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TOP NEWS

## NEWS

## Auditor: Great Park investigation seemed subjective from the start

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IRVINE – In 2013, city officials were searching for an auditor to do a comprehensive review of the \$200 million spent to develop a sliver of the Great Park.

A firm they had worked with previously to review spending on a portion of the park project didn't pursue the \$240,000 gig. The reason behind the demurrer is now clear.

A letter to the city from auditor Kim Onisko of Long Beach-based Onisko & Scholz surfaced last week, revealing that Onisko thought the assignment would put any firm that contracted with the city in the middle of the controversy over the park's development. The letter's content was first reported by Voice of OC.

In an interview Saturday with the Register, Onisko said it was clear that the assignment would be used as a political tool.

"Knowing the political climate in Irvine, I recognized that the way the project was going to be developed so the RFP could allow parties to steer it," Onisko said. A request for proposal, or RFP, is used to solicit competitive bids for services.

The contract went to auditing firm Hagen, Streiff, Newton & Oshiro, Accountants; spending on the audit has since risen to \$1.32 million, paid to HSNO and other entities including a law firm representing the city.

The detailed audit was requested by Councilwoman Christina Shea, a member of Irvine's new conservative council majority, and approved unanimously by the council.

Onisko at the time suggested that the proposal be reworked with input from all stakeholders, though he said he could not name exactly who he had thought was being left out because of how much time has passed.

Shea and the council's other Republicans suspect conflicts of interest and waste are behind the millions spent on the park, assertions vigorously disputed by Councilwoman Beth Krom and Larry Agran, a longtime official who lost a bid for re-election last year, marking the first time in 16 years he hasn't been at the dais as either a council member or mayor.

Agran has called the audit a misuse of public funds with the intent of smearing him and his allies. Krom on Saturday said the spending review has morphed into a "political witch hunt" and was wielded during the recent campaign to smear the council's Democratic faction.

During prior, less-stringent spending reviews, "natural friction" was displayed between "competing stakeholders," Onisko wrote in 2013. Those attitudes would make it "difficult, if not impossible" for an auditor "to render an objective opinion," he said.

That friction was showcased in a Great Park board of directors meeting in 2012 at which Onisko reported no "significant or material findings" from a compliance review his firm conducted of \$39.5 million spent on the park's schematic design.

Onisko & Scholz reviewed a random selection of about a quarter of the work completed by the Great Park Design Studio and found roughly \$4,000 in questionable payments, which were reimbursed to the city. But at the meeting, Onisko took heat from both sides.

Councilman Jeff Lalloway said the results displayed "somewhat sloppy work" and had left him concerned about the quality of the project's financial and contractual oversight.

Another Great Park board director, Bill Kogerman, who like other non-council members of the board has since been removed, said the report displayed "absolutely outstanding" financial management and congratulated staff on "keeping our finances in order."

In response to Onisko's letter, city spokesman Craig Reem said: "Although Onisko may not have agreed with the city's scope of services as set forth in the RFP document, staff followed all appropriate procedures in conducting the formal RFP solicitation process. That included using a CPA firm to provide guidance with scope of services development and receiving approval from the City Council prior to the RFP issuance."

Onisko told Voice of OC that he wrote the letter at the request of someone at the city, but Saturday said he had spoken in error and that the decision to author the note was his alone.

As the release of the audit nears, the letter is the latest point of contention in the unrelenting battle between Irvine's competing political factions.

Councilwoman Krom, the remaining seated Democrat, said the letter – sent at the beginning of the audit process – echoes concerns she has voiced consistently.

"Did I have concerns from the beginning that the agenda was not a proper one, more political than it was about the project? I did. Frankly, nothing has disabused me of that notion," Krom said. "I think this audit, which started supported by all five council members, morphed into an investigation conducted in complete secrecy by two members" – the oversight subcommittee, comprised of Lalloway and Shea.

Shea, in turn, said Krom and others are using Onisko's letter to distract from the upcoming audit report.

"They're trying to create a smokescreen," she said. "(The report) is not going to make management at the Great Park look good," she said, though a final version has not yet been released.

She found the unsolicited letter from Onisko "odd" when it arrived that year, and said she was glad that the firm didn't bid because the letter showed it would not have been able to handle the assignment.

However, Onisko said his firm has previously been successful in changing the scope of services of investigations elsewhere, and would have considered bidding had Irvine's been altered.

The report is now tentatively set to be released in late March.

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