

January 23, 2023

Mr. Joris Jabouin, CPA  
Chief Auditor  
Broward County Public Schools  
600 SE 3<sup>rd</sup> Avenue, 8<sup>th</sup> Floor  
Fort Lauderdale, Florida 33301

Re: Supplemental Memorandum regarding Agreement FY22-204 – Caps, Gowns, Announcements & Diplomas


Dear Mr. Jabouin:

Carr, Riggs, & Ingram, LLC (CRI) was engaged to perform an inquiry concerning the procurement and vendor compliance with Agreement FY22-204, Caps, Gowns, Announcements & Diplomas (Agreement FY22-204). This inquiry was predicated on the allegations that certain graduating students/parents at Broward County Public Schools (BCPS) may have been overcharged. As part of this engagement, CRI issued a Forensic Examination Report of Agreement FY22-204 - Caps, Gowns, Announcements & Diplomas dated November 3, 2022 (Report). The Report is incorporated into this memorandum by reference. This memorandum is not intended to stand alone without the additional context included within the Report.

During the December 6, 2022 School Board of Broward County, Florida (SBBC) board meeting, Herff Jones, LLC representatives indicated that there may be mistakes or misunderstandings within the Report. At the Board's request, CRI, the Office of Chief Auditor and other BCPS personnel attended a meeting with representatives from Herff Jones, LLC on Friday, December 9, 2022. On December 13, 2022, the Office of the Chief Auditor and CRI provided the Board a preliminary update regarding the information provided by Herff Jones, LLC. Based on the additional information provided, the Office of the Chief Auditor engaged CRI to perform additional procedures related to this procurement. These additional procedures were as follows:

1. Reviewed and analyzed the additional information provided by Herff Jones, LLC.
2. Obtained and analyzed additional BCPS personnel electronic communications.
3. Analyzed BCPS lobbyist disclosures related to the subject contract for compliance.

As indicated in the Report, CRI's engagement was conducted in accordance with the Statement on Standards for Forensic Services No. 1 (SSFS), applicable professional standards promulgated by the American Institute of Certified Public Accountants (AICPA) and the Code of Professional Standards of the Association of Certified Fraud Examiners (ACFE). As indicated by the SSFS, "forensic accounting services generally involve the application of specialized knowledge and investigative skills by a member to collect, analyze, and evaluate certain evidential matter and to interpret and communicate findings." Due to the nature of the allegations, CRI was required by professional standards to conduct this engagement under SSFS. It should not be construed that attest standards (i.e., audit related engagements under the professional standards for government entities (i.e., generally accepted government auditing standards)) would be more applicable to the subject engagement or yield a different/more reliable result.



The SSFS requires that practitioners “obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations.” CRI obtained such sufficient relevant data to support the basis for its conclusions and recommendations in the Report.

## **Procedure 1**

### **Analysis of the Additional Information Provided by Herff Jones, LLC**

Herff Jones, LLC presented five items or areas in which it believed mistakes or misunderstandings occurred in the Report. These items or areas are addressed below. Herff Jones, LLC did not address the findings in the Forensic Examination Report for Agreement 16-052N as it was not the responsive bidder for Agreement 16-052N. The items raised by Herff Jones, LLC in reference to Agreement FY22-204 do not impact the findings, recommendations and conclusions in the Forensic Examination Report for Agreement 16-052N.


Within the Forensic Examination Report for Agreement 16-052N, CRI identified estimated BCPS overbillings totaling \$231,489.17 and estimated BCPS student/parent overbillings totaling \$331,180.50. No issues have been raised in respect to the Forensic Examination Report for Agreement 16-052N. These overbillings were associated with Chuck Puleri and Associates, Inc., who was an independent representative of Herff Jones, LLC. For the review period, Chuck Puleri and Associates, Inc. was the independent representative for Herff Jones, LLC/servicing BCPS related to Agreement FY22-204. Subsequent to the issuance of the Report, Herff Jones, LLC represented during SBBC board meetings that it had terminated its relationship with Chuck Puleri and Associates, Inc. It should be noted that Herff Jones, LLC’s website still reflects Chuck Puleri and Associates, Inc. as the “Rep” for BCPS high schools.

### **Medallions**

In Procedure 7/Finding 5 of the Report, CRI identified various medallions/medals that were overbilled in relation to Agreement FY22-204. These identified medallion overbillings were based on Agreement FY22-204, where Herff Jones, LLC proposed and agreed to Item 1D “Medallion with Ribbon (Medallions for valedictorian and salutatorians will be provided at no charge) and Item 1E “Custom Medallion with Ribbon” as “FREE”.

Herff Jones, LLC stated that this understanding/interpretation was inaccurate as there are differences between medallions and medals. Per Herff Jones, LLC, medals are not included as part of the free “Custom Medallion with Ribbon” in Agreement FY22-204 and as such were billed correctly. Herff Jones, LLC also indicated that BCPS accepted this understanding/interpretation by processing and paying Herff Jones, LLC’s medallion/medal invoices. It is important to note that neither “Custom Medallion with Ribbon” nor medallion are defined in Agreement FY22-204. Herff Jones, LLC did not separately list medals as an additional product/service offering in its response to Agreement FY22-204. Herff Jones, LLC also did not submit additional price lists to BCPS detailing “medals” as an additional product/service offering during the review period as required by the request for proposal for FY22-204. Further, the Report denotes that BCPS personnel did not appear to have an adequate understanding of Agreement FY22-204 and did not adequately review the purchase requisitions/orders related to Agreement FY22-204.

Within the identified medallion overbillings, Herff Jones, LLC provided and billed BCPS for “Biliteracy Medals.” Herff Jones, LLC contends that the “Biliteracy Medals” are different than medallions and as such were not free. During CRI’s review, it was noted that Jostens, Inc. provided and billed BCPS for “Biliteracy **Medallions**” (emphasis added) under Agreement FY22-204. This appears to support that medals and medallions can be used interchangeably. Additionally, both the medals and the medallions billed by



Jostens, Inc. complied with Jostens, Inc.'s customized medallion pricing in Agreement FY22-204 (including the same type of medals in dispute by Herff Jones, LLC). As such, CRI does not believe that there should be any adjustments to the medallion overbillings identified within the Report.

### Stoles

In Procedure 7/Finding 5 of the Report, we identified one invoice related to McArthur High School that was overbilled to BCPS for stole purchases. The identified stole overbillings were based on Agreement FY22-204, where Herff Jones, LLC proposed and agreed to unit pricing of \$5 for Item 1F "Custom 3-Color and 4-Color Stoles" and Item 1G "Stoles."

Herff Jones, LLC disputes the stoles overbilling as the stoles in dispute were customized and were not included in the Item 1F "Custom 3-Color and 4-Color Stoles" and Item 1G "Stoles" pricing in Agreement FY22-204. It is important to note that neither "stoles" nor "custom 3-color and 4-color stoles" are defined in Agreement FY22-204. Herff Jones, LLC also did not separately list other types of stoles as an additional product/service offering in its response to Agreement FY22-204. Herff Jones, LLC further did not submit additional price lists to BCPS detailing customized stoles as an additional product/service offering during the review period as required by the request for proposal for FY22-204. As such, CRI does not believe that there should be any adjustments to the stole overbillings identified within the Report.

### Cap and Gown Order

In Procedure 7/Finding 5 of the Report, CRI identified one invoice dated March 29, 2022 related to the Whiddon-Rogers Education Center that was overbilled to BCPS for cap and gown purchases. The overbillings associated with this invoice were \$1,050 and were charged to Agreement FY22-204 by BCPS. Herff Jones, LLC stated that this invoice actually originated in September 2021 under Agreement 16-052N and was billed correctly. Herff Jones, LLC further stated BCPS did not process this invoice until March 2022 and Herff Jones, LLC reissued the invoice based on the purchase order issued by BCPS in March 2022.

Herff Jones, LLC provided the supporting e-mails and invoice documentation to support that the subject invoice should have been charged to Agreement 16-052N. As such, CRI analyzed this invoice under the pricing required by Agreement 16-052N. As extensively detailed in the Forensic Examination Report for Agreement 16-052N, Chuck Puleri and Associates, Inc./Herff Jones, LLC supplied caps and gowns at a combined unit price of \$44 (\$29 for cap/gown/tassel and \$15 for a customized medallion). The order forms by Chuck Puleri and Associates, Inc./Herff Jones, LLC did not offer/provide an option for a free medallion as listed in Agreement 16-052N. Per Agreement 16-052N, "prices offered in your proposal, if awarded, must be exactly the same prices shown in any price lists given out to the schools for distribution." Free medallions are not listed as an option by Chuck Puleri and Associates, Inc./Herff Jones, LLC on the order forms. This resulted in Chuck Puleri and Associates, Inc./ Herff Jones, LLC not complying with the medallion pricing options in Agreement 16-052N. Had Chuck Puleri and Associates, Inc./Herff Jones, LLC complied with the free medallion pricing option in Agreement 16-052N, the Whiddon-Rogers Education Center should have been billed \$29 per unit not \$44 per unit. As such, the identified overbillings would actually *increase* from \$1,050 to \$1,125 based on this new documentation.

It should be noted that CRI requested the very same information that Herff Jones, LLC proffers as support in June 2022. CRI followed-up at least seven times with Herff Jones, LLC between June and August 2022 for this data and this data was not provided by Herff Jones, LLC. Based on the foregoing information, Herff Jones, LLC incorrectly charged BCPS a higher unit price for 2,033 items (i.e., caps and gowns, medallions/medals, stoles, etc.) totaling \$13,640.66.

### Honor Cords


As detailed in Procedure 7/Finding 10 of the Report, it was unclear whether or not silver cords should be considered honor cords. If the silver cords were considered and designated as honor cords, BCPS possibly overpaid Herff Jones, LLC. Herff Jones, LLC disputes that silver cords were honor cords and as such there were no overbillings. It is important to note that honor cords were not defined in Agreement FY22-204. Subsequent to the issuance of the Report and Herff Jones, LLC's presentation of the areas in dispute, the Office of Chief Auditor held discussions with the Office of General Counsel regarding this issue and the Office of General Counsel determined that silver cords should be considered honor cords under Agreement FY22-204. It is important to note that silver cords are ordered at the district level not the school level. As such, Herff Jones, LLC solely provided the silver cords for each BCPS high school regardless of whether Herff Jones, LLC was selected as the high school's cap and gown vendor.

In Procedure 7/Finding 10 of the Report, we determined based on the available information that Herff Jones, LLC incorrectly limited the no charge honor cords to 10% of the graduating senior class, which resulted in overbillings to BCPS. Herff Jones, LLC (as presented by Andrew Checketts) disputed this finding by stating that in its response to RFP FY22-204, Herff Jones, LLC limited the no charge honor cords to a "ratio one for every ten graduates at the respective school." Based on our review of the e-mail correspondence, available documentation and interviews (including with Herff Jones, LLC's representatives), it was CRI's understanding that Herff Jones, LLC agreed to no limitation on the no charge honor cords subsequent to the submission of its RFP, which was similar to Jostens, Inc.'s agreement with BCPS. This basis included e-mail communications with Mr. Puleri with BCPS and CRI. Herff Jones, LLC disputes that it agreed to no limitation on the no charge honor cords.

CRI held an interview with Herff Jones, LLC's representative, Andrew Checketts, on October 12, 2022 to discuss CRI's outstanding questions in regards to Agreement 16-052N and Agreement FY22-204. During this interview, Mr. Checketts was asked a series of questions regarding honor cords to help CRI further understand the agreements as well as Herff Jones, LLC's understanding of said agreements. In the interview, Mr. Checketts indicated that he did not have an understanding of what the no charge honor cords meant in the agreements. Mr. Checketts also responded that he would have to have a conversation with the independent representative, Chuck Puleri and Associates, Inc. to identify what was considered honor cords under the agreements. At the conclusion of the interview, Mr. Checketts indicated that Chuck Puleri and Associates, Inc. would be better able to respond to our questions. As denoted in the Forensic Examination Report for Agreement 16-052N, CRI was unable to arrange an interview with Mr. Puleri during the engagement period.

Subsequent to the issuance of the Report and Herff Jones, LLC's presentation of the areas in dispute, the Office of Chief Auditor held discussions with the Office of General Counsel regarding this issue and the Office of General Counsel determined that due to Agreement FY22-204 not incorporating the no limitation on the no charge honor cords, the no charge honor cords should be limited to a "ratio one for every ten graduates at the respective school." CRI requested additional information to determine Herff Jones, LLC's compliance with this provision. Based on the additional information provided by Herff Jones, LLC, Herff Jones, LLC complied with this provision for the schools that selected Herff Jones, LLC as the cap and gown vendor. Thus, it was determined based on this additional information that there were no overpayments related to the schools that selected Herff Jones, LLC as the cap and gown vendor.

As previously indicated, Herff Jones, LLC provided silver cords for all BCPS high schools (including high schools serviced by Jostens, Inc.). These silver cords were ordered and paid at the district level versus the school level. Since Herff Jones, LLC serviced each high school, the Office of General Counsel clarified to the Office of the Chief Auditor that the calculation of the no charge honor cords should include all BCPS



high schools. Due to Herff Jones, LLC not considering silver cords as no charge honor cords, Herff Jones, LLC did not comply with this provision for the BCPS high schools where it only supplied silver cords (i.e., BCPS high schools serviced by Jostens, Inc.). As a result, Herff Jones, LLC overbilled BCPS \$2,685. Refer to Appendix A of this memorandum.

It should be noted that CRI requested this information from Herff Jones, LLC in June 2022. CRI followed-up at least seven times with Herff Jones, LLC between June and August 2022 for this data and this data was not provided by Herff Jones, LLC.

## **Procedure 2**

### **Analysis of Additional Electronic Data**

As indicated in the Report, after Ms. Korn's suspension as a Board member, the Office of the Chief Auditor requested via a voicemail left on Ms. Korn's personal cell phone for Ms. Korn to allow CRI to conduct a review of Ms. Korn's personal cell phone device. Ms. Korn did not respond; thus, Ms. Korn's personal cell phone device was not available for CRI's review. On October 28, 2022, Ms. Korn responded to the Chief Auditor and stated that she noted a missed call from the Chief Auditor, but did not receive the Chief Auditor's voicemail.

On November 16, 2022 (subsequent to the issuance of the Report), Ms. Korn e-mailed the Chief Auditor stating that she had never received a request for information related to the Report. After discussions with the Chief Auditor, Ms. Korn identified a voicemail from a 954 number on her phone, but the voicemail was blank and Ms. Korn had not previously seen this voicemail. Ms. Korn indicated in her e-mail that the Chief Auditor was not requesting additional information at that time and she did not believe it was an accurate representation that she did not respond to the Chief Auditor's request. The Chief Auditor requested that her e-mail be read at the Audit Committee meeting by Ms. Korn's audit committee appointee.

Subsequent to the issuance of the Report and the above communication, CRI made attempts to contact Ms. Korn via a variety of communication methods (i.e., calls, e-mails, letters, etc.) to follow-up on the request to review Ms. Korn's personal cell phone. CRI was able to speak with Ms. Korn on January 12, 2023 regarding this request. Ms. Korn advised that she would not allow CRI to forensically examine her personal cell phone due to privacy concerns. Ms. Korn indicated that she would speak with her legal counsel, but would be willing to meet with CRI and allow CRI to manually review her personal cell phone data in her presence. CRI agreed with this request as it was similar to the process utilized for BCPS personnel that utilized their personal cell phones for BCPS business. CRI subsequently sent an e-mail to Ms. Korn confirming the details of the conversation and requested to meet with Ms. Korn as soon as possible. Due to the timing/submission requirements for the BCPS Audit Committee, CRI followed-up with Ms. Korn in the days following our discussion with Ms. Korn.

On January 18, 2023, received communication from Ms. Korn's legal counsel directing all further inquiry to Ms. Korn's legal counsel. Due to the timing/submission requirements for the BCPS Audit Committee as well as Ms. Korn's legal counsel's concerns regarding CRI's review, CRI provided Ms. Korn's legal counsel with key word search terms that were to be performed on Ms. Korn's personal cell including all communication related applications. Ms. Korn's legal counsel agreed to provide any responsive records to CRI for review.

On January 19, 2023, CRI received a response from Ms. Korn's legal counsel regarding's CRI request. Per Ms. Korn's legal counsel, "Ms. Korn's personal phone was stolen on or about April 10 or 11, 2022 at the Tortuga Music Festival. Ms. Korn replaced her phone 2-3 days later. Ms. Korn has no ability to search through text messages prior to the date she replaced her stolen phone." There was one responsive record provided related to Agreement 16-052N or Agreement FY22-204. This responsive record related to communications subsequent to the issuance of the Report and was not considered relevant.

### Procedure 3

#### Analysis of Lobbyist Disclosures Related to Chuck Puleri & Associates, Inc., Herff Jones, LLC and Jostens, Inc.

BCPS requires all individuals acting as lobbyists to register with BCPS on an annual basis. BCPS Policy 1100B defines lobbyist as “any individual, firm, corporation, or other business entity who engages in lobbying for the economic gain of a principal, regardless of whether they are compensated for lobbying or not. The term lobbyist specifically includes the principal, as well as any agent, officer, or employee of a principal regardless of whether or not the employee's normal scope of employment includes lobbying activities.” As part of the registration, the lobbyist must disclose any direct business association with any current school board members or their immediate family as well as any BCPS employee.

BCPS Policy 1007 requires that school board members report lobbying activity that knowingly occurs between a school board member and a lobbyist. This includes all forms of activity including written or electronic communications. Per BCPS Lobbyist Activities Guidelines, BCPS does not consider communications regarding the routine business interactions of previously awarded contracts, projects or issues as lobbying. Lobbying reports are required to be reported within 10 days of the lobbying activity.

In November 2021, Joseph Goldstein registered as a lobbyist for Rhodes Graduation Services aka Jostens, Inc. As such, CRI reviewed the lobbying activity reports filed by the school board members for the review period. No lobbying activity reports were filed by the school board members in relation to Chuck Puleri and Associates, Inc., Herff Jones, LLC or Jostens, Inc. Based on the available communications, it does not appear that there were any lobbying activity reports required to be filed.

### Conclusion

Based on the foregoing information, the Office of General Counsel’s opinions as well as the Report, CRI adjusted the BCPS overbillings by Herff Jones, LLC to \$16,325.66. This adjustment was solely due to the additional information provided by Herff Jones, LLC that was not presented/clarified during our engagement despite CRI attempts for clarification as well as due to the Office of General Counsel’s legal opinions regarding the treatment of honor cords in Agreement FY22-204. It is important to note that the provisions regarding honor cords in Agreement 16-052N differ from Agreement FY22-204 and no changes were deemed necessary related to Agreement 16-052N.

Herff Jones, LLC Overbillings to BCPS for January through June 2022			
Description	Original	Amended	
Herff Jones, LLC Agreement Overbilling (See Sch. A of Report and Pgs. 2-3 of Memo)	\$ 13,565.66	\$ 13,640.66	
Herff Jones, LLC Honor Cord Overbilling (See Sch. C of Report and Pgs. 4-5 of Memo)	24,370.44	-	
Herff Jones, LLC Overbilling for Silver Cords (See Sch. E of Report, Pgs. 4-5 of Memo and App. A)	25,125.00	2,685.00	
<b>Total BCPS Overbillings - Herff Jones, LLC</b>	<b>\$ 63,061.10</b>	<b>\$ 16,325.66</b>	

### Restrictions

This memorandum is intended solely for the use of the Broward County Public Schools and should not be used for any other purpose without prior permission from CRI. We have no obligation, but reserve the right, to update this memorandum for information that comes to our attention after the date of this report.

Sincerely,

*Carr, Riggs & Ingram, LLC*

Carr, Riggs & Ingram, LLC

Certified Public Accountants



## Appendix A – Summary of Honor Cord/Silver Cord Overpayments

Schools Serviced by Jostens, Inc.	Number of Honor/Silver Cords Allocated by BCPS	Reported Number of Graduates for School Year 2021-2022	10% No Charge Honor Cord Limitation <sup>1</sup>	No Charge Honor Cords Provided by Herff Jones, LLC by School	Number of No Charge Honor Cords Not Provided	Unit Price	Overbillings
Atlantic Technical High School/College	40	500	40	-	40	\$ 5.00	\$ 200.00
Coconut Creek High School	100	363	36	-	36	5.00	180.00
College Academy at Broward CC	85	223	22	-	22	5.00	110.00
Cooper City High School	200	570	57	-	57	5.00	285.00
Cross Creek	-	15	-	-	-	5.00	-
Dave Thomas Education Center	25	202	20	-	20	5.00	100.00
Fort Lauderdale High School	175	615	62	-	62	5.00	310.00
Lauderhill 6-12	10	40	4	-	4	5.00	20.00
Monarch High School	150	625	63	-	63	5.00	315.00
Piper High School	150	534	53	-	53	5.00	265.00
Plantation High School	80	457	46	-	46	5.00	230.00
Quest Center	-	15	-	-	-	5.00	-
Stranahan High School	125	325	33	-	33	5.00	165.00
Seagull Alternative High School	15	146	15	-	15	5.00	75.00
Western High School	200	860	86	-	86	5.00	430.00
Whispering Pines	1	15	1	-	1	5.00	5.00
Wingate Oaks	-	3	-	-	-	5.00	-
<b>Total Honor/Silver Cord Overbillings for School Year 2021-2022</b>						<b>\$</b>	<b>2,685.00</b>

<sup>1</sup>If the reported honor/silver cord allocation was less than the 10% limitation, the limitation was adjusted to the reported allocation.