

# Auditor Sees Bias in Irvine's Great Park Investigation



The iconic balloon at the Orange County Great Park.

Photo credit: Unknown

By **Adam Elmahrek** February 19, 2015 at 11:40 PM [Follow @adamelmahrek](#)

In a letter to Irvine leaders, the head of an auditing firm that declined to bid on the forensic audit of the Great Park said he shied away because he felt the investigation was structured in a manner that would strip the auditor of independence and lead to a biased conclusion.

The audit, which has since expanded into a broader investigation that is ongoing, was launched at the behest of the city's current Republican council majority soon after it gained power in the 2012 election.

It has so far found significant waste and abuse, including no-bid contracts and dozens of change orders that were approved with little to no accountability, invoices that lacked documentation, and political pressure so intense it seemed the park's consultants were running the project instead of city staff.

The probe has been credited for bringing fiscal accountability to the 1,300-acre park project, which has faced a torrent of criticism for spending millions of dollars on no-bid contracts while construction stalled.

Meanwhile, the park's former consultants targeted in the probe -- as well as members of the previous Democratic council majority that championed the park -- have, since the investigation's inception, lambasted it as a political witch-hunt aimed at bolstering the election fortunes of the Republicans.

But the April 18, 2013 letter from Kim Onisko, which was obtained by Voice of OC, represents the first time that an ostensibly independent player in the drama has come forward to claim potential bias.

"I couldn't point to any one thing, it was just my sense of smell," said Onisko, of Long Beach-based Onisko & Scholz, in a recent interview with Voice of OC. "My sense that it was going to become a major political issue... I didn't feel that I would be able to be independent."

In 2012, Onisko [conducted an audit](#) of the park that found no "significant or material findings." Onisko said past audits have encountered "natural friction" between "competing stakeholders."

Without a set of procedures mutually agreed upon by those involved and under consulting standards of the American Institute of CPAs, the auditor "would find it difficult, if not impossible, to render an objective opinion," the letter states.

City spokesman Craig Reem wrote in a statement to Voice of OC that the city had hired a CPA to assist in drafting the scope of services for the initial \$240,000 audit contract, but didn't address whether the city followed Onisko's advice about mutually agreed upon procedures.

Christina Shea, a Republican councilwoman, said she found the letter "very odd" because consultants rarely criticize the government agency when they decline to bid. She questioned whether the auditor had relationships with someone involved, like a former Great Park board member.

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"If [Onisko] didn't have the tenacity or the wherewithal to be independent and not political, then I'm very glad we did not ever use him," Shea said. "For a CPA firm to make a statement like that... I find that very unprofessional."

Onisko said he didn't have relationships with any of the consultants who had done work on the park project. He said he wrote the letter because he recalled the city asking those who decided not to bid to explain why not.

Yet Reem said the city never asked those who declined to bid to submit a response explaining why.

Larry Agran, the former councilman and longtime powerbroker who was seen as the leader of the former Democratic majority, also said he had no relationship with Onisko & Scholz.

"It's extremely rare for council members to get involved with auditors. I don't know who's done audits for the city. And that's pretty much the way it should be," Agran said.

Regardless of those questions, Agran and Democratic Councilwoman Beth Krom say the letter only affirms what they've known all along.

"If what these people say is it was their perception that this audit was being undertaken in a perhaps biased and perhaps politically motivated result... that's exactly what happened," Krom said.

Krom said the investigation's bias is further evidenced by the fact that auditors and lawyers in the investigation report in secret to a two-member subcommittee consisting of Shea and Jeffrey Lalloway, another Republican council member.

Shea says that safeguards have been in place, such as bringing in a retired judge to act as mediator, to ensure that the audit would remain unbiased.

The audit contract was first awarded to Newport Beach-based Hagen, Streiff, Newton & Oshiro, Accountants PC (HSNO) in 2013.

Since then, what started as an in-depth contract compliance audit expanded into an investigation, and the law firm Aleshire & Wynder was brought in to lead the probe. Aleshire & Wynder was also the firm to assist in the clean up of the city of Bell after a massive corruption scandal.

The investigation's final report has been postponed for months, though city officials and the law firm have blamed uncooperative consultants for the delays and rising costs. The price tag for the investigation has gone well over \$1 million.

The final report is now expected to be released some time in March.

Please contact Adam Elmahrek directly at [aelmahrek@voiceofoc.org](mailto:aelmahrek@voiceofoc.org) and follow him on Twitter: [@adamelmahrek](https://twitter.com/adamelmahrek)