

Out-of-Scope Assertions Made by Respondent to Call for Written Public Input During Two Follow-Up Interviews

Item	Category	Respondent's Assertions	Tasks	Non-Action Item	Action Item	Proposed Action	Estimated Fees
1	Forensic Accounting	The City Council was not approving energy efficiency contracts prior to 2017. The signatures were actually being provided by SCPPA.	Interview individuals signing the approvals.		X	Refer to Eide Bailly to complete forensic review.	\$ 10,000
2	Criminal Allegation	The former City Attorney was allowing fraud to occur by not speaking out against the spending limits. This process was shut down in 2016/2017, which is a de facto admittance.	Outside the scope of forensic accounting services.	X		No action required. Allegations of crimes have been referred to the District Attorney's Office	N/A
3	Previously Investigated/Reviewed	City Finance was not doing a proper review of the payments before they were going out. This was verified by the current CFO, who also postulated that RPU Finance was rubber stamping approvals of invoices. It's not clear that RPU Finance was even reviewing the resolutions that were listed on the invoice and payment documents.	Interview current CFO and others within RPU Finance and City Finance (current and former) to understand process, internal controls, and review appropriate documentation, as necessary.	X		<p>No action required. Previously investigated in two RPU and one Finance Department Audits:</p> <p>Internal Audit completed June 2018 - reviewed financial transactions for FY 2014, 2015, and 2016. Audit resulted in no findings.</p> <p>External RPU Financial and Performance Review completed on May 20, 2016 by Baker Tilly. Audit resulted in no findings.</p> <p>External Financial and Performance Review completed on June 27, 2016 by Matrix Consulting Group. Audit resulted in no findings.</p>	N/A

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4	Previously Investigated/ Reviewed	The SCPPA JPA allows for power and transmission projects only. The fact it doesn't specifically disallow other services does not mean it allows those services to be procured. A former City Attorney will confirm what I am saying is true. The current City Manager agrees that energy efficiency, internship, and lobbying programs are not allowed.	Outside the scope of forensic accounting services.	X		No action required. Previously investigated. <u>A legal written opinion related to the SCPPA Joint Powers Agreement was completed by Norton Rose Fulbright on April 17, 2019 and included in the January 11, 2022 City Council SCPPA Report.</u>	N/A
5	Outside Counsel Recommended	Outside counsel, or legal opinions prior to 2015, when I brought up this issue, should have been obtained. After that time any staff reports and legal opinions would be worthless since it was after my accusation and these subsequent opinions would be covering up for past actions.	Outside the scope of forensic accounting services.		X	Timeline of allegations maybe subject to statute of limitations. If further investigation is requested, estimated costs of outside counsel services are outlined. Further clarification needed from Respondent.	\$ 20,000
6	Forensic Accounting	Most of these other types of services are being inappropriately billed through the Palo Verde Contract.	Request from City of Riverside detailed invoices and conduct interviews with Riverside, SCPPA, and vendors for a sample of lobbying, internship, and other services billed through the Palo Verde contract.		X	Refer to Eide Bailly to complete forensic review.	\$ 15,000

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7	Insufficient Information	Just because something is in the City's budget doesn't mean it's okay if it's still not allowed under the SCPPA JPA. For instance, in that case, the former General Manager could have done anything as long as it was in the budget. Also, the budgets may have carve-outs for SCPPA-specific projects.	Outside the scope of forensic accounting services.	X		Insufficient information to identify next steps. Without complete information a recommendation cannot be made.	N/A
8	Insufficient Information	Staff reports were manipulated by the former General Manager and former City Attorney. Just because the staff reports were received and filed, does not mean that what they were doing was okay or that the City or Council agreed with what was in them. In addition, there should be a RPU Board Memo stating that it approved it before it went to City Council. There is no sign of proof from the RPU Board.	Outside the scope of forensic accounting services.	X		Insufficient information to identify next steps. Without complete information a recommendation cannot be made.	N/A
9	Insufficient Information	The notion that energy efficiency is a generation resource is "garbage". Energy efficiency is not a generation resource, it's not a power plant, it's not a transmission line.	Outside the scope of forensic accounting services.	X		Insufficient information to identify next steps. Without complete information a recommendation cannot be made.	N/A
10	Previously Investigated	The author of a 2019 report questions why human resource investigations are being run through SCPPA.	Outside the scope of forensic accounting services.	X		Page 15 of the final Eide Bailly report present to City Council on June 21, 2022 addresses this assertion.	N/A

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11	Forensic Accounting	Internships were provided to the children of two individuals associated with Riverside and SCPPA without the internships being posted to the public and interviews conducted. These interns hardly ever showed up to work.	Conduct a review of the internship program. Interview current and former individuals at SCPPA and City of Riverside. Obtain internship program documents to identify interns, relationships to employees, process used in selection process, and work done as interns.		X	Refer to Eide Bailly to complete forensic review.	\$ 30,000
12	Criminal Allegation	The prior audit was forged by a particular individual.	Outside the scope of forensic accounting services.	X		No action required. Allegations of crimes have been referred to the District Attorney's Office	N/A
13	Criminal Allegation	The LADWP investigation has revealed that former General Manager was using family members' contact information as runners. Not sure if this was happening at RPU.	Outside the scope of forensic accounting services.	X		No action required. Allegations of crimes have been referred to the District Attorney's Office	N/A
14	Insufficient Information	I was told MBMC was called in to write policy on procurement systems related to resource adequacy, which is not true.	Interview the individuals who performed the work and review the contract information through SCPPA	X		Previously addressed on Page 15 of final Eide Bailly report.	N/A
15	SCPPA Request	Any SCPPA rate that is more than \$0.19 per kilowatt is overpriced.	Recommend asking SCPPA to conduct a rate study.		X	RPU General Manager may make a formal request to SCPPA to conduct a rates study.	N/A

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16	Forensic Accounting	Lime Energy was charging \$2,000 to change light bulbs at businesses.	Conduct interviews and obtain documentation on Lime Services and appropriateness of charges.		X	Refer to Eide Bailly to complete forensic review.	\$ 15,000
17	Forensic Accounting	Was SCPPA performing a bidding process every year of just at the beginning of the contract or not at all?	Review SCPPA Board minutes, bidding documentation and conduct interviews to verify bid process.		X	Refer to Eide Bailly to complete forensic review.	\$ 15,000
18	Forensic Accounting	You may want to consider adding to the scope. It would be good for the City to see overhead at SCPPA and how it's grown since 1980. My guess is we will see rapid expansion of SCPPA overhead and binning due to increased scope since the time of the charter. It would show why SCPPA would go along with it, since it's like building kingdoms, in that the more people the CEO can say is in the organization and he is overseeing, the more compensation he gets.	Conduct analysis of SCPPA overhead expense over time.		X	Refer to Eide Bailly to complete forensic review.	\$ 20,000