

Great Park Auditors are Hypocrites

by Dan Chmielewski • September 23, 2015 • 0 Comments



Balloon Ride at The Great Park Irvine

The law firm of Aleshire & Wynder and the accounting firm Hagen, Streiff, Newton & Oshiro Accountants PC submitted invoices [well over budget](#) that was not authorized by the Irvine City Council to complete the final report of the Great Park forensic audit and investigation, employing the very tactics they criticized selected vendors of the Great Park for — the practice of amending contracts to cover work done without budgetary authorization.

Quite an embarrassment for Mayor Pro Tem Jeff Lalloway and Council member Christina Shea that their handpicked hatchet men went way over budget to complete a report on to match some political deadline.

Only about a quarter of the overage [was approved by the Irvine city council](#). But don't worry...should Aleshire & Wynder become the city's official law firm, we predict that rejected billing get paid off over time for "legal work" done for the city as part of their standard retainer.

And the law firm did such a knock out job, the title page was about the "Great Part" investigation, not the "Great Park."

From the Register:

In a letter to City Manager Sean Joyce, the firm's managing partner David Aleshire said pressure from Irvine officials to complete the audit in March pushed his firm over its \$465,000 budget.

The directive to submit conclusions to the council ahead of its March 24 meeting had Aleshire & Wynder attorneys and staff "working 18 hour days," he said. Even so, the final report "was barely complete" when the council reviewed the firm's findings.

"Placed in a difficult position," the firm "decided to make the priority finishing the report rather than ending up with more political theater about the never-ending report," Aleshire said, even though a significant chunk of the firm's budget was already exhausted.

However, "if it was wrong and you don't want to pay us, we are in a business where hard choices must be made and sometimes they don't work out," he said.

Pressure to complete the report on a tight deadline may also have been an issue for the forensic auditing firm, which wants \$67,257 more from the city. Great Park was misspelled Great "Part" on the first page of the firm's final report, issued in March.

From today's story documenting the council's refusal to pay all of the overages:

"However, since the firms issued their final reports in March, concluding that officials had mismanaged the more than \$200 million spent on the park's development between 2005 and 2012, Aleshire & Wynder has completed more audit-related work for the city, including pursuing potential litigation targets. Another \$165,000 is budgeted for that work.

In addition, the law firm had requested about \$115,000 more for work done to complete the final audit report and about \$72,000 more for assisting city staff with public record requests associated with the review.

Joyce said the firm was entitled to another \$30,000 it wanted for work done at the city's direction on a court petition targeting former Mayor Larry Agran. That amount the council approved unanimously. Of the \$72,011 the firm requested for assisting with the records requests, Joyce said the firm deserved \$26,174.

In December, Aleshire & Wynder attorney Anthony Taylor told the council he could complete the audit if they approve \$240,000 more – \$180,000 for his law firm and \$60,000 for HSNO.

The council did, but the firm's recent requests for additional money surpass that. Schott said the council should have been told sooner about the mounting costs.

Taylor urged the council to pay his firm in full, pointing to unexpected "resistance" from targets of the audit, including voluminous records requests, as a main reason for the firm's extra work.

The practice of amending contracts to cover work done without budgetary authorization is something auditors scolded Great Park managers for allowing in their March reports, which concluded that the Great Park project had wasted taxpayer money.

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Taylor asked the council to put the amount being requested into perspective with the more than \$200 million spent at the Great Park that he was tasked with investigating.

"At the end of the day, even with the \$115,000 you're looking at roughly \$1.5 million spent and our firm incurring only about a third of those charges," he said. "If you were to do a comparison between the amount of money spent on the Great Park project that would be akin to 100 versus only less than 1 dollar spent on the audit...It is a big number but, by comparison to what the task was, of looking at tens of thousands of pages of documents, it is less than 1 percent of the overall cost of the Great Park project."

The firm has already written off more than \$90,000 in fees, he added.

The council, on a 2-2 vote, approved paying Aleshire & Wynder \$56,174 of the \$216,683 the firm had requested.

No representative from HSNO spoke at the meeting. The council rejected its request for \$67,257 tied to work done to complete its final audit report.

Ken Brown, director of administrative services, said contracts with the firms protect the city from having to pay beyond set budgets.

Shea said she felt the firm was being "nickel and dimed" by Irvine and apologized on the city's behalf.

Choi called denial of the payments "unprofessional," "unjust" and "unsound."

"I see (the firm's) effort to complete the job thoroughly instead of worry about whether they would be paid or not," he said.

Joyce, who has been city manager since 2005, said Choi's comments denigrating the staff recommendation had the potential to intimidate city employees.

"I think those statements ... could potentially have a chilling effect on our objective review and presentation to you for your informed decision," he said. "I can only promise you this: however unpleasant this is, it will not have an effect on me."

We'll point out the firms failed to interview Council member Larry Agran until after he left office and did not have the benefit of city staff to help with a document dig. They never interview Beth Krom who knows more about the park than anyone in the city. They failed to interview Tim Shaw, the former communications head of the Great Park who had direct knowledge of the work of Forde & Mollrich, and the report only focused on about 15 percent of the funds spent by the Great Park.

Have no fear; the non-partisan State Auditor will look into the audit and investigation and the roles played by Lalloway and Shea to determine if politics and not transparency was the subtext behind the entire operation.