

Brooks Lodden's Timeline of IASB Events

2009

- March 2009 - Jon Muller left CFO position
- April 2009 - Kevin Schick hired as interim CFO
- June 2009 – BLPC started preliminary planning work for audits
- June 23 - Joe Desmond meeting with Ron Rice regarding upcoming audit.
- June 25 - Joe Desmond meeting with Kevin Schick to discuss responsibilities of the CFO position and oversight of accounting personnel.
- July 1 - Maxine Kilcrease – New Executive Director
- July 23 - Joe Desmond & Stefanie Lovin meeting with Executive Director, Maxine Kilcrease & CFO, Kevin Schick
 - BLPC went over items of importance for the organization since there had been significant change over in key employees (ie. compensation, timely financials, internal controls over financial reporting and grants)
- July 31 - Ron Rice retirement effective
- August 17 – Start date of audits (returned to BLPC office, IASB was not quite ready)
- September 16 – Returned to IASB office for audit fieldwork
- September 16 – LGS board meeting (Joe Desmond & Ted Lodden)
 - BLPC stated that financial statements needed to be provided to the Board and the Board should request management to explain why financial statements are delayed. In addition, BLPC did not think the whistleblower policy was adequate and needed to be reviewed.
- September 17 – Jen Albers, Margaret Buckton, and Lisa Bartusek terminated
- September 18 – BLPC asked to leave IASB office (Ted received a voicemail at approximately 7:00 pm the night before).
- September 18 - Randy Lagerblade – started as contracted controller
- September 23 - BLPC phone calls to Kevin Schick to discuss audit (time logs – calls were not being answered, Ted Lodden was being told Mr. Schick was sick and that is why phone calls were not being returned; however, September 14 – October 10, 2009 – Kevin charged 152 hours at cost of \$17,480 which equates to an average of 8 hours per day during this time frame)
- September 23 – Mr. Smith emailed Ms. Kilcrease, Mr. Schick, and Ms. Delagardelle with an attachment detailing IRS requirements for compensation
- September 25 – Randy Lagerblade emailed Kevin Schick inquiring which amounts should be “grossed up” for Maxine’s salary. Mr. Schick directed Mr. Lagerblade to gross up for all deductions.
- September 30 – Maxine Kilcrease’s salary increased from \$210,000 to \$367, 000 annualized retroactively to 7/1/2009 (Ms. Albers had the correct amount in the payroll system)
- September 30 – BLPC sent letter to the Board requesting a meeting with the Board without management (corresponding legal counsel, J. Helton letter received in response regarding audit process)

- September 30 – Joe Desmond was removed from the audit team via request from Maxine Kilcrease and Kevin Schick
- October 1 – Stefanie Lovin calls Maxine Kilcrease to reconvene the audit
- October 2 – Phone call with Randy Lagerblade to schedule reconvening the audit
- October 6 – Jen Albers returned to IASB for the day to go over things with Randy
- October 12 – Stefanie Lovin & Tiffany Ruch meeting with Maxine Kilcrease for fraud inquiries and discuss items to be completed by management for the audit (no mention of salary increases or issues)
- October 14 – Des Moines Register article (citing budget cuts)
- October 16 – Randy Lagerblade – formally made an employee
- October 26 – Maxine Kilcrease offered Connie Maxson the position of Director of Member Services at a rate of \$107,250 for a 75% of full-time position
- October 27 – reconvene audit.
 - Stefanie Lovin & Tiffany Ruch meeting with Kevin Schick for fraud inquiries and discuss items to be completed by management for the audit (no mention of salary increases or issue)
 - Maxine did not have information requested by BLPC on 10/12 ready
 - Pull off audit again – IASB was still not ready
- November 3 – Returned to IASB for audit
- November 4 – Jon Muller sent letter to Maxine Kilcrease and the Board regarding issues surrounding finances of the organization, along with misinformation Maxine was communicating to individuals. (Mr. Muller copied BLPC on this letter)
- November 4 – BLPC was told we needed to request permission to talk to individual employees
- November 4 – BLPC began trying to schedule meeting between Ted and Maxine
- November 6 – Randy left for vacation
- November 12 – Maxine Kilcrease approved salary increases for Ms. Delagardelle and Mr. Smith to an annualized rate of \$165,000 each
- November 20 – Ms. Kilcrease told the Board it was likely IASB will need to cut personnel to manage finances.
- November 23- Randy indicated due to convention and being sick he did not get much done
- December 3- Returned to IASB for the day, information was not provided, returned to BLPC office
- December 11 – Ted mailed a letter to Maxine, Kevin, Randy indicating outstanding items
- December 14 – Jena Schueth (accounting assistant) resigned
- December 15 – Mary Delagardelle and Legrand Smith salary increase to \$165,000 annualized was effective and paid retroactively to 7/1/2009
- December 15 – Jackie Black hired for the position of Director of School Finance at a rate of \$125,000
- December 16 – Stefanie reviewed ISEBA MD&A and noted discussions of eBay transactions and sale of PaySchools, requested documentation (never received supporting documentation)
- December 26 – Kevin Schick and guest credit card transactions for Bora Bora trip

- December 28-31 – Mr. Schick billed IASB for 8 hours of work at a rate of \$100/hour for a total of \$800 while on the Bora Bora trip
- December 31 – Emailed Randy regarding status – out of office reply

2010

- January 5 – Ted received a phone call from Legrand and Kevin regarding PaySchools and Jim Collogan
- January 7 – Emailed Randy regarding status of audit items. Discussed HR & PaySchools with Traci Giles (Business Service Specialist for LGS & PaySchools)
- January 8 – Stefanie & James Pistillo call Kevin back regarding PaySchools (voicemail, left a message)
- January 11 – Stefanie meeting with Mary Delagardelle to discuss fraud (no mention of salary increase or issues with Maxine) Also discussed federal and state grant (Skills Iowa and Lighthouse) documentation needed for the audit.
- January 11 – Ted sent a letter to Maxine for comments and responses to fraud inquiries and listing of outstanding items
- January 13 – Stefanie meeting with Legrand Smith to discuss fraud and legal issues (no mention of salary increases or issues with Maxine)
- January 15 – Ms. Kilcrease increased Mary Gannon’s salary to \$125,000
- January 21 – First Whistleblower Complaint received by IASB discussing eBay transaction (BLPC found out on January 25)
- January 22 – Meeting with IASB staff, board members, and State Auditor’s Office
 - Mary Delagardelle provided Ted with a letter from Maxine dated January 22, 2010 (no mention of salary increases, no mention of whistleblower complaint received on January 21, 2010)
- January 22 – Skills Iowa double-draw down was done in the amount of \$476,530.76
- January 24 – Susie Olesen attempted to get an explanation of what was drawn down on the Skills Iowa grant and notified management that there could be an issue with the draw.
- January 25 – Phone call from Legrand regarding Kevin’s resignation
- January 28 – Remaining \$17,401.37 of Skills Iowa grant was drawn down
- January 28 – Ms. Olesen contacted BLPC regarding a potential issue with the Skills Iowa grant draws and requested BLPC look into it.
- January 29 – Phone call from Legrand regarding issues surrounding Kevin
 - Phone call from Mary Delagardelle regarding credit card usage
- February 3 – Phone call from Legrand Smith regarding Findings of Fact (Kevin Schick) (ie. no eBay purchase of PaySchools, no bridge loan)
- February 4 – Financial Condition information no longer on IASB website
- February 5 – Kevin Schick repaid IASB \$7,500 via cashiers check
- February 8 – BLPC phone call with Tom Larson – LWBJ
- February 13 – BLPC meeting with LWBJ (Tom Larson, JD Geneser, and Kathy Zehr)
 - Discussions regarding Maxine’s salary
 - BLPC started looking into salary increases

- February 16 – Whistleblower complaint filed by an anonymous individual stating that Ms. Kilcrease, Mr. Smith, and Ms. Delagardelle received substantial increases in salary (this was not provided to BLPC until March 2010)
- February 17 – Ms. Kilcrease, Mr. Smith, and Ms. Delagardelle had a conference call with J. Helton and the Executive Board members to discuss the February 16 whistleblower complaint. Individuals were not forthcoming with the Executive Board members regarding increases in salary.
- February 17 – Stefanie meeting with Randy Lagerblade and Kathy Zehr regarding status of workpapers and supporting documentation to be prepared by management for the audit.
- February 17 – Another whistleblower complaint was filed by IASB staff member
- February 23 – Ms. Olesen filed a whistleblower complaint discussing the Skills Iowa grant
- March 1 – BLPC received documentation showing salary increases for certain IASB staff
- March 2 – Salary increase documentation was provided to Board President, Russ Wiesley
- March 3 – Ted, Joe, Stefanie meeting with Board President, Russ Wiesley to discuss salary issues and audit issues
- March 3 – Maxine Kilcrease repaid IASB \$59,192.84
- March 4 – Stefanie meeting with Randy Lagerblade and Kathy Zehr to discuss status of audit documentation needed and access to all payroll records for IASB & LGS.
- March 9 – Ted, Joe, Stefanie meeting with LWBJ
- March 10 - BLPC meeting with IASB Board and disclosed all issues BLPC had encountered including salary items.
- March 10 – Maxine Kilcrease’s salary was reduced to \$210,000 annualized (original board approved amount)
- March 10 – Jen Albers returns to IASB via LWBJ and determines there was an double draw on the Skills Iowa grant
- March 15 – Board reduced Ms. Delagardelle, Mr. Smith, and Ms. Gannon’s salary to original budget approved salary rates
- April 2 – Maxine Kilcrease terminated by the Board
- April 14 – Skills Iowa double draws in the amount of \$493,932.12 were repaid to the US Department of Education
- April 28 – Kevin Schick repaid IASB \$2,100
- May 1 – Veronica Stalker hired as interim Executive Director
- May 31 – Legrand Smith resignation letter
- June 15 – Legrand Smith repaid \$9,000 of the excess compensation
- June 15 – Legrand Smith was paid \$16,708.53 in compensation for salary continuation after extinguishing all vacation, personal and sick leave.
- June 30 – Connie Maxson’s position was eliminated
- July 1 – Lee Tack hired as interim CFO
- July 8 – June 30, 2009 audit report issued
- July 15 – Connie Maxson received a severance payment of \$3,093.75 without Board approval.

- July 15 – Len Cockman received a severance payment of \$12,854.52 without Board approval.
- July 30 – Jen Albers provided two-month resignation notice (independent contractor, not an employee)
- August 6 – Legrand Smith repaid \$6,312.69 of the excess compensation
- September 15 – Audit committee meeting – BLPC details items needed for the audit (Noted in audit/finance committee meeting minutes – BLPC is waiting for final numbers for IASB/LGS/ISBF from accounting staff)
- September 30 – Jen Albers last day (assisted on a part-time basis during the beginning of October 2010)
- October 25 – BLPC notified management that September 2010 financial statements and PaySchools information is needed to complete the audit.
- November 16 – BLPC notified audit committee that we are still waiting on September 2010 financials, PaySchools information, and responses to audit findings.
- December 1 – Nolden Gentry notified BLPC of the December 16, 2010 Legislative Oversight Committee (LOC) meeting. BLPC responded that since the September 2010 financial statements, PaySchools information, and the responses to audit findings had not been received; the audit would not be completed in time for the LOC meeting.
- December 10 – BLPC received PaySchools information and completed testing on December 12, 2010
- December 14- BLPC met with IASB CFO, Lee Tack to review management’s responses to audit findings and included responses in BLPC’s audit report.

2011

- January 12 - date of June 30, 2010 audit report
- January 13 – BLPC met with the audit committee to review the audit report and findings
- January 14 – BLPC met with the full IASB board to review the audit report and findings

Acronym Definitions:

BLPC – Brooks Lodden PC

IASB – Iowa Association of School Boards