



**Office of the Inspector General
Los Angeles Unified School District**

**Audit of Vista Environmental Consulting, Inc.
Contract No. 1790024/4400005424**

CA 21-1263

January 8, 2021



Los Angeles Unified School District Office of the Inspector General

Kelly Gonez, President
Dr. George J. McKenna III
Mónica García
Scott M. Schmerelson
Nick Melvoin
Jackie Goldberg
Tanya Ortiz Franklin
Members of the Board

Austin Beutner
Superintendent of Schools

William Stern
Inspector General

January 8, 2021

Ms. Judith Reece, Chief Procurement Officer
Procurement Services Division
Los Angeles Unified School District
333 S. Beaudry Ave., 28th Floor
Los Angeles, CA 90017

RE: Vista Environmental Consulting Inc. Contract No. 1790024/4400005424

Dear Ms. Reece,

This is the report on our audit of Contract No. 1790024/4400005424 awarded to Vista Environmental Consulting, Inc. for providing comprehensive asbestos, lead containing, and hazardous materials consulting services.

Please contact our office if you have any questions.

Sincerely,

Austin E. Onwualu

Austin Onwualu, CPA, CIG, CGMA
Deputy Inspector General, Audits

William Stern

William Stern, MBA, CIG, CISM, CPP, CFE
Inspector General

c: Richard Lui
Cheri Thomas



Audit of Vista Environmental Consulting, Inc. Contract No. 1790024/4400005424

Introduction

The Office of the Inspector General (OIG) audited contract number 1790024/4400005424 (contract) awarded by the Los Angeles Unified School District (District) to Vista Environmental Consulting, Inc. (Vista) to provide comprehensive asbestos, lead containing, and hazardous materials consulting services. The contract had an original not-to-exceed amount of \$500,000 and the initial contract term was from March 1, 2017 through February 28, 2018. From September 25, 2017 through June 30, 2020, the District executed nine contract amendments that increased the contract amount by \$3,850,000 and extended the contract period through February 28, 2021. For the period from March 1, 2017 through June 30, 2020, the total amount billed by Vista was \$2,321,399

Scope and Objectives

The objectives of our examination are to determine whether (i) the amounts billed were adequately supported and allowable according to the contract terms and conditions and (ii) the services were provided as required by the task orders.

Methodology

To accomplish our examination objectives, we performed the following procedures:

- Reviewed the purchase orders and task orders
- Interviewed District staff in the Facilities Environmental Technical Unit (FETU) Branch to obtain an understanding of the District's internal control and processes
- Inquired with Vista's management about their internal controls and business operations
- Recalculated the mathematical accuracy of the billed invoices
- Validated the number of direct labor hours billed against timesheets and payroll registers
- Verified the certifications of staff assigned to work under the contract
- Verified that authorized hourly rates were used to bill for services provided
- Reviewed documentation of pre-authorization for over-time billed
- Validated the amounts of direct costs billed against supporting documents such as vendor invoices, cancelled checks, laboratory reports/results, and proposals submitted to the District
- Reviewed engineering assessment and close out reports that were issued for the completed task orders
- Inquired and confirmed with the FETU Branch whether the services provided were as required by the task orders



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Results of Audit

1. Determine whether the amounts billed were adequately supported and allowable according to the contract terms and conditions.

Vista billed the District 663 invoices totaling \$2,321,399 from March 1, 2017 through June 30, 2020. We reviewed a statistical sample of 33 invoices and determined that the amounts billed were adequately supported and allowable according to the contract terms and conditions.

Testing of Professional Services Billed

Vista's employees reported the number of hours worked on weekly time sheets by project, staff type, labor codes, etc. We validated 2,440 direct labor hours billed against individual time sheets and reviewed the related payroll registers and subconsultant invoices/proof of payments. We also verified that the labor hours incurred were within the task order's period of performance. Our review found that the billed services were supported.

Testing of Laboratory Services Billed

For laboratory services, Vista was not allowed to bill any mark-up on laboratory cost, sample pickup cost, and credit card fees or additional cost. For the lab testing billed, we agreed the number of tests billed to lab testing reports issued by Vista's vendor invoices. We also reviewed cancelled checks for payments made to the vendors to ascertain that no mark-up was billed. In addition, we verified that Vista used the appropriate rates to bill for the testing services provided and the expenses incurred were applicable to the assigned task orders. Our review did not find any exceptions.

2. Determine whether Vista provided the services as required by the task orders.

For the task orders under the contract, Vista could be required to perform project assessment and asbestos/lead material identification (Phase I work), project design for asbestos/lead material in-place management/abatement (Phase II work), and/or project monitoring of asbestos/lead material in-place management/abatement (Phase III work). Vista was required to submit a report after completion of each task order.

Twenty-nine out of the 33 task orders we reviewed for objective no. 1 have been completed. We reviewed the reports submitted by Vista for the 29 task orders to compare the completed scope of work outlined in the submitted reports with the scope of work specified in the task orders, and we also confirmed with the FETU Branch that Vista completed the required scope of work. Based on these procedures, we found that Vista completed the required scope of work for the 29 task orders.



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Independent Auditor's Report

We have examined the amounts billed by Vista Environmental Consulting, Inc. (Vista) under contract number 1790024/4400005424 (contract) for the period from March 1, 2017 through June 30, 2020 and Vista's compliance with the terms and conditions of the contract. Vista's management is responsible for the amounts billed and for complying with the terms and conditions of the contract. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, included examining, on a test basis, evidence supporting Vista's compliance with the contract requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the amounts billed by Vista under the contract for the period from March 1, 2017 through June 30, 2020 were adequately supported and allowable according to the contract terms and conditions in all material respects and services were provided as required by the task orders.

Austin E. Onwualu

Austin Onwualu, CPA, CGMA, CIG
Deputy Inspector General, Audits

November 19, 2020



**Audit of Vista Environmental Consulting, Inc.
Contract No. 1790024/4400005424**

Audit Team

This audit was performed by the following auditors:

Stella Lai, Audit Manager
Rachel Chow, Senior Auditor

Know about fraud, waste or abuse?

Tell us about it.

Maybe you are a school district employee, a parent or just a concerned citizen. Regardless, you can make a difference!

Maybe you know something about fraud, waste, or some other type of abuse in the school district.

The Office of the Inspector General has a hotline for you to call. You can also email or write to us.

If you wish, we will keep your identity confidential. You can remain anonymous, if you prefer. And you are protected by law from reprisal by your employer.

Whistleblower Protection

The Board approved the Whistleblower Protection Policy on February 12, 2002. This policy protects LAUSD employees who make allegations of improper governmental activity from retaliation or reprisal. To assure the reporting of any activity that threatens the efficient administration of the LAUSD, reports that disclose improper governmental activities shall be kept confidential.

General Contact Information

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