men/Ladies Shirt – Athletic Grey – Two Color Front/One Color Back | 21 | \$6.50 | \$136.50 |
| Purple Drawstring Bag – Green Writing | 200 | \$3.25 | \$650.00 |
| Total | | | \$2,166.50 |

The OIG reviewed District email records that reflected various emails supporting Mr. Stockman dealt with Ms. McCauley, as follows:

- An email dated January 29, 2018, with subject “T-Shirts for 8th Grad Venture” confirms that Ms. McCauley reached out to Mr. Stockman regarding t-shirts. On the same day, Mr. Stockman replied to Ms. McCauley stating “I work with a business

vendor who contracts my services... So yes, you can use me :-) I'll give you a call later today if that is ok" (**Exhibit 4**).

- An email dated May 16, 2018, from Cyan Shores to Ms. McCauley with subject "Invoice from Cyan Shores LLC (0112)" with a link to view and pay the invoice. The link reflected an invoice with the name Three60Printing (**Exhibit 5**).
- An email dated May 24, 2018, with subject "Invoice" with an invoice attached with the name Three60Printing (**Exhibit 6**).

Florida Statute and School Board Policy Violations

Florida Statute 112.313 (3) Standards of conduct for public officers, employees of agencies, and local government attorneys states, in part, "Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer's or employee's own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision."

School Board Policy 3.02 (c)Code of Ethics states that employees should exemplify honesty and integrity in the performance of their official duties for the School District.

School Board Policy 3.02 (e)Code of Ethics provides that "A conflict of interest can exist anytime your position or decisions provide the District or yourself with a financial benefit or improper advantage. A conflict of interest shall be defined as a situation in which the employee's regard for a private interest tends to lead to a disregard of the employee's public duty or interest. We are permitted to receive outside income as long as it does not create a conflict with our work in the School District. Unethical conduct includes, but is not limited to, the employee:

- iv. Advertising business or professional activities on school district property or use work hours, property or services to perform or promote personal business or professional activities, or to campaign or raise money for any candidates for political office."

Although Mr. Stockman resigned from employment on October 23, 2018, the above took place while he was employed by the School District. Based on testimony obtained and documentation reviewed, the OIG determined that the allegation that Shea Stockman, a former teacher at Forest Hill Community High School, submitted an invoice to a District school using a different vendor name for work completed by his company was **Substantiated**.

ALLEGATION 3: EVIDENCE & TESTIMONY

Allegation: Shea Stockman, a former teacher at Forest Hill Community High School, violated District internal procedures by instructing a parent to pay him/his business directly for soccer items.

Testimony of Shea Stockman, Former Teacher, Forest Hill Community High School

Mr. Stockman was presented with an email he sent to parents in 2017 related to the Emerald Cove Middle School girls' soccer team where he instructed a parent to make payments for shirts and/or uniforms to Pheebz LLC.

Mr. Stockman stated he provided shirts and uniforms at cost to the students on the girls' soccer team at Emerald Cove Middle School. Mr. Stockman added that the purchase of shirts was optional and not required. Uniforms were provided by the school's athletic program if the student did not have the means to purchase a uniform. Mr. Stockman confirmed he was not compensated by the school's athletic program. Mr. Stockman stated he does not recall getting approval from the Principal or Athletic Director.

Mr. Stockman stated that 2017 was the only year he had parents pay his business directly for soccer items. Prior to that year, he did business with other vendors such as Promo Plus and dealt with Laura Warner. Mr. Stockman explained that he would collect payments and pay the vendor directly. Although Mr. Stockman took the required online training related to internal account procedures, he did not always deposit funds collected to the internal accounts or complete check requisition forms to pay the vendors, as required.

Testimony of Eugena Feaman, Principal, Emerald Cove Middle School

Ms. Feaman stated she was aware that Mr. Stockman had a screen printing business. Ms. Feaman confirmed Emerald Cove Middle School did not do business with him because he was not a District bid awarded vendor. Ms. Feaman stated that Mr. Stockman was a girls' soccer coach in 2017. Ms. Feaman was not aware that Mr. Stockman asked parents to make checks payable to his business for the purchase of soccer uniforms and/or shirts.

Ms. Feaman confirmed that Mr. Stockman nor anyone else asked for approval. Ms. Feaman checked with the Athletic Director who said they were not aware of the situation. Ms. Feaman noted there were 20 students on the soccer team that year.

Documentation Reviewed

District email records indicate that on January 26, 2017, Mr. Stockman exchanged emails with a parent regarding the girls' soccer team. Mr. Stockman replied with pricing information for shirts, uniforms and athletic fees. The email stated "If you are making out a check, the athletic fee goes out to Emerald Cove middle school and all the other stuff goes to Pheebz LLC." (**Exhibit 7**).

Florida Statute, School Board Policy and Procedures Violations

Florida Statute 112.313 (3) Standards of conduct for public officers, employees of agencies, and local government attorneys states, in part, "Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer's or employee's own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision."

School Board Policy 3.02 (e)Code of Ethics provides that “A conflict of interest can exist anytime your position or decisions provide the District or yourself with a financial benefit or improper advantage. A conflict of interest shall be defined as a situation in which the employee’s regard for a private interest tends to lead to a disregard of the employee’s public duty or interest. We are permitted to receive outside income as long as it does not create a conflict with our work in the School District. Unethical conduct includes, but is not limited to, the employee:

- iv. Advertising business or professional activities on school district property or use work hours, property or services to perform or promote personal business or professional activities, or to campaign or raise money for any candidates for political office.”

Chapter 7 of the District’s Internal Accounts Manual states that:

- All funds handled by school board employees during normal working hours shall be included in and become part of the internal funds, and must be recorded in School Cash unless accounted for in the district-level PeopleSoft accounting system.
- Activity sponsors are responsible for the collection of funds, completion of district forms to document those collections, making prompt deposits of funds, confirming that funds were recorded in the student activity account correctly and timely, and monitoring account balances and online payments on a regular basis.
- Activity sponsors must submit collections to the front office on a daily basis.

Chapter 8 of the District’s Internal Accounts Manual states that:

- All disbursements from internal funds must be in the form of approved pre-numbered checks.
- All purchases from internal funds require the advance approval of the principal.
- Teacher/sponsors may not make unauthorized purchases without first routing them to the principal for approval to confirm their compliance with district purchasing guidelines and policies.

Although Mr. Stockman resigned from employment on October 23, 2018, the above took place while he was employed by the School District. Based on testimony obtained and documentation reviewed, the OIG determined that the allegation that Shea Stockman, a former teacher at Forest Hill Community High School, violated District internal procedures by instructing a parent to pay him/his business directly for soccer items was ***Substantiated***.

ALLEGATION 4: EVIDENCE & TESTIMONY

Allegation: Laura Warner, a substitute teacher, submitted invoices to District schools using a different vendor name for work she completed.

Testimony of Laura Warner, Substitute Teacher

Ms. Warner explained that she is a substitute teacher for the Palm Beach County School District and is also a sales representative for Three60Printing. Ms. Warner stated that she has been working with Three60Printing for about a year. Ms. Warner said she developed a relationship with Three60Printing by looking through the District's bid awarded vendor list and contacting the owner, Omar Turrall. Ms. Warner stated that she works on a commission based structure, where the owner of Three60Printing takes 10% of each sale. Ms. Warner explained that Three60Printing does not complete any of the work, it is only the business name being used to complete the orders. Ms. Warner receives a 1099 form yearly from Three60Printing.

Ms. Warner said that initially she was using Three60Printing invoices, but for ease she now prepares the invoices herself and uses the business name on the header.

Ms. Warner stated that she has a business, Promos Plus, that is under her husband's name. Ms. Warner noted she is an officer for the company, Vice President of Sales. Ms. Warner explained Promos Plus was previously a bid awarded vendor for the School District either three or six years ago. Ms. Warner explained that when the District sent her and other vendors an email with information regarding extending the contract, she did not read the email in time to extend her contract.

Ms. Warner stated her current process for taking orders from District schools is as follows: she meets with person from school to provide a catalog so that the colors, designs, etc. can be selected, provides proof to customer for approval, then places order from a distributor. Once she receives the order from the distributor, she will either deliver or ship it to the school. Ms. Warner confirmed the school sends payment to Three60Printing. Ms. Warner stated that she does not print or embroider items herself, she uses businesses such as Florida T-Shirts and Dynamics Screen Printing to complete her orders.

Testimony of Omar Turrall, Three60 Printing, LLC

Mr. Turrall confirmed he is the owner of Three60Printing, LLC. located in Fort Lauderdale, Florida and has been a Palm Beach County School Board bid awarded vendor since 2015.

Mr. Turrall explained his business does screen printing and embroidery in-house and ad specialty items such as umbrellas, signs, trinkets, and custom water bottles are done through a distributor. Mr. Turrall stated that when he receives an order for ad specialty items, the distributor he uses will send the product directly to the school. Mr. Turrall noted he does not consider using a distributor, subcontracting. Mr. Turrall was asked if he was aware per his agreement with the Palm Beach County School Board that he is to notify the Purchasing Department if he will be using a subcontractor. Mr. Turrall stated he was not aware of that and has not notified the Purchasing Department.

Mr. Turrall stated he has two sales associates that are in-house. Mr. Turrall explained that he considers in-house sales associates those that actually use his systems and artwork. Mr. Turrall stated that Laura Warner is not an in-house sales associate, but instead a contractor.

Mr. Turrall stated that Ms. Warner and her husband, Arthur Warner, own Promos Plus. Mr. Turrall has been working with Ms. Warner since August 2017. Mr. Turrall stated he has never met Ms. Warner in person and has only dealt with her through phone and email. Ms. Warner reached out to Mr. Turrall because she was interested in working with him. Ms. Warner told him she had her own company, did all her work in-house, and was looking to work with him. Mr. Turrall stated that since Ms. Warner was going to be doing all the work, he agreed to a 90/10 commission structure.

Mr. Turrall confirmed she did all the work for the orders she received and he did not get involved except for receiving payment from whomever placed the order. Mr. Turrall explained that once he received payment, he would send a check to either Ms. or Mr. Warner minus his 10% and any applicable sales tax. Mr. Turrall noted that Ms. Warner would generate the invoices and send them to the appropriate school. Mr. Turrall stated that Ms. Warner sent him the invoices for the orders she worked on.

Mr. Turrall confirmed that his role in all the orders Ms. Warner took and completed using Three60Printing, was that he allowed her to use his business name for a 10% profit. Mr. Turrall explained that in his industry it is very common to have arrangements such as the one he had with Ms. Warner and that people call him frequently asking for the same arrangement.

Mr. Turrall noted that he provides Ms. Warner a W-9 at the end of the year.

Regarding the order Ms. Warner was involved with for Emerald Cove Middle School for “Grad Venture”, Mr. Turrall stated he did not complete any of the work and was under the impression the order was completed by Ms. Warner.

Mr. Turrall confirmed he does not know Shea Stockman or Cyan Shores.

Mr. Turrall stated he has not heard from Ms. Warner since he contacted her asking for an explanation regarding Mr. Shea Stockman after being contacted by the OIG. Mr. Turrall noted he does not have much knowledge of Ms. Warner’s history with the School District. Mr. Turrall confirmed he has not done business with Ms. Warner since June/July 2018.

Documentation Reviewed

Based on Ms. Warner’s testimony, the OIG reviewed District internal fund account payments to Three60Printing between July 2017 and September 2018. The information reviewed, revealed inconsistencies with the invoice numbers for Three60Printing. The OIG requested copies of invoices for each payment and determined that 22 invoices differed in format and/or included Ms. Warner’s phone number as part of the invoice while the other invoices had Three60Printing’s phone number. The 22 invoices totaled \$16,977.84 (*total includes the invoice discussed in Allegation 2*). **Exhibit 8** reflects a sample of the difference in the invoices.

As a result, Mr. and Ms. Warner received a total of \$14,673.15⁴ from Three60Printing for the orders she completed for the schools that were invoiced using Three60Printing’s name.

⁴ Reflects sales tax deductions where applicable.

OIG Case #18-804

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The Division of Corporations, the State of Florida's official business entity index and commercial activity website (Sunbiz.org), reflects that as of February 17, 2017, the owner of Promos Plus, a fictitious name, is Arthur Warner. Historical information reflects that Laura Warner was the owner of Promos Plus from May 13, 2011, until January 24, 2014, when Michelle Warner became the owner.

District records reflect that Promos Plus was a District bid awarded vendor as part of bid 14C-19B Term Contract for Promotional/Novelty Items, Trophies and Plaques. The term of this contract was from November 25, 2013 through February 6, 2016. The contract had an option of being renewed for one additional one-year period. On November 17, 2015, the Palm Beach County School Board approved a contract extension from February 7, 2016, through May 6, 2016.

The OIG obtained records reflecting a consent to assignment of contract related to bid 14C-19B dated June 2014 and signed by the then District's Chief Operating Officer from Laura Warner dba Promos Plus to Michelle Warner dba Promos Plus (**Exhibit 9**).

District internal fund account records reflect that District schools continued to utilize the services of Promos Plus although it was no longer a bid awarded vendor, as follows:

| Dates | No. of Schools | Amount |
|--------------|-----------------------|--------------------|
| 06/01/16 | 1 | \$969.00 |
| FY 2016/17 | 6 | \$34,571.69 |
| FY 2017/18 | 4 | \$25,883.43 |
| 08/23/18 | 1 | 1,075.00 |
| TOTAL | | \$62,499.12 |

Ms. Warner should have terminated any business dealings with the school District after the expiration of the contract. Instead, Ms. Warner circumvented District procedures in order to continue doing business with the District by submitting invoices using Three60Printing's name.

Florida Statute and School Board Policy Violations

Florida Statute 112.313 (3) Standards of conduct for public officers, employees of agencies, and local government attorneys states, in part, "Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer's or employee's own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision."

School Board Policy 3.02 (c)Code of Ethics states that employees should exemplify honesty and integrity in the performance of their official duties for the School District.

School Board Policy 3.02 (e)Code of Ethics provides that "A conflict of interest can exist anytime your position or decisions provide the District or yourself with a financial benefit or improper advantage. A conflict of interest shall be defined as a situation in which the employee's regard for a private interest tends to lead to a disregard of the employee's public duty or interest. We are

permitted to receive outside income as long as it does not create a conflict with our work in the School District. Unethical conduct includes, but is not limited to, the employee:

- iv. Advertising business or professional activities on school district property or use work hours, property or services to perform or promote personal business or professional activities, or to campaign or raise money for any candidates for political office.”

Based on testimony obtained and documentation reviewed, the OIG determined that the allegation that Laura Warner, a substitute teacher, submitted invoices to District schools using a different vendor name for work she completed was ***Substantiated***.

ADDITIONAL INFORMATION

Three60Printing, LLC.

As discussed in Allegation 4, Mr. Turrall allowed Ms. Warner to use the name of his business in order for her to continue to do business with the District. Based on the commission structure agreement discussed by both Ms. Warner and Mr. Turrall in their testimonies, Mr. Turrall made approximately \$1,600 from the orders completed by Ms. Warner. Mr. Turrall did not perform any work and yet was able to obtain a profit.

Bid Awarded Vendors and District Employees

The OIG compiled a list of the bid awarded vendors for contracts: 1) *16C-36B Term Contract for the Purchase of Promotional/Novelty Items, Custom Imprinted Shirts and Apparel and Trophies* and 2) *14C-19B Term Contract for Promotional/Novelty Items, Trophies and Plaques*. The OIG also obtained from The Division of Corporations, the State of Florida's official business entity index and commercial activity website (Sunbiz.org) the names and addresses associated with each vendor (registered agent, president, vice president, manager, etc.).

A comparison of the information against District employee records, found three (past and present)⁵ vendors that either had corresponding names and/or addresses with employee records.

Florida Statute 112.313 (3) Standards of conduct for public officers, employees of agencies, and local government attorneys states, in part, “No employee of an agency acting in his or her official capacity as a purchasing agent, or public officer acting in his or her official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his or her own agency from any business entity of which the officer or employee or the officer’s or employee’s spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or the officer’s or employee’s spouse or child, or any combination of them, has a material interest.”

⁵ Includes the business discussed in allegation #3.

RECOMMENDATIONS

The OIG recommends that the Director of Purchasing:

- Review all District vendors to ensure the owners are not District employees.
- Communicate to schools the importance of verifying that vendors are on the bid awarded list, since the list can change frequently.
- Consider suspending Three60Printing, LLC., if warranted.
- Consider debarring Promos Plus, Cyan Shores, LLC., or any business name related to Ms. Warner or Mr. Stockman, if warranted.

The OIG recommends the Office of Professional Standards review the violations and findings regarding Ms. Warner.

AFFECTED PARTY NOTICE

In accordance with *School Board Policy 1.092 (8)(b)(iv)*, on December 17, 2018, Mr. Stockman and Ms. Warner were notified of the investigative findings and provided with an opportunity to submit a written response to these findings.

On January 29, 2019, the OIG received a response submitted by Attorney Christopher DiSchino on behalf of Mr. Stockman. The response, in its entirety, is attached (**Exhibit 10**). The findings of this report will remain the same. The investigative findings support that Mr. Stockman's actions were not consistent with *Florida Statute 112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys, School Board Policy 3.02 Code of Ethics, and Chapters 7 and 8 of the District's Internal Accounts Manual*.

Regarding the request to remove allegation #4, in this particular allegation Ms. Warner is the subject, not Mr. Stockman. The allegation will not be removed.

Regarding the Board's consideration to debar Cyan Shores, LLC., Mr. Stockman, or any business name related to Mr. Stockman, the OIG's report did not mention the Board. The recommendation is from the Inspector General to the Director of Purchasing. The Director of Purchasing is not required to accept the recommendation.

No response was received from Ms. Warner.

DISTRIBUTION

Palm Beach County School Board Members
Dr. Donald E. Fennoy II, Superintendent
Audit Committee Members
Purchasing Department
Office of Professional Standards
OIG file

Investigation Conducted by:

Veronica Vallecillo, CIGI

2.8.19

Date

Investigation Supervised by:

Oscar Restrepo, CIGI, Director of Investigations

2.8.19

Date

Investigation Approved by:

K. Lung Chiu, CIG, Inspector General

2.9.19

Date

The evidentiary standard used by the School District of Palm Beach County OIG in determining whether the facts and claims asserted in the complaint were proven or disproven is based upon the preponderance of the evidence. Preponderance of the evidence is contrasted with "beyond a reasonable doubt," which is the more severe test required to convict a criminal and "clear and convincing evidence," a standard describing proof of a matter established to be substantially more likely than not to be true. OIG investigative findings classified as "substantiated" means there was sufficient evidence to justify a reasonable conclusion that the actions occurred and there was a violation of law, policy, rule, or contract to support the allegation. Investigative findings classified as "unfounded" means sufficient evidence to justify a reasonable conclusion that the actions did not occur and there was no violation of law, policy, rule, or contract to substantiate the allegation. Investigative findings classified as "unsubstantiated" means there was insufficient evidence to justify a reasonable conclusion that the actions did or did not occur and a violation of law, policy, rule, or contract to support the allegation could not be proven or disproven.

From: on behalf of Laura Warner
Sent: Tuesday, January 24, 2017 9:11 PM
To: shea.stockman@palmbeachschools.org
Subject: Re: Hi

Omg. Great news. Girl or boy if you know?? I'm working with someone who is an approved school vendor since school purchasing really pulled crappy one on me and several other vendors. If you get order you want to process call me. I have also state license

Sent from my iPhone

On Jan 24, 2017, at 3:57 PM, Shea Stockman <shea.stockman@palmbeachschools.org> wrote:

Doing well. I will be a father in about 4 weeks!

The t-shirt business is doing ok - I've been remodeling my house so it's been put on the side for the most part. Without a vendor license, my sales haven't been large but I have done a lot of little jobs. Definitely not those big orders I was hoping for had I been a vendor. Add in a pregnant wife and my time left to develop my website/advertise has been pretty minimal.

I am hoping to open my website soon to sell shirts individually. That is where the big bucks are, selling shirts for \$15 or more per shirt :-) I might try to capitalize on some of the political craziness that is going on with slogan shirts.

On Tue, Jan 24, 2017 at 1:30 PM, Laura Warner <promosplus4@aol.com> wrote:

Thinking of you. How's school and did you start the t shirt imprinting? Going to get in touch with Rae as well. Hope all good

Sent from my iPhone

--
Shea Stockman
Girls Soccer Coach
Edline Administrator
Emerald Cove Middle School

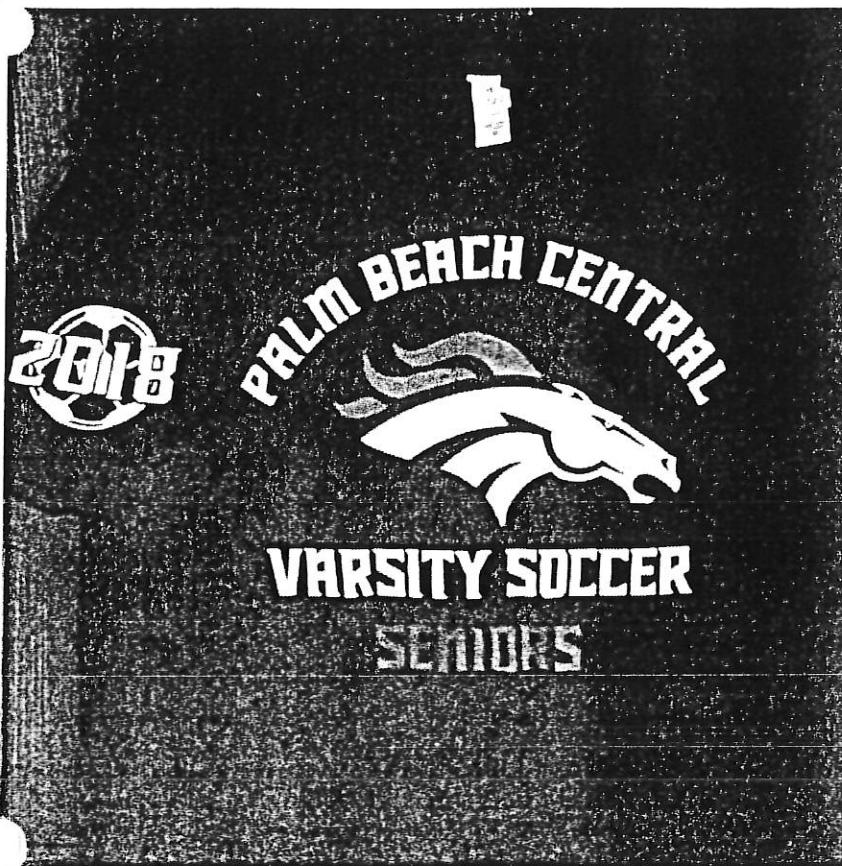
Disclaimer: Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

EXHIBIT

tabites®

2

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cyanshores • Follow
Palm Beach Central High School

cyanshores We work with schools to provide athletic jerseys, team shirts, and more!

15 likes

JANUARY 21

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Sign Up



cyanshores • Follow

cyanshores Washington DC shirts for Allamanda's DC trip. School shirts are our specialty!

cyanshores #screenprinting #tshirts #shirts #washingtondc #hoodies #ryonet #smallbusiness #poweringtheprint #westpalm #westpalmbeach

hannahroseay That 2nd one is really cool!

36 likes

MARCH 2

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[Sign Up](#)

Source: Instagram 4/28/18

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[Sign Up](#)



cyanshores • Follow
Wellington, Florida

cyanshores 200 middle schoolers are ready for Gradventure at Universal Studios next week!

cyanshores #cyanshores #gradventure
#gradbash #universalstudios
#islandsofadventure #orlando #fieldtrip
#middleschool #graduation #movingon
#screenprinting #poweringtheprint #tshirt
#tshirtdesign

32 likes

MAY 17

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[Log In to Instagram](#)

Log in to see photos and videos from friends and discover other accounts you'll love.

[Log In](#)

[Sign Up](#)

Source:
Instagram
6/29/18

EXHIBIT

3

INVOICE

Three60printing

561-305-9859

Please make check payable
to: Three60printing
PO Box 8142
Ft. Lauderdale, FL 33310

Invoice #: 0112

Invoice date: May 16, 2018

Due date: May 26, 2018

Amount due:
\$2,166.50

Bill To:

Emerald Cove Middle School

Kellie McCauley
9501 Stribling Way
Wellington, FL 33411
United States

kellie.mccauley@palmbeachschools.org
+1 8038000

| Description | Quantity | Price | Amount |
|---|----------|--------|-----------------------|
| Gildan 5000 Athletic Grey - Two Color Front/One Color Back Small - 119 Medium - 92 Large - 29 XLarge - 5 | 240 | \$5.75 | \$1,380.00 |
| Next Level Men/Ladies Shirt - Athletic Grey - Two Color Front/One Color Back Assorted Sizes | 21 | \$6.50 | \$136.50 |
| Purple Drawstring Bag - Green Writing One Size Fits All | 200 | \$3.25 | \$650.00 |
| Subtotal | | | \$2,166.50 |
| Discount (\$0.00) | | | \$0.00 |
| Total | | | \$2,166.50 USD |

Terms and Conditions

- Screen set up fee waived
- Artwork fee waived
- No sales tax to PBCSD

PAID
13405
CK NO. 512418
DATE #21UV.SD

Total \$2,166.50 USD

From: on behalf of Kellie McCauley
Sent: Monday, January 29, 2018 3:21 PM
To: shea.stockman@palmbeachschools.org
Subject: Re: T-shirts for 8th Grad Venture

Perfect. My plan is from 3:08-4:05, or after tutoring, so 5:30 or later.
Thanks!

On Mon, Jan 29, 2018 at 1:58 PM, Shea Stockman <shea.stockman@palmbeachschools.org> wrote:
I work with a business vendor who contracts my services... So yes, you can use me :-) I'll give you a call later today if that is ok.

On Mon, Jan 29, 2018 at 1:28 PM, Kellie McCauley <kellie.mccauley@palmbeachschools.org> wrote:
Hello Shea!

Hope all is well. Rae Jensen said you are still in the t-shirt business...are you on the PBSD approved vendor list? If so, what name should I look up? My personal number is 516-669-4689. Please call at your convenience. Thank you!

--
Kellie McCauley
Emerald Cove Middle School #3371
(561)803-8000

"Math may not teach us how to ADD LOVE or SUBTRACT HATE, but it gives us every reason to hope that EVERY PROBLEM HAS A SOLUTION." -Unknown

--
Shea Stockman
Earth/Space Science
Forest Hill High School

--
Kellie McCauley
Emerald Cove Middle School #3371
(561)803-8000

"Math may not teach us how to ADD LOVE or SUBTRACT HATE, but it gives us every reason to hope that EVERY PROBLEM HAS A SOLUTION." -Unknown

From: on behalf of Cyan Shores LLC
Sent: Wednesday, May 16, 2018 9:48 AM
To: kellie.mccauley@palmbeachschools.org
Subject: Invoice from Cyan Shores LLC (0112)

Hello, Emerald Cove Middle School



Here's your invoice

Cyan Shores LLC sent you an invoice for \$2,166.50 USD

Due date: May 26, 2018

[View and Pay Invoice](#)

Get more time to pay

Simply select PayPal Credit at checkout and enjoy 6 months to pay. Subject to credit approval. See terms. US customers only.



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PayPal PPC000977:1.2:63f0bc7c9aae5

INVOICE

Three60printing

Invoice #: 0112
Invoice Date: May 16, 2018
Due date: May 26, 2018

Amount due:
\$2,166.50

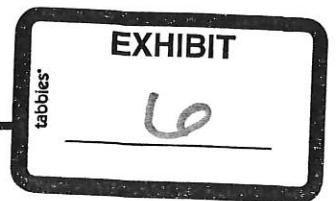
Bill To:

ke*****@palmbeachschools.org

| Description | Quantity | Price | Amount |
|---|----------|--------|-----------------------|
| Gildan 5000 Athletic Grey - Two Color Front/One Color Back Small - 119 Medium - 92 Large - 29 XLarge - 5 | 240 | \$5.75 | \$1,380.00 |
| Next Level Men/Ladies Shirt - Athletic Grey - Two Color Front/One Color Back Assorted Sizes | 21 | \$6.50 | \$136.50 |
| Purple Drawstring Bag - Green Writing One Size Fits All | 200 | \$3.25 | \$650.00 |
| Subtotal | | | \$2,166.50 |
| Total | | | \$2,166.50 USD |

Terms and Conditions

- Screen set up fee waived
- Artwork fee waived
- No sales tax to PBCSD



From: on behalf of Kellie McCauley
Sent: Thursday, May 24, 2018 2:43 PM
To: virginia.garceau@palmbeachschools.org
Subject: Fwd: invoice
Attachments: ECMS Field Trip invoice.pdf

----- Forwarded message -----

From: **Shea Stockman** <shea@cyanshores.com>
Date: Thu, May 24, 2018 at 2:40 PM
Subject: invoice
To: kellie.mccauley@palmbeachschools.org

Sorry for the delay.

--
Shea Stockman
Cyan Shores

--
Kellie McCauley
Emerald Cove Middle School #3371
[\(561\)803-8000](tel:(561)803-8000)

"Math may not teach us how to ADD LOVE or SUBTRACT HATE, but it gives us every reason to hope that EVERY PROBLEM HAS A SOLUTION." -Unknown

INVOICE

Three60printing

561-305-9859

Please make check payable
to: Three60printing
PO Box 8142
Ft. Lauderdale, FL 33310

Invoice #: 0112

Invoice date: May 16, 2018

Due date: May 26, 2018

Amount due:
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Emerald Cove Middle School

Kellie McCauley

9501 Stribling Way

Wellington, FL 33411

United States

kellie.mccauley@palmbeachschools.org

+1 8038000

| Description | Quantity | Price | Amount |
|---|----------|--------|-----------------------|
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| Purple Drawstring Bag - Green Writing One Size Fits All | 200 | \$3.25 | \$650.00 |
| Subtotal | | | \$2,166.50 |
| Discount (\$0.00) | | | \$0.00 |
| Total | | | \$2,166.50 USD |

Terms and Conditions

- Screen set up fee waived
- Artwork fee waived
- No sales tax to PBCSD

From: on behalf of Shea Stockman
Sent: Thursday, January 26, 2017 9:54 PM
To: klk3703@yahoo.com
Subject: Re: Welcome to our 2017 Soccer Season!

No problem!

\$12 for a short sleeve shirt
\$17 for a long sleeve shirt
\$20 for a uniform
\$50 athletic fee (\$25 if this is her second sport)

If you are making out a check, the athletic fee goes out to Emerald Cove middle school and all the other stuff goes to Pheebz LLC.

On Thu, Jan 26, 2017 at 8:20 PM Shanna <klk3703@yahoo.com> wrote:
Good Evening Coach,

I was late to the meeting and didn't get the break down of the fees required ?? Can you please let me know what I need to give her for .. activities fee, uniform and t-shirt/ shirts (I think she wanted a long ,and a short sleeve)

Thanks,

Shanna

Sent from my iPhone

On Jan 26, 2017, at 8:02 PM, Shea Stockman <shea.stockman@palmbeachschools.org> wrote:

Pirates -

Thank you again to everyone who showed up to the meeting on Monday.

Just a few extra notes/reminders:

- **The plan is to start games the week of 2/06.** This gives us one more week of practice before we have to be game ready. Our girls have a lot of talent - it should be another good year! Games MAY start at 4:45 instead of 4:30, that is still in the works.

- If you are going to give any student other than your child a ride to our away games, you MUST fill out the transportation paper and provide us a copy of your insurance and drivers license information. Even if you are BFF's with the other child's parents, the form must be filled out due to liability issues.

Three60Printing
561-305-9859

Invoice #1900
Aug 1, 2107

For: Hammock Point Welcome Back Staff Shirts
PO# IA2081-100

| QUANTITY | DESCRIPTION | PRICE | AMOUNT |
|----------|---|---------|-----------|
| 102 | Vintage royal blue jerseys white ink front/back imprint | \$11.50 | \$1173.00 |

Subtotal: \$1,173.00
Tax: \$ 70.38
Shipping\$ N/A
Total \$1,234.38

Please make check payable to:
Three60printing
P.O. Box 8142
Ft. Lauderdale, FL 33310

Three60Printing, LLC
 Accounts Payable
 P.O. Box 8142
 Fort Lauderdale FL 33310



1-888-974-7872

S.D. Spady Elementary
 Christina Benn
 901 N. W. 3rd Street
 Delray Beach FL 3344

| | |
|--------------------------|-----------------|
| Invoice # | 4368 |
| Invoice Date | August 29, 2017 |
| Balance Due (USD) | \$334.53 |

| Item | Description | Unit Cost | Quantity | Line Total |
|--------------------------|---|-----------|----------|-----------------|
| Polo | 82800L Ladies Red Embroidered 100% Polo Shirts: 4-med, 1-lg & 4-XL | 16.99 | 9 | 152.91 |
| Polo | 82800L Ladies Red Embroidered 100% Polo Shirts: 2-XXL | 18.99 | 2 | 37.98 |
| Polo | 82800 Men's Red Embroidered 100% Polo Shirts: 1-lg & 1-XL | 16.99 | 2 | 33.98 |
| Polo | 82800 Men's Red Embroidered 100% Polo Shirts: XXXL | 20.99 | 1 | 20.99 |
| Setup | Tape Charge | 60.00 | 1 | 60.00 |
| Shipping | | 28.67 | 1 | 28.67 |
| Total | | | | 334.53 |
| Amount Paid | | | | 0.00 |
| Balance Due (USD) | | | | \$334.53 |

Terms**STANDARD POLICY: PLEASE READ!**

A 50% Deposit is required with order, balance due upon receipt(COD). Customer is fully responsible for all charges including: SHIPPING & HANDLING, REVISIONS, COLOR CHANGES, RESTOCKING ETC. Customer agrees to pay collection cost including legal and court fees.



CONSENT TO ASSIGNMENT OF CONTRACT FOR PROMOTIONAL/NOVELTY ITEMS,
TROPHIES AND PLAQUES (BID 14C-19B)

THIS CONSENT TO ASSIGNMENT ("Consent"), relating to the Contract for Promotional/Novelty Items, Trophies and Plaques arising out of Bid 14C-19B is entered into by the School Board of Palm Beach County, Florida (the "School Board"), a corporate body politic governing the School District of Palm Beach County, Florida; Laura Warner dba Promos Plus; (the Assignor) and Michelle Warner dba Promos Plus ("the Assignee").

WHEREAS, the Assignor was awarded a contract by the School Board to provide (goods or services) specified in Bid 14C-19B, Promotional/Novelty Items, Trophies and Plaques, for the period commencing November 25, 2013 and ending February 6, 2016;

WHEREAS, Section 18 of Instructions To Bidder of Bid 14C-19B provides that the Assignor shall not assign the ensuing contract, or any or all of its right, title, or interest therein, to any person, company, or corporation without prior written consent of the School Board;

WHEREAS, the Assignee and Assignor have requested that the School Board consent to the assignment of the Contract, including all documents incorporated therein (the "Contract"), to the Assignee;

WHEREAS, the Assignee has the experience, qualifications, and capability to perform the services set forth in the Contract, in accordance with each and every term and condition set forth in the Contract;

WHEREAS, the School Board has determined that it would be in its best interest to consent to the assignment of the Contract to the Assignee;

NOW THEREFORE, in consideration of their mutual promises made herein, and for other good and valuable consideration, receipt of which is hereby acknowledged by each party, the parties, intending to be legally bound, hereby agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by this reference.

2. The Assignor and Assignee certify that the assignment is not made with the intent to hinder, delay, or defraud creditors or other persons of their lawful suits, damages, forfeitures, debts or demands; to delay liquidation of assets as part of the court approved receivership; or for other unlawful purposes.

3. Subject to and upon the terms and conditions hereof, the School Board hereby consents to the assignment of the Contract from Assignor to Assignee, provided that this Consent shall not impose any additional obligations on the School Board or otherwise affect any of the rights of the School Board under the Contract.

4. This Consent shall not operate as a waiver of any prohibition against further assignments without the School Board's consent as provided in Section 18 of Instructions To Bidder of Bid 14C-19B.

5. This Consent shall not operate or be construed as any waiver of any term, condition, right, or remedy of the School Board under the Contract.

6. The Assignor hereby grants, conveys, transfers, and assigns all its rights, and delegates its entire obligations under the Contract to the Assignee.

7. The Assignee hereby accepts the assignment of the Contract from the Assignor and acknowledges and represents to the School Board that it will abide by and assume each and every term, obligation, and condition including, but not limited to, each and every responsibility, duty, and obligation of the Assignor set forth in the Contract, whether arising prior to, on, or subsequent to the date of the assignment.

8. Any notices required by the terms of the Contract shall be delivered as directed therein to the Assignee at: 19106 Two River Lane, Boca Raton, FL 33498.

9. The Assignee hereby certifies that to the best of its knowledge and belief, neither it, nor its principals (officers, directors, owners, majority shareholders, partners, members, executives, and persons having primary management or supervisory responsibilities within the business entity) have been convicted of a public entity crime as defined in section 287.133(1)(g), Florida Statutes; been added to the Convicted Vendor List kept by the Florida Department of Management Services; are presently debarred, suspended, proposed for debarment, or had one or more contracts terminated for default by a public agency (federal, state, or local).

10. The Assignee agrees that it shall indemnify and hold harmless the School Board, its employees, and Board members, from and against any and all losses, claims, damages, and liabilities to which they may become subject, arising out of or in connection with this Consent to Assignment, and against any and all claims by any party seeking damages based upon an assertion that the assignment was done with the intent to hinder, delay or defraud creditors or other persons of their lawful suits, damages, forfeitures, debts or demands; to delay liquidation of the assets; or for any other unlawful purpose.

11. Except as otherwise set forth herein, the terms and conditions of the Contract, shall remain in full force and effect. In case of a perceived conflict between the terms of the Contract and this Consent, the terms of this Consent shall govern.

12. The individuals executing this Consent on behalf of Assignor and Assignee represent that they have full authority to execute this document on behalf of the entity for whom they are acting.

13. This Consent shall be governed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first hereinabove set forth.

Laura Warner d/b/a Promos Plus

By: Laura Warner

Date: 6/3/14

Michelle Warner d/b/a Promos Plus

By: Michelle Warner

Date: 6/3/14

The School Board of Palm Beach County

By: M.J. Burke

Michael J. Burke, Chief Operating Officer

Date: 6/19/14

Reviewed and Approved As To

Legal Form and Sufficiency

By: Karen H. Lee

Associate Counsel

Date: 5/23/14

January 29, 2019

VIA CERTIFIED MAIL

COPY VIA E-MAIL

Office of the Inspector General
School District of Palm Beach County
3318 Forest Hill Blvd., Suite C-305
West Palm Beach, Florida 33406
Attn: Oscar Restrepo

RECEIVED
JAN 29 2019

INSPECTOR GENERAL

**RE: OFFICE OF INSPECTOR GENERAL CASE NO. 18-804
FOREST HILL COMMUNITY HIGH SCHOOL**

Dear Mr. Restrepo:

As you know, my office represents Shea Stockman and Cyan Shores, LLC.

In connection with such representation, I am in receipt and have reviewed a draft report based on a written complaint against my Client, dated December 17, 2018, namely Case No. 18-804. Although Mr. Stockman has provided his own verbal testimony, as set forth in the draft report, we welcome the opportunity to respond to the draft report on behalf of Mr. Stockman and hope to resolve this matter amicably.

I. FACTS AND BACKGROUND.

Mr. Stockman has been an educator in Palm Beach County since 2009 and has been involved in afterschool sports and other activities organized by the schools where he has worked. Moreover, over the course of these numerous years, he has donated time and his own money to the activities in which he has been involved. Regarding the allegations set forth in your draft complaint, Mr. Stockman does not retract the statements made in his testimony, but instead clarifies certain facts and circumstances in this response. Mr. Stockman reasserts that there was never any intent, knowledge or willful misconduct in the events that transpired regarding his screen-printing business and related sales to these Palm Beach County educational institutions. At all times, Mr. Stockman believed that he was operating within the School Board's Rules and Regulations and exemptions therefrom and never once used his position to take advantage of the School District, any educational institution, or its students.

To clarify Mr. Stockman's relationship with Laura Warner, a substitute teacher for the School District and official vendor, Mr. Stockman met Laura Warner and was introduced to her work with Emerald Cove Middle School during a school field trip in 2015. He had, in fact, provided the artwork for this particular trip but received no compensation in connection therewith.

DISCHINO & SCHAMY

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The next year, Mr. Stockman worked with Mrs. Warner on the 2016 field trip, and provided the artwork and printing services. He was compensated by Mrs. Warner for printing. At this time, Mrs. Warner said she was no longer a vendor but now worked as a sub-contractor for a School District vendor. Based on his limited knowledge at that time, he knew that Ms. Warner was providing screen printing for the school but that she, herself, was not an approved vendor. When he inquired, Mrs. Warner explained that so long as the transaction was under One Thousand (\$1,000.00) Dollars the School Board allowed non-vendors to provide services. For transactions over One Thousand (\$1,000.00) Dollars, a non-vendor would have to work as a sub-contractor for an approved vendor in order to provide services or fulfill an order. The information provided by Mrs. Warner was corroborated by several different school employees who consistently used non-vendors for services under One Thousand (\$1,000.00) Dollars. This fact, combined with Mrs. Warner's activities working with various schools, it was reasonable for Mr. Stockman to assume that this conduct was acceptable. In fact, Chapter 3 of the District's Purchasing Manual states that purchases of less than One Thousand (\$1,000.00) Dollars may be processed through internal accounts using establish procedures and does not require an approved vendor. In addition, Mr. Stockman was always under the impression that an approved vendor could subcontract any other person or company and that, in fact, it was common practice to do so in Palm Beach County.

During the subsequent [2017] school year, Mr. Stockman was a coach for the Emerald Cove Middle School soccer team. In his capacity as coach, he often donated his personal time and resources to ensure that the students had the best possible experience. He purchased water bottles, pizza, soda, and other necessary soccer equipment from his own personal funds, so the team had everything it needed. Although Mr. Stockman admits that on one occasion parents gave payment for soccer jerseys directly to Mr. Stockman, it was done once and once alone and in the pure interest of efficiency for a very tight deadline. Due to the soccer season being only two-months long, most vendors wouldn't have their jersey's ready until the season was almost over, and they were needed in one week. These jersey's had personalized names, numbers, and the students were allowed to keep them after the season. Every student athlete voted unanimously to have custom jerseys that they would pay for at cost. No additional profit was made from these sales.

In early 2017, Mr. Stockman's first child was born. He was not given paternity leave but rather had to utilize his personal days to stay home and take care of his family. Shortly thereafter, he informed his Principal that he would be moving from Emerald Cove Middle School to Forest Hill Community High School.

In May of 2017, Mr. Stockman's wife was diagnosed with Stage 2 Non-Hodgkin's Lymphoma and began treatment immediately after being treated for cardiac heart failure. He had to use the remainder of his personal sick days to take care of their 3-month-old while his wife was fighting for her life in the hospital. She would need to spend over two months in the hospital for varying chemotherapy and radiation treatments. During her treatment, she also lost her School District insurance due to her inability to work a certain number of days that year and was forced to get COBRA insurance for the remainder of the year.

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In the fall of 2017, when Mr. Stockman moved to Forest Hill Community High School he agreed to coach the girls' soccer team. Shortly before the season started, Mr. Stockman regretfully informed the athletic director that he would be unable to coach due to the fact that he needed to find another source of income given that his wife was no longer able to work. At that time, he discovered that his wife was not covered under the Family Medical Leave Act because she had not worked the required days. This was solely due to the fact that no paid maternity leave was provided and Mrs. Stockman was required to take consecutive personal days to care for her newborn and medical treatments. His newborn child, his wife's recent diagnosis and required medical treatments placed a tremendous financial burden on Mr. Stockman.

During this conversation with Forest Hill's athletic director, the subject of Mr. Stockman's screen-printing business came up. The athletic director explained that many vendors were not meeting their deadlines or the School's expectations and he would be happy to use Mr. Stockman's company if the administration approved it. Mr. Stockman was very forthcoming and explained that he was not an approved vendor to which the athletic director once again confirmed if the administration approved the order and the services were under One Thousand (\$1,000.00) Dollars, the school could use his services. For anything over and above that threshold, he would be required to use an approved vendor. The administration approved Mr. Stockman's company (at the time, Pheebz LLC) to work with Forest Hill Community High School, once again reassuring Mr. Stockman, both by the administration and a senior employee that he was not violating any of the School Board's policies or procedures.

In early-2018, Emerald Cove Middle School's liaison reached out to Mr. Stockman to produce an order of field trip T-shirts. At the time, he did not work for Emerald Cove Middle School nor had he ever *advertised* his services to Emerald Cove Middle School, or for that matter, *any other school*. His colleagues, however, by word-of-mouth, were aware that he had a screen-printing company. Mr. Stockman was always very transparent in letting any customers know that he was not an approved vendor and in the event of an order over One Thousand (\$1,000.00) Dollars, they would have to go through an approved vendor, who would then hire him as a subcontractor.

In the Spring of 2018, Mr. Stockman moved his business and started a new company, operating as Cyan Shores, LLC. Mr. Stockman also requested to change to part-time position, given the fact that caring for his ailing wife, his newborn, and working two jobs was becoming too difficult to sustain.

Shortly thereafter, Mr. Stockman had sent an invoice to Forest Hill Community High School for school shirts. When the school's Secretary and Principal asked if he was an approved vendor for the School District, he explained that he was not, as he customarily did. At that point, the Principal said he would not be able to work with them again until he becomes a vendor for the School District but never mentioned the rules regarding potential conflicts of interest or any

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potential violations for his previous work. He was not paid for that transaction and stopped providing any services with Forest Hill Community High School, where he was then a part-time teacher.

In the Summer of 2018, Mr. Stockman received a call from Veronica Vallecillo [Rodriguez] from the Office of the Inspector General regarding invoices for T-Shirts that were sold to Forest Hill Community High School. He immediately called back and openly and transparently answered all questions she had. It was only during this phone call that Mr. Stockman was notified, for the first time, that (i) he was not allowed to provide *any* services to the School District, (ii) he was not allowed to be subcontracted by third-party approved vendors, and (iii) even within the approved vendors, there was a limit to how much business they could do with a particular school.

That Fall, with his newly acquired knowledge of the Palm Beach County School Board's rules and regulations for vendors, on October 23, 2018, Mr. Stockman resigned from his position as an educator to focus exclusively on the screen-printing business. Cyan Shores was recently featured in the "State of the City Video" by the Mayor of West Palm Beach and is also a Palm Beach County government official vendor as well.

II. ALLEGATIONS AND RESPONSES THERETO.

A. ALLEGATION 1: MR. STOCKMAN PROVIDED SCREEN PRINTING TO FOREST HILL POSSIBLY CREATING CONFLICT OF INTEREST.

It is important to note that the reason Mr. Stockman was hired by the schools was due to the fact that he was efficient, his work was of extremely high quality and his prices were very competitive. The statute cited in this first allegation, named Section 112.313, Fla. Stat., states, in relevant part, that an employee cannot have a relationship that "*will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.*" Mr. Stockman's services never created a conflict of interest between his private business and the performance of his public duties and never once used his position to take advantage of the School District, any educational institution, or its students. The statute goes on to state that "*[t]his subsection shall not prohibit a public officer or employee from practicing in a particular profession or occupation when such practice by persons holding such public office or employment is required or permitted by law or ordinance.*" Therefore, it is reasonable to assume that an district employee is not always prohibited from providing a service to the school, insofar as it does not create a conflict. Mr. Stockman respectfully maintains that no conflict of interest ever occurred. With regard to School Board Policy 3.02(e), Mr. Stockman again maintains that his private interest never once lead to a disregard of his public duty or interest and thus, no conflict of interest ever arose.

It is also worth noting that Mr. Stockman had no knowledge of any wrongdoing. His superiors and colleagues, including his athletic director, fellow teachers, and administrators were aware of his activities and employment status and continued to do business with his company. Mr. Stockman was participating in the sale of these products, but was not the person approving, ordering, or making the decision regarding these orders. It would be more reasonable to place responsibility on those placing the orders than it would be for Mr. Stockman to be reprimanded for his lack of understanding of the rules, combined with the reassurance of his superiors approving his sales.

Section II, Chapter 8 of the Florida Department of Education Red Book states that “[t]he school principal is fully responsible for all purchases and purchase commitments requiring present or future disbursements of internal fund monies. A signed commitment from the principal or designee(s) must be on file before any purchase is made. Vendors shall be notified of this policy. No purchase shall be made unless sufficient resources are available, except for inventory items that will be held for resale.” This once again directs the attention to the principal as the responsible party for all vendor transactions. This same section then goes on to say, “[w]hen the school district has a bid in effect, purchases of items covered must be made from the approved vendor unless the same item may be purchased elsewhere at a lower cost.” Accordingly, if Mr. Stockman was providing his services at a lower cost than an approved vendor according to this section of the Manual, Mr. Stockman may not, in fact, have been in violation of the rules. Moreover, Mr. Stockman was never in a decision-making position to approve his own sales or pricing therefor, which could have caused a conflict of interest between his duties responsibilities as an educator and his private business interest. Had Mr. Stockman been in a decision-making position, it would be more reasonable to believe that a conflict of interest may have occurred. In the present case, Mr. Stockman contends that no conflict ever existed.

Even if, after considering these facts and rules, the Mr. Stockman was still in violation, it is reasonable to believe that the policies can sometimes be confusing and somewhat contradicting and further, that Mr. Stockman did not have intent, knowledge, malice or a conflict of interest in selling T-shirts to the school.

B. MR. STOCKMAN SUBMITTED AN INVOICE DIRECTLY TO DISTRICT SCHOOL USING A DIFFERENT VENDOR NAME FOR WORK COMPLETED BY HIS COMPANY.

Mr. Stockman contends that this accusation misrepresents what actually occurred. Mr. Stockman was always under the impression that it was a common practice in the industry, even amongst approved vendors, to subcontract work. As to this allegation, Mr. Stockman was hired as a subcontractor for an approved vendor, which is why the invoice received by the school was from an approved vendor, namely Three60Printing. Nevertheless, once again, Mr. Stockman was unaware that this was impermissible, in light of the fact that the current policies in place do not account for this unique situation.

C. MR. STOCKMAN VIOLATED DISTRICT INTERNAL PROCEDURES BY INSTRUCTING A PARENT TO PAY HIS BUSINESS DIRECTLY FOR SOCCER ITEMS.

Mr. Stockman contends that this act was not done with any intention to make profit nor was it intended to harm the students or the school. In fact, all of the money received from this singular sale (in addition to Mr. Stockman's personal funds) were used solely for the benefit of the students. Mr. Stockman now understands that this conduct is not permitted under the District's rules and is fully aware that these policies are created to eliminate any misappropriation of funds or even the appearance of misappropriation. Rather, he submits that this action was done strictly out of convenience and no funds were lost or misappropriated. All payments were used for their intended purpose, namely to provide a direct benefit to his students.

D. MRS. LAURA WARNER SUBMITTED INVOICES TO DISTRICT SCHOOLS USING A DIFFERENT VENDOR NAME FOR WORK SHE COMPLETED

We respectfully assert that this accusation does not pertain to Mr. Stockman. While he did receive information and transacted business with Mrs. Warner, he is unaware of what Mrs. Warner did, what invoices she provided or the nature of her relationship with any approved vendors. We respectfully request that this allegation be stricken from the draft report.

III. GENERAL ARGUMENTS

As you are aware, Mr. Stockman has chosen to step down from his position as an educator to focus exclusively on his screen-printing business. Now knowing and fully understanding the rules, policies and laws that govern vendors, he desires to become a lawfully approved vendor for the school community and is in the process of preparing his application materials. He also applied for and has been accepted as an official vendor for the Palm Beach County government. His resignation from Forest Hill Community High School removes any potential conflict that could ever exist in the future. Throughout the course of Mr. Stockman transacting with the schools there were no parties were injured, nor were the educational institutions and their students were never disadvantaged. In his future endeavors, Mr. Stockman will continue to operate and transact business with the School District with full-transparency and integrity.

At present, the Board is considering debarring Cyan Shores, LLC, Mr. Stockman or any business related to Mr. Stockman from engaging in any transaction with There have been previous cases before the Office of the Inspector General, such as Case No. 17-665 where an employee failed to deposit all money raised by the school's PTA, did not maintain receipts to show proofs of purchase, and prepared checks without a second signature. In that case, the Board merely recommended the offender to "learn the rules", as a consequence. In Case No. 18-750, the allegations made by the Office of the Inspector General were that deposits were not made for two (2) school fundraisers. In that case the Board recommended that the offender merely "attend training".

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Finally, in Case No 16-498, much like our case, dealing with the use of an unapproved vendor by a School Principal, the Principal acknowledged, in his response, that Chapter 3 of District's Purchasing Manual states that purchases of less than One Thousand (\$1,000.00) may be processed through internal accounts using established procedures, while [the contradicting] Chapter 12 states that when available the School must use approved vendors. The Principal in that case acknowledged his wrongdoing and that he had learned from it, and the investigation was closed. No punitive action was taken against the offender.

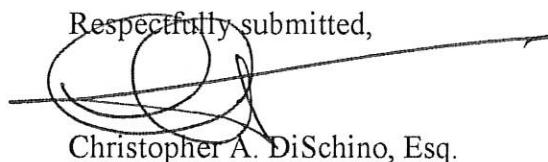
IV. CONCLUSION AND RECOMMENDATION

As previously stated, Mr. Stockman has resigned from his position as an educator and is depending on his ability to operate his screen-printing business, Cyan Shores, LLC, *particularly as an approved vendor for the School District of Palm Beach County*. He excels in his business and is trusted within the community based on his quality of work, pricing, familiarity with the District's needs and the recommendations of his colleagues. Mr. Stockman is in the process of preparing his application to become an approved vendor and is relying on this opportunity to continue to work with the schools for his own livelihood and that of his ailing wife and his newborn son.

Mr. Stockman reiterates that he never had intent to violate any rules or procedures and has been forthcoming throughout this investigation. Moreover, as further explained herein, reaffirms that he never engaged in any conduct which would constitute a conflict of interest, as defined in the rules.

Based on the facts of this investigation and other case precedent, his conduct certainly does not merit a disbarring. In conclusion, we kindly request that the Board change its recommendation to a lesser reprimand that would still allow Mr. Stockman to apply as an approved vendor and continue to transact business with the schools, providing exceptional quality products and competitive pricing.

Should the Office of the Inspector General desire to arrange a meeting to discuss this Case and a proposed resolution, please contact my office at the number listed below or by e-mail at christopher@dsmiami.com.

Respectfully submitted,

Christopher A. DiSchino, Esq.

cc: Lung Chiu, Inspector General
Veronica Vallecillo