FEDERAL BUREAU OF INVESTIGATION
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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Opening EC **Date:** 04/08/2014

CC: [redacted] b6 b7C

KC-14 (OST)

From: KANSAS CITY
KC-14
Contact: [redacted]

Approved By: SSRA [redacted] b6 b7C

[redacted]

STUART ROBERT L

[redacted]

A/SAC [redacted]

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 - Ser. 1

(U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) To open a full investigation and notify the Public Corruption Unit (PCU) of the case opening.

Full Investigation Initiated: 04/08/2014

Administrative Notes: (U) Kansas City CDC Bob Stuart has reviewed this matter and concurs with the opening of a full investigation and Section 10.1.3 of the DIOG SIM factors have been reviewed and met.

Package Copy: (U) Letterhead memorandum for dissemination

Details:

Title: (U) Opening EC
Re: 194B-KC-4719955, 04/08/2014

I.

Fred Czerwonka is the Superintendent for the St. Joseph School District. Dan Colgan is the President of the St. Joseph School District Board of Education. Doug Flowers is the Director of Human Resources and Compliance Officer for the St. Joseph School District. Czerwonka, apparently acting at the direction of Colgan, awarded approximately 52 St. Joseph District administrators each a $5,000 stipend for the 2013/2014 school year without the Board's approval. These stipends total approximately $250,000. Flowers, and possibly as many as eight other District administrators, have been receiving a recurring stipend of about $36,000 a year for several years, also without Board approval. Flowers, without Board approval, hired and/or promoted eight employees at the beginning of the 2013/2014 school year, including [redacted], all without prior Board approval. Flowers is also purportedly established certain employees, including [redacted], at pay levels the employees were not entitled to based on years in service

b6
b7C

II.

A CHS advised [redacted]

b6
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b7D

[redacted]

b6
b7C
b7D

The SJSD receives a portion of its funding through federal funds.

III.

Based on the foregoing, there is an allegation that Czerwonka, Colgan and Flowers have engaged in public corruption and/or government fraud.

IV.

The SIM involved is that Dan Colgan is an elected local official.

V.

[redacted]

b6
b7C

VI.

The federal criminal statues involved are 18 USC Sections 1031 and

Title: (U) Opening EC
Re: 194B-KC-4719955, 04/08/2014

1346.

[redacted] b5

VII.

Writer has developed [redacted] CHS' who have knowledge of the SJSD and the subjects. [redacted] b7D b7E

Writer intends to interview [redacted] as soon as possible to lock them into their stories regarding the unauthorized payments and promotions. Writer will serve a federal Grand Jury subpoena on [redacted]. b3 b6 b7C Writer intends to conduct interviews of SJSD employees regarding payment of unauthorized stipends.

♦♦

FD-1036 (Rev. 10-16-2009)

UNCLASSIFIED

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: LHM **Date:** 04/08/2014

Title: (U) Opening of Sensitive LHM

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 - Ser 2

(U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Required LHM for opening new 194B SIM.

◆◆

UNCLASSIFIED

U. S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 194B-KC-4719955

Kansas City, Missouri
April 7, 2014

DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL

Sensitive Investigative Matter

Fred Czerwonka is the Superintendent for the St. Joseph School District. Dan Colgan is the elected President of the St. Joseph School District Board of Education. Doug Flowers is the Director of Human Resources and Compliance Officer for the St. Joseph School District. Czerwonka, apparently acting at the direction of Colgan, awarded approximately 52 St. Joseph District administrators each a $5,000 stipend for the 2013/2014 school year without the Board's approval. These stipends total approximately $250,000. Flowers, and possibly as many as eight other District administrators, have been receiving a recurring stipend of about $36,000 a year for several years, also without Board approval.

[redacted] b5

. Will follow up with written notice once a file number is generated in Sentinel.

The point of contact for this investigation is Special Agent SA [redacted]. b6 b7C

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FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: Photo **Date:** 04/08/2014

Title: (U) DL Photos and DOR Records of [redacted]

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 -Ser.3

(U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) DL Photos and DOR Records of [redacted]

Enclosure(s): Enclosed are the following items:

1. (U) [redacted]
2. (U)
3. (U)
4. (U)
5. (U)

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FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 04/08/2014

Title: (U) [redacted] b7D

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 Serial 4

(U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Provided [redacted] b7D

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Public Corruption Information Report **Date:** 04/08/2014

CC:

D6-PCIU
D6-PCU

b6
b7C

From: KANSAS CITY
KC-14
Contact:

b6
b7C

Approved By: SSRA
CDC STUART ROBERT L
SIA

b6
b7C

Drafted By:

Case ID #:

b7A
b7E

Synopsis: (U//~~FOUO~~) Public corruption matter in St. Joseph RA territory.

Administrative Notes: (U//~~FOUO~~) This is a raw information report, not finally evaluated intelligence. It is being shared for informational purposes, but has not been fully evaluated, integrated with other information, interpreted, or analyzed.

Details:

(U//~~FOUO~~) As of August 2013, an identified Missouri-based school

194B-KC-4719955-Serial 5

Title: (U) Public Corruption Information Report
Re: [redacted], 04/08/2014 b7A b7E

district board of education leader (USPER 1) had directed a school superintendent (USPER 2) to purportedly pay more than 50 school district administrators, such as school Principals and District staff, a "bonus" stipend without the knowledge or required approval of the School Board totaling approximately $250,000 for the 2013/2014 school year.

(U//~~FOUO~~) USPER 2 specifically authorized a recurring stipend bonus to USPER 3 of approximately $36,000 a year, as well as, an unknown dollar bonus to possibly eight other school administrators without the knowledge and required approval of the School Board.

(U//~~FOUO~~) USPER 3 had hired and promoted employees without the required School Board oversight and required approval, including [redacted]. b6 b7C

SENSITIVE - FOR OFFICIAL FBI INTERNAL USE ONLY

PCIR ADMINISTRATIVE PAGE

(U//~~FOUO~~) Information from the Administrative Page will be posted in on the Public Corruption Intelligence Portal. Please remove the Administrative Page of this communication when sharing the contents of this information report with any non-FBI employees as the Administrative Page may contain sensitive information regarding intelligence sources and methods, FBI investigative activity, and or US person information.

(U//~~FOUO~~) Government Level: Local

(U//~~FOUO~~) Government Branch: Education

Title: (U) Public Corruption Information Report
Re: [redacted], 04/08/2014 b7A b7E

(U//~~FOUO~~) Selection Method: Elected and appointed

(U//~~FOUO~~) Official's Title/Role: School Board President, School Superintendent, Human Resources Director

(U//~~FOUO~~) Collection Requirements: USA-CRIM-CID-SR-0046-12.I.A.1

(U//~~FOUO~~) [redacted] b7E

(U//~~FOUO~~)

(U//~~FOUO~~) Date of Information: [redacted] b7E

(U//~~FOUO~~) Date of Acquisition:

(U//~~FOUO~~) Information derived from: [redacted] b7E

(U//~~FOUO~~) This information was reviewed and approved for dissemination by SA [redacted], CDC Robert Stuart, SSRA [redacted] and SIA [redacted] b6 b7C

---- SOURCE INFORMATION - PROTECT IDENTITY ----

(U//~~FOUO~~) This section contains sensitive source information that cannot be released in whole or in part to FBI personnel without a need-to-know or persons or agencies outside the FBI.

(U//~~FOUO~~) Source Number: [redacted] Available for re-contact: [redacted]

(U//~~FOUO~~) Motivation: [redacted]

(U//~~FOUO~~) Access to Source of Information: [redacted] b7D b7E

(U//~~FOUO~~) Timeliness to Source of Information: [redacted]

Title: (U) Public Corruption Information Report
Re: [redacted] 04/08/2014

b7A
b7E

[redacted]

(U//~~FOUO~~) Corroboration of Information: [redacted]

b7D
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[redacted]

(U//~~FOUO~~) History of association with the FBI: [redacted]

[redacted]

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 04/11/2014

Title: (U) Opening AUSA letter

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955-Sec. 4 (U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Letter to U.S. Attorney, WDMO, KCMO to open.

♦♦

U. S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 194B-KC-4719955

1300 Summit
Kansas City, MO 64105
April 9, 2014

Honorable Tammy Dickinson
United States Attorney
Western District of Missouri
400 E. 9th
5th Floor
Kansas City, Missouri 64106

Attention: Kate Mahoney
Paul Becker
Assistant United States Attorneys

RE: Danny L. Colgan
Fred L. Czerwonka
Doug Flowers
Public Corruption

Dear Ms. Dickinson:

The purpose of this letter is to acknowledge a conversation on March 31, 2014, between Special Agent (SA) [redacted] of the Federal Bureau of Investigation (FBI) and Assistant United States Attorney (AUSA) [redacted], and a conversation on April 8, 2014 between SA [redacted] and AUSA [redacted], during which the following information was discussed:

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[redacted]

b5
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b7D

Please feel free to contact SA [redacted] in our St. Joseph office at telephone number [redacted] if you have any questions. b6 b7C

Sincerely,

Michael Kaste
Special Agent in Charge

[redacted] b6 b7C

Supervisory Senior Resident Agent

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/15/2014

[redacted], voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agent, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 04/11/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 - Ser. 7 Date drafted 04/11/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/18/2014

(U//~~FOUO~~) The following investigation was conducted by Staff Operations Specialist [redacted] on April 16, 2014 in Jefferson City, MO:

b3
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[redacted]

UNCLASSIFIED//~~FOUO~~

Investigation on 04/16/2014 at Jefferson City, Missouri, United States (, Other (Database Review))

File # 194B-KC-4719955 - Ser. 8 Date drafted 04/16/2014

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b7C

by [redacted]

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FD-999 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Dissemination of Information to Other Agencies

Title: (U) LHM Opening Dissemination to DOJ **Date:** 04/21/2014

Approved By: [redacted]

Drafted By: [redacted]

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b7C

Case ID #: 194B-KC-4719955 Ser. 9

(U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Full Investigation Initiated: 04/08/2014

Responsible Organization: CRIMINAL INVESTIGATIVE

Agency Contacted: Department of Justice on 04/17/2014 via Note

POC: Chief- Jack Smith

Disseminated On: 04/17/2014 (Once)

Dissemination Details: (U) Disseminated this serial in weekly package for DOJ Public Integrity Section.

Method: Written

Follow-up Required (SSTF): No

Disseminated Serials:

194B-KC-4719955	Serial 2	(U) Opening of Sensitive LHM

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/21/2014

[redacted], voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. Also present was [redacted]. After being advised of the identity of the interviewing agent, [redacted] provided the following information: b6 b7C

[redacted] b6 b7C b7D

Investigation on 04/15/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 ~Ser. 10 Date drafted 04/16/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/21/2014

[redacted] voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agents, [redacted] provided the following information:

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[redacted]

Investigation on 04/11/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 - Ser. 11 Date drafted 04/13/2014

by [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/21/2014

[redacted] telephonically contacted the interviewing agent and provided the following information: b6 b7C b7D

[redacted]

Investigation on 04/09/2014 at St. Joseph, Missouri, United States (Phone)

File # 194B-KC-4719955 - Ser. 12 Date drafted 04/16/2014

by [redacted] b6 b7C

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FD-1057 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Contact with MO State Auditors **Date:** 04/21/2014

CC: [redacted]
KC-14 (OST)

b6
b7C

From: KANSAS CITY
KC-14
Contact: [redacted]

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 - Ser. 13
(U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Document contact with MO State Auditors.

Full Investigation Initiated: 04/08/2014

Enclosure(s): Enclosed are the following items:
1. (U) State Auditor Press Release

Details:

For information of the SAC, on 04/10/2014, writer telephonically contacted [redacted], General Counsel for the Missouri Office of the State Auditor ([redacted]). [redacted] advised that as a result of numerous telephone calls (including calls from various state elected officials) to the State Auditor's office, his office decided to conduct

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an audit of the St. Joseph School District ("SJSD"). Two of his auditors were to be in St. Joseph this evening to meet with the SJSD' Board of Education ("BOE") and discuss the upcoming audit.

On this same date, writer and SA [redacted] met with [redacted] and [redacted] Office of the State Auditor, to discuss the nature of Bureau's investigation and the allegations against the SJSD, the BOE and the Superintendent. [redacted] advised she would be the lead auditor, the audit would begin on 04/21/2014 and [redacted] would be the auditor on sight. b6 b7C

[redacted] advised that under Missouri State law, her office can share information with the FBI obtained from the audit. Writer and [redacted] agreed to keep in contact regarding the Bureau's criminal investigation and the state's audit.

♦♦

Missouri State Auditor

Thomas A. Schweich

Missouri State Capitol, Room 121 Jefferson City, Missouri 65101

FOR IMMEDIATE RELEASE

Contact: Spence Jackson
(573) 751-4213
spence.jackson@auditor.mo.gov

Schweich Announces Audit of St. Joseph School District

JEFFERSON CITY (April 10, 2014) – State Auditor Tom Schweich announced today that his office has started an audit of the St. Joseph Public School District. State law gives the auditor the authority to audit public and charter schools in Missouri.

Persons who would like to provide information during the audit process of the St. Joseph School District are encouraged to contact the State Auditor's office at 800-347-8597 or by email at moaudit@auditor.mo.gov

Follow us on Twitter: www.twitter.com/auditorschweich

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/21/2014

[redacted], voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agents, [redacted] provided the following information:

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b7C
b7D

[redacted]

Investigation on 04/07/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 -Ser 14 Date drafted 04/08/2014

by [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/22/2014

[redacted] was contacted at [redacted] [redacted]. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 04/10/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 ~ Sec. 15 Date drafted 04/13/2014

by [redacted] b6 b7C

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FD-1057 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: ~~(U//FOUO)~~ TRAVEL REPORTING REGARDING [redacted] Date: 04/23/2014

[redacted]

CC: [redacted]
KC-14 (OST)
[redacted]

b6
b7C

From: KANSAS CITY
KC-20
Contact: [redacted]

Approved By: SIA [redacted]
SSRA

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 Ser. 16

(U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U//~~FOUO~~) Query results from [redacted]

Full Investigation Initiated: 04/08/2014

b7D
b7E

Enclosure(s): Enclosed are the following items:
1. (U//~~FOUO~~) [redacted]
2. (U//~~FOUO~~)
3. (U//~~FOUO~~)

Details:

(U//~~FOUO~~) On 04/11/2014, a request was made to [redacted]

FD-999 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Dissemination of Information to Other Agencies

Title: (U) LHM Opening Dissemination to DOJ **Date:** 04/25/2014

Approved By: [redacted]

Drafted By: [redacted] b6 b7C

Ser. 17

Case ID #: 194B-KC-4719955 (U) DANNY L. COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Full Investigation Initiated: 04/08/2014

Responsible Organization: CRIMINAL INVESTIGATIVE

Agency Contacted: Department of Justice on 04/25/2014 via Note

POC: Chief- Jack Smith

Disseminated On: 04/25/2014 (Once)

Dissemination Details: (U) Disseminated this serial in weekly package for DOJ Public Integrity Section.

Method: Written

Follow-up Required (SSTF): No

Disseminated Serials:

194B-KC-4719955	Serial 2	(U) Opening of Sensitive LHM

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/28/2014

[redacted] was contacted at [redacted]. After being advised of the identity of the interviewing agents, [redacted] provided the following information:

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b7C

[redacted]

Investigation on 04/10/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 - Serial 18 Date drafted 04/17/2014

by [redacted]

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/28/2014

[redacted] contacted the offices of the Federal Bureau of Investigation (FBI) to be interviewed and provided the following information: b6 b7C

[redacted]

Investigation on 04/23/2014 at St. Joseph, Missouri, United States (Phone)

File # 194B-KC-4719955 ~ Ser. 19 Date drafted 04/25/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/29/2014

[redacted], voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. Also present was [redacted]. After being advised of the identity of the interviewing agents, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 04/21/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 ~Ser. 20 Date drafted 04/24/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/29/2014

[redacted] (PROTECT IDENTITY) [redacted]
[redacted] contacted the Federal Bureau of Investigation (FBI) to be interviewed:

b6
b7C
b7D

[redacted]

Investigation on 04/25/2014 at St. Joseph, Missouri, United States (Phone, Fax)

File # 194B-KC-4719955 -Sec. 21 Date drafted 04/25/2014

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by [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 04/29/2014

[redacted] voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. Also present was [redacted]. After being advised of the identity of the interviewing agent, [redacted] provided the following information: b6 b7C b7D

[redacted]

Investigation on 04/16/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955~Sec.22 Date drafted 04/18/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/05/2014

[redacted] voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agents, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 04/28/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 – Ser. 23 Date drafted 04/28/2014

by [redacted] b6 b7C

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Date of entry 05/06/2014

[redacted] voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. Also present was [redacted]. After being advised of the identity of the interviewing agents, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 04/25/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 -Sub 24 Date drafted 05/01/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/08/2014

Title: (U) News Article - Stipends Keep On Coming

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 Ser. 25

(U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Radio News article (ST. JOE POST) about discovery of more stipends being paid.

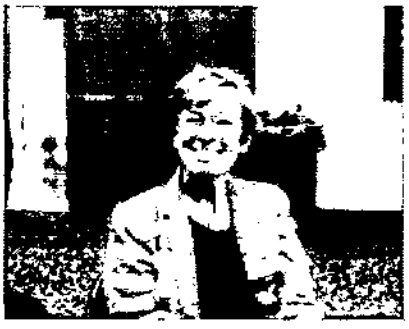
♦♦

The St. Joseph Post (KJO 105.5)

Stipends Piling Up; BOE Learns Of Another Half Million

Posted 14 hours ago

By John P Trotter



BOE Member Chris Danford

With each new revelation by school district staff, the district's stipend controversy gets more and more expensive.

District taxpayers who are paying tens of millions of dollars for new schools and air conditioning, are now faced with the fact that nearly a million dollars in unapproved stipends, perhaps much more, might have helped defray some of that cost.

You could almost build a new school with the dollar figures we're hearing from sources on and off the record.

It would certainly pay for a few air conditioners, or perhaps the salaries of all those teachers they're cutting from the budget.

The price tag went up Tuesday night, when district officials informed members of the St Joseph Board of Education of a whole new list of stipends, never approved by the board, worth more than $400,000.

"We discovered that there are more stipends out there given to staff for many years that have never been on the salary schedule or approved by the board of education," said board member Chris Danford, a vocal critic throughout the stipends mess.

This was the scorecard of publicly acknowledged stipends last week:
The Superintendent's Council. Nine members collect $17,000 apiece each year.
Associate Superintendents. Each collects $15,000 per year.
"Additional Duties and Responsibilities." 54 district administrators received $5,000 each.

Danford says the district Human Resources Director and Compliance Officer Doug Flowers informed the board of several more administrative perks. The Superintendent's Cabinet, not to be confused with the Superintendent's Council, is composed of four members, each of whom has received $9,000 each year for at least ten years. That's $360,000 over that ten year period, but likely much more.

Over a million dollars and counting. That's a lot of Shekles, all the more shocking for the "aw shucks" attitude. The revelations are coming in dribs and drabs, and Dr. Fred Czerwonka continues to assert that this is within the scope of his job as superintendent. He reminds us that the district's new lawyer has essentially cleared the district of any wrongdoing. Not so the FBI or the State Auditor's Office, at least not yet.

"From the recent 84 page report prepared by St Joseph School District Attorney Mr. Tom Mickes, it is clear that based on state statutes, Missouri Attorney General opinions, Missouri State Constitution and past audits, I acted within my scope as superintendent," Czerwonka read from a prepared statement.

But wait, there's more.

Also among the revelations Tuesday night was a recruitment bonus the district continued to pay for years after the administrator was recruited. Not a signing bonus, that you receive once for signing your contract, this was a continuing payment of anywhere from $500 to $2,000 a year for many years, according to Danford.

"Now Mr Flowers says he hasn't ever, himself, given one of those, but there are people on staff that are still getting those," Ms Danford said in an interview. "Which means he, and Payroll, knew about them, because they've been on the contracts every year," she said. "It's just the board hasn't known about it until last night."

We asked if the board ought to exercise more stringent oversight of taxpayer money. Danford said "absolutely," but pointed out one problem.

"We are now in the process putting together a budget for 2014-2015. But if we don't know the numbers that are in there now, how are we going to know the numbers that are going into this new budget?"

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/08/2014

Title: (U) News - CZERWONKA talks about FLIPPEN

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 Ser. 26

(U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joe News Press front page article about CZERWONKA's internet video endorsing the FLIPPEN GROUP.

Enclosure(s): Enclosed are the following items:
1. (U) Page 2 of the article

♦♦

St. Joseph News-Press

Thursday, May 8, 2014

Superintendent explains controversial video

CONTINUED FROM Page A1

"The video references my time in a different district. The Capturing Kids Heart program had made a difference at a previous district. Those results are clear," Dr. Czerwonka said to a sparse gathering of school staff and media inside the board conference room.

"The video is edited and my full comments are not included," he added.

Dr. Czerwonka also said he did not receive any compensation for the video.

"In no way would I ever judge the St. Joseph School District community before I had the opportunity to work with them," he said. "I have been visiting numerous schools and staff, and I know you are a compassionate and hardworking staff, which is obvious in a climate such as this."

He said he felt the video was calculated to land during Teacher Appreciation Week. And persons or a group of persons whom he could not identify, used the video to discredit him.

"What this has turned into is an attack on me, trying to say I said this about the St. Joseph School District, their employees, and that is not true at all. I didn't know this existed until last night," Dr. Czerwonka said.

> "You have a phenomenal group of educators there. Your community should be proud of what they're doing."
>
> — FLIP FLIPPEN, chairman, founder of Flippen Group

He said his family and his child have also been under attack. However, he did not say whether it was a student or teacher who made the attack on his family.

Flip Flippen, chairman and founder of the Flippen Group in Texas, said Dr. Czerwonka was not talking about the St. Joseph district in the video. He said the video was taped the first week of October, but wasn't posted until last month, along with a number of other, similar videos.

"It gave the impression it was more recent," Mr. Flippen said.

He said the video was not edited or altered in any way, except to cut out the questions, and that it has not and cannot be edited further.

"I don't know how that can be done, because after the questions are edited out, then the rest of the film is taped over for the next person they are visiting with," Mr. Flippen said.

If anything, Mr. Flippen said he owes an apology for the video being released so long after it was recorded.

"This is something that just gets done as a matter of course," he said. "We hold tons of video, and whenever we get a lot of it, one of our staff posts it.

"But the delay in the posting had nothing to do with any conspiracy or anything. It was a matter of when we got time."

Mr. Flippen said when he visited the St. Joseph district for convocation, he found the teachers to be exceptional.

"You have a phenomenal group of educators there. Your community should be proud of what they're doing," he said.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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Saint Joseph News Press 05/08/2014 Copy Reduced to %d%% from original to fit letter page

Details in SPORTS

St. Joseph News-Press

FOX 26 | NewsPressNOW.com | ST. JOSEPH, MISSOURI · 170TH YEAR · THURSDAY, MAY 8, 2014 · NO. 14 · 75¢

Sara Jackson Gartner | St. Joseph News-Press

Superintendent Fred Czerwonka speaks during a media conference Wednesday at St. Joseph School District about a YouTube video featuring him. Mr. Czerwonka said, 'The video is edited and my full comments are not included.'

Czerwonka explains controversial video

'The video references my time in a different district.'

By ALONZO WESTON
St. Joseph News-Press

A video that went viral has caused the latest round of problems for St. Joseph's schools superintendent.

A YouTube video posted on social media showed Dr. Fred Czerwonka giving testimony about the Flippen Group's Capturing Kids Heart program, which was adopted by the school district this year as part of its personal development.

In the video, Dr. Czerwonka says he found his teaching staff "very standoffish, very cold" before implementing the Flippen program. The video spread like wildfire on social media, garnering 1,200 views in a few days. The comment section on the video has since been disabled, but not before causing outrage in parts of the St. Joseph community.

Dr. Czerwonka held a news conference Wednesday to explain the context of the video and express support for his staff.

He said the video was filmed last October before he had time to assess the St. Joseph district. He also said it was edited and did not include his full comments.

Please see SUPERINTENDENT/Page A6

Citizens grou recommend single-termi plan at KCI

Associated Press

KANSAS CITY, Mo. — A citizens task force on Wednesday recommended replacing the existing three terminals at Kansas City International Airport with a single terminal, subject to more information on costs that have been estimated as high as $1.2 billion.

Nineteen of the KCI Terminal Advisory Group's 24 members voted in favor of the proposal, which mirrors a plan the city's Aviation Department supports.

The advisory group's recommendation is intended to guide the city toward one of its most important civic building projects of the next decade, *The Kansas City Star* reported.

The recommendation is the start of what could be a two-year process to devise a more detailed plan for the next phase of construction. Airlines and the Aviation Department have pledged to collaborate on an affordable plan to move the airport forward by April 3

The citizens g pointed by Kansas or Sly James, has b ing nearly every t since June, hearing lines, business lead rity officials and se dred citizens who s at four town hall m

Doing nothing option, the group ed, because of the crumbling infrast

Proponents say posed airport wo better security, m ing and more retai and it would sav cost of repairing rent aging facility.

Opponents say t the current airp need significant r demolishing and r is unnecessary a also be costly.

Earlier this yea sentative for the f airlines at KCI tol force the proposec could lead to less s passengers if the tions cost too muc

Police seek 23% budget hike

By KIM NORVELL
St. Joseph News-Press

To accommodate six new officers, major purchases have to be made.

The City Council continued budget talks on Wednesday, with presentations from the police and planning departments, as well as the council and city manager. The FY14-15 budget will take effect July 1.

Chris Connally, police chief, presented a $16.9 million budget, which is 23 percent more than the year prior. However, that funding increase is paid almost entirely by the public safety tax passed by voters in August.

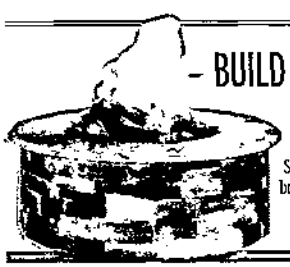
The half-cent sales tax will generate $2.7 million for the department.

Some of that money will go toward:

- Six new police officers and two part-time staff ($403,759)
- Uniforms for new officers ($12,000)
- Physical and psychological exams for new employees ($3,000)
- 10 fully-equipped police vehicles ($519,000)

Mr. Connally said his top priority is to hire the six new officers. However, he said the department has plans to ask for four more personnel before the fiscal year is over.

Please see POLICE/Page A6



BUILD YOUR OWN FIRE PIT

Simple outdoor additions bring fun to summer.

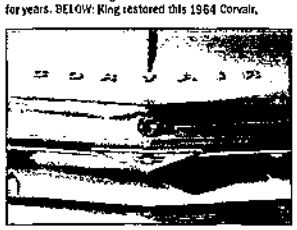
Details in LIFE

LIFE STORY | An ongoing series of articles about noteworthy people from the News-Press readir

Woman continues car tradit

Jessica Stewart | St. Joseph News-Press

ABOVE: Kathleen King has been a member of the Northwest Missouri Street Rods group for years. BELOW: King restored this 1964 Corvair.



By KEN NEA
St. Joseph New

Kat Kin up as eight dren in a car Her father w at Miller Ch and she rem bers a passe photograph alongside otl employees at Downtown S Joseph busi gathered arc spanking ne model.

American automotive might had con full blossom, with Detroit an industria house and the nation finding prosperit aftermath of a world war. Chevrolet so llion vehicles in 1953 and owned about 2 of the U.S. car market.

But numbers tell little of the story o cans and cars. It takes a personal con to stir the memories.

"When they see an older car, people member stories of them with their fan

Please see ST. JOSE

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/08/2014

On May 5. 2014, a Federal Express package was received from Attorney [redacted] of Mickes, Goldman, O'Toole LLC Attorneys at Law, 555 Maryville University Drive, Suite 240, St. Louis, Missouri 63141, telephone number 314-878-5600. The package contained the attached 84 page document authored by [redacted].

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The law firm had attempted to fax this document on Friday, May 2, 2014 to the Federal Bureau of Investigation (FBI) but the size of the documented appeared to over load the facsimile machine's capability.

This document was also presented to the St. Joseph School District (SJSD) Board of Education (BOE) at their meeting on May 2, 2014 by [redacted].

Investigation on 05/05/2014 at St. Joseph, Missouri, United States (Mail)

File # 194B-KC-4719955-Sec. 27 Date drafted 05/08/2014

by [redacted]

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MICKES GOLDMAN O'TOOLE, LLC
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ST. LOUIS & KANSAS CITY

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Suite 240
St. Louis, MO 63141
Tel 314.878.5600
Fax 314.878.5607

[redacted]

May 2, 2014

[redacted]
Special Agent
St. Joseph Resident Agency
Federal Bureau of Investigation
4305 Frederick Blvd., Suite 303
St. Joseph, MO 64506

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b7C

[redacted]
Special Agent
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Federal Bureau of Investigation
4305 Frederick Blvd., Suite 303
St. Joseph, MO 64506

Re: St. Joseph School District/FBI Investigation

Gentlemen:

Please find enclosed a copy of the Analysis of the Known Issues Currently Under Review submitted by the St. Joseph School District in the current FBI investigation matter.

Respectfully submitted

[redacted]

[redacted]
Enclosure

00095186.1

ANALYSIS OF THE KNOWN ISSUES CURRENTLY UNDER REVIEW

Submitted by:

[redacted]
Mickes Goldman O'Toole, LLC
555 Maryville University Drive, Suite 240
St. Louis, MO 63141
Telephone: (314) 878-5600
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b7C

A. JURISDICTION AUTHORIZING A FEDERAL INVESTIGATION

At various times during the present investigation into the St. Joseph Public Schools, I have inquired about the basis of the existing federal investigation. Agent [redacted] has consistently used the analogy that if one drop of federal funds was placed in the District's operating funds, there is federal authorization to review all areas of District operations. b6 b7C

However, federal education dollars are not commingled with state and local revenues. Rather, those federal funds are segregated into individual funds for each source of federal funds. Each discrete federal account is audited annually and reviewed by the Missouri Department of Elementary and Secondary Education. For example, the following discrete federal accounts have been audited by the District's outside auditor, Westbrook and Company. In the 2009 audit, the following federal accounts were audited:

Child Nutrition Cluster

Title I

Title II A

Specifically, the auditor stated:

> "4. There were no significant deficiencies disclosed during the audit of major federal award programs."
>
> "5. The auditor's report for the major federal award programs for the District expresses an unqualified opinion."
>
> "6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule."

In the 2010 Audit, the following federal accounts were audited:

State Stabilization Fund Cluster

Title I Cluster

IDEA Cluster

Homeless Education Cluster

Specifically, the auditor stated:

> "4. There were no significant deficiencies disclosed during the audit of major federal award programs."

"5. The auditor's report for the major federal award programs for the District expresses an unqualified opinion."

"6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule."

In the 2011 Audit, the following federal accounts were audited:

ARRA – State Fiscal Stabilization Fund

Federal Education Jobs Bill

IDEA Cluster

Title II A

Specifically, the auditor stated:

"4. There were no significant deficiencies disclosed during the audit of major federal award programs."

"5. The auditor's report for the major federal award programs for the District expresses an unqualified opinion."

"6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule."

In the 2012 Audit, the following federal accounts were audited:

ARRA – State Fiscal Stabilization Fund

Child Nutrition Cluster

Specifically, the auditor stated:

"4. There were no significant deficiencies disclosed during the audit of major federal award programs."

"5. The auditor's report for the major federal award programs for the District expresses an unqualified opinion."

"6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule."

In the 2013 Audit, Westbrook and Company reported:

Opinion on Each Major Federal Program

"In my opinion, the District complied in all material respects, with the types of compliance requirements referred to above [Auditor's Responsibility] that could have a direct or material effect on its major federal programs for the year ended 2013.

In the 2013 Audit, Westbrook and Company audited the following discrete federal programs:

ARRA – State Fiscal Stabilization Fund

Federal Education Jobs Bill

IDEA Cluster

Title II A

Specifically, the auditor stated:

"4. There were no significant deficiencies disclosed during the audit of major federal award programs."

"5. The auditor's report for the major federal award programs for the District expresses an unqualified opinion."

"6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule."

Moreover, the Department of Elementary and Secondary Education reviews the receipts and expenditures of each federal program administrated by the District. DESE has not cited the District for any irregularities in its District administered federal programs.

For at least the last five years, the District's finances have been audited by likely the best school auditing firm in Missouri and have received unqualified audits. These audits are reviewed with the St. Joseph Board of Education on an annual basis. I have attached the last five audits of the District by Westbrook and Company.

In summary, the audits attached hereto clearly establish that all federal funds are segregated from the District's operating funds; are audited separately; comply with all federal and state regulations; and have been approved by the State of Missouri. To date, the alleged "commingling" of federal and state funds has been the only basis for "federal investigation" into the District's financial practices. The records, attached hereto, clearly document neither St. Joseph Public Schools, nor any other Missouri district commingles federal and state funds.

If there is some other authority for federal involvement, please notify me. Otherwise, it clearly appears that this is a matter for local law enforcement and the State Auditor's Office.

WESTBROOK & CO., P.C.
Certified Public Accountants

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REPORT ON ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

To the Board of Education
School District of St. Joseph

We have audited the administration's assertions, included in its representation letter dated September 4, 2009 that the School District of St. Joseph complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2008 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2009; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2009. As discussed in that representation letter, administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2009 are fairly stated in all material respects.

We noted certain immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

This report is intended solely for the information and use of the Board of Education, administration and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co, P.C.

September 4, 2009

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

ATTENDANCE

During our audit, we noted that the Alternate Resource Center did not have the correct bell schedule reported on Core Data. The hours in session were over reported, which resulted in average daily attendance being understated by approximately five students. As a result of our audit, Core Data has been corrected.

TRANSPORTATION

During our audit, we noted that the riders who lived less than one mile from schools were incorrectly reported as less than one mile with no appreciable expense to the District on the Application for State Transportation Aid, which affects transportation aid. These students should have been reported under the provisions of HB1180, which does not affect the reimbursement that the District receives for transporting these students. As a result of our audit, the Application for State Transportation Aid has been corrected.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
School District of St. Joseph

We have audited the financial statements of the School District of St. Joseph as of and for the year ended June 30, 2009 and have issued our report thereon dated September 4, 2009. These financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters involving internal control and compliance that we have reported to the administration of the District in a separate letter dated September 4, 2009.

This report is intended solely for the information and use of the Board of Education, administration, and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co, P.C.

September 4, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
School District of St. Joseph

Compliance

We have audited the compliance of the School District of St. Joseph with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's administration. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The administration of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in a District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, the administration, the Missouri Department of Elementary of Secondary Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wallbaum + Co, P.C.

September 4, 2009 .

SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the District.

2. There were no significant deficiencies disclosed during the audit of the financial statements that are reported in the Report on Internal Control over Financial Reporting.

3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.

4. There were no significant deficiencies disclosed during the audit of the major federal award programs.

5. The auditors' report on compliance for the major federal award programs for the District expresses an unqualified opinion.

6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule.

7. The programs tested as major programs included:

Child Nutrition Cluster	10.553 and 10.555
Title I	84.010A
Title IIA	84.367A

8. The threshold for distinguishing Types A and B programs was $381,979.

9. The District was determined to not be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

SCHOOL DISTRICT OF ST. JOSEPH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

The prior audit report contained no written comments relating to the federal award programs.

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REPORT ON ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

To the Board of Education
The School District of St. Joseph

We have audited the administration's assertions, included in its representation letter dated September 13, 2010 that The School District of St. Joseph complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2009 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2010; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2010. As discussed in that representation letter, administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2010 are fairly stated in all material respects.

We noted certain immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

This report is intended solely for the information and use of the Board of Education, administration and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co, P.C.

September 13, 2010

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

ATTENDANCE

During our audit, we noted that the District's year end attendance information that is uploaded through MOSIS did not agree to the information in the District's attendance software. As a result of our audit, the District has resolved the discrepancies and uploaded the correct information through MOSIS which reports the year end attendance figures to the Department of Elementary and Secondary Education.

Auditee's Response – During 09-10, as a result of the impending termination of vendor support for the existing system, the District implemented a new student information system. The conversion was complicated and affected virtually every teacher, principal, counselor, school nurse, and school secretary. The District's attendance software provider has not updated the software to make it compatible with the MOSIS reporting requirements, thus manual adjustments must be made to the data prior to uploading to MOSIS. The Data Department is in the process of preparing written procedures and checklists and putting into practice measures to assure that any adjustments are reviewed and verified with the ultimate goal of assuring that data is accurate and submitted on a timely basis.

TRANSPORTATION

During our audit, we noted errors in the ridership lists for the non-handicapped riders as well as errors in the calculation of the number of students that rode the bus. We also noted that the mileage data reported to the State for the disapproved route mileage had been incorrectly reported. As a result of our audit, the District has corrected the ridership and mileage data reported on the Application for State Transportation Aid.

Auditee's Response – The deficiencies occurred primarily as a result of turnover in the Transportation Department just prior to the October ridership time period, as well as implementation of a new student information system. The Business Office and the Transportation Department recently met to assure a clear understanding of all deadlines and information required, along with proper documentation. The Transportation Department is in the process of documenting procedures and processes for the accumulation of all information necessary for the Application for State Transportation Aid.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
The School District of St. Joseph

We have audited the financial statements of The School District of St. Joseph as of and for the year ended June 30, 2010 and have issued our report thereon dated September 13, 2010. These financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the administration of the District in a separate letter dated September 13, 2010.

This report is intended solely for the information and use of the Board of Education, administration, the Missouri Department of Elementary and Secondary Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co, P.C.

September 13, 2010

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
The School District of St. Joseph

Compliance

We have audited the compliance of The School District of St. Joseph with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's administration. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The administration of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect or correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected or corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, the administration, the Missouri Department of Elementary of Secondary Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wattmore + Co, P.C.

September 13, 2010

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the District.

2. There were no significant deficiencies disclosed during the audit of the financial statements that were reported in the Report on Internal Control over Financial Reporting.

3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.

4. There were no significant deficiencies disclosed during the audit of the major federal award programs.

5. The auditors' report on compliance for the major federal award programs for the District expresses an unqualified opinion.

6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule.

7. The programs tested as major programs included:

State Fiscal Stabilization Fund Cluster	84.394 and 84.397
Title I Cluster	84.010A and 84.389A
IDEA Cluster	84.027A and 84.391A
Homeless Education Cluster	84.196A & 84.387A

8. The threshold for distinguishing Types A and B programs was $693,049.

9. The District was determined to not be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

THE SCHOOL DISTRICT OF ST. JOSEPH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

The prior audit report contained no written comments relating to the federal award programs.

WESTBROOK & CO., P.C.
Certified Public Accountants

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REPORT ON ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

To the Board of Education
The School District of St. Joseph

We have audited the administration's assertions, included in its representation letter dated September 28, 2011 that The School District of St. Joseph complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2010 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2011; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2011. As discussed in that representation letter, administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2011 are fairly stated in all material respects.

We noted certain immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

This report is intended solely for the information and use of the Board of Education, administration and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co, P.C.

September 28, 2011

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

ATTENDANCE

During our audit, we noted that attendance for homebound students was incorrectly reported to the State. Homebound students must receive a minimum of five hours of instruction per week in order to be reported as attending the entire week. If a student does not meet the attendance requirements for the week, the student can only be counted in attendance for the actual number of hours of instruction they received.

Auditee's Response: The District's administration has reviewed the MO DESE guidelines and crafted a compliant procedure. The procedure is in place, all necessary staff have been informed of the procedure which will ensure that all homebound hours will be verified, and reported attendance adjusted accordingly.

TRANSPORTATION

During our audit we noted the eligible ridership count was understated on the Application for State Transportation Aid by 24 riders. As a result of our audit the Application for State Transportation Aid has been corrected.

Auditee's Response: The District now has a procedure to check off each location students are transported as rider numbers are reported each month. While these are only turned in twice per year to the state, the District continually updates the ridership and each school is charged to report these numbers at the end of each month. To eliminate future mistakes, the transportation office will begin a more detailed review of all data for the transportation application, as well as continuing the review by the business office.

WESTBROOK & CO., P.C.
Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
The School District of St. Joseph

We have audited the financial statements of The School District of St. Joseph as of and for the year ended June 30, 2011 and have issued our report thereon dated September 28, 2011. These financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we have reported to the administration of the District in a separate letter dated September 28, 2011

This report is intended solely for the information and use of the Board of Education, administration, the Missouri Department of Elementary and Secondary Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co, P.C.

September 28, 2011

WESTBROOK & CO., P.C.
Certified Public Accountants

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
The School District of St. Joseph

Compliance

We have audited the compliance of The School District of St. Joseph with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's administration. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The administration of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect or correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected or corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, the administration, the Missouri Department of Elementary of Secondary Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wallbaum & Co, P.C.

September 28, 2011

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the District.

2. There were no significant deficiencies disclosed during the audit of the financial statements that were reported in the Report on Internal Control over Financial Reporting.

3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.

4. There were no significant deficiencies disclosed during the audit of the major federal award programs.

5. The auditors' report on compliance for the major federal award programs for the District expresses an unqualified opinion.

6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule.

7. The programs tested as major programs included:

ARRA - State Fiscal Stabilization Fund	84.394
Federal Education Jobs Bill	84.410A
IDEA Cluster	84.027A, 84.391A and 84.392A
Title IIA	84.367A

8. The threshold for distinguishing Types A and B programs was $535,524.

9. The District was determined to not be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

THE SCHOOL DISTRICT OF ST. JOSEPH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

The prior audit report contained no written comments relating to the federal award programs.

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REPORT ON ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

To the Board of Education
The School District of St. Joseph

We have audited the administration's assertions, included in its representation letter dated September 26, 2012 that The School District of St. Joseph complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2011 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2012; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2012. As discussed in that representation letter, administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2012 are fairly stated in all material respects.

We noted a certain immaterial instance of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

This report is intended solely for the information and use of the Board of Education, administration and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co, P.C.

September 26, 2012

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

ATTENDANCE

During our audit, we noted that attendance for homebound students was incorrectly reported to the State. Homebound students must receive a minimum of five hours of instruction per week in order to be reported as attending the entire week. If a student does not meet the attendance requirements for the week, the student can only be counted in attendance for the actual number of hours of instruction they received.

Auditee's Response: The District's written procedures already require that the certificated homebound instruction teacher document direct instruction provided to each eligible student and that this documentation be sent to the building secretary, building administrator, and homebound liaison. The breakdown was in the building secretaries' understanding of how to enter partial day attendance when a student did not receive at least five hours of direct instruction in a week. The District will enhance the communication to the building secretaries and, to ensure compliance and accuracy, the data department will do an internal audit of homebound attendance for each school building monthly.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
The School District of St. Joseph

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of The School District of St. Joseph as of and for the year ended June 30, 2012 and have issued our report thereon dated September 26, 2012. These financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the administration of the District in a separate letter dated September 26, 2012.

This report is intended solely for the information and use of the Board of Education, administration, the Missouri Department of Elementary and Secondary Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co., P.C.

September 26, 2012

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
The School District of St. Joseph

Compliance

We have audited the compliance of The School District of St. Joseph with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's administration. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The administration of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect or correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected or corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, the administration, the Missouri Department of Elementary of Secondary Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wallbaum + Co, P.C.

September 26, 2012

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the District.

2. There were no significant deficiencies disclosed during the audit of the financial statements that were reported in the Report on Internal Control over Financial Reporting.

3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.

4. There were no significant deficiencies disclosed during the audit of the major federal award programs.

5. The auditors' report on compliance for the major federal award programs for the District expresses an unqualified opinion.

6. There were no audit findings relative to the major federal award programs for the District reported in this Schedule.

7. The programs tested as major programs included:

ARRA - State Fiscal Stabilization Fund	84.394
Child Nutrition Cluster	10.553 & 10.555

8. The threshold for distinguishing Types A and B programs was $424,695.

9. The District was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The prior audit report contained no written comments relating to the federal award programs.

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REPORT ON ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

To the Board of Education
The School District of St. Joseph

We have audited the administration's assertions, included in its representation letter dated November 8, 2013 that The School District of St. Joseph complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2012 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2013; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2013. As discussed in that representation letter, administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2013 are fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Education, administration and the Missouri Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook + Co, P.C.

November 8, 2013

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

None.

WESTBROOK & CO., P.C.
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
The School District of St. Joseph

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of The School District of St. Joseph as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wellhoefer + Co, P.C.

Richmond, Missouri
November 8, 2013

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133

To the Board of Education
The School District of St. Joseph

Report on Compliance for Each Major Federal Program

We have audited the District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wallbaum + Co, P.C.

Richmond, Missouri
November 8, 2013

THE SCHOOL DISTRICT OF ST. JOSEPH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
• Material weakness(es) identified?	_____	Yes	X	No
• Significant deficiency(ies) identified?	_____	Yes	X	None reported
Noncompliance material to financial statements noted?	_____	Yes	X	No

Federal Awards

Internal control over major programs:				
• Material weakness(es) identified?	_____	Yes	X	No
• Significant deficiency(ies) identified?	_____	Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	Yes	X	No
Identification of major programs: Title I A	CFDA No. 84.010A			
Dollar threshold used to distinguish between type A and type B programs:	$ 400,423			
Auditee qualified as low-risk auditee?	X	Yes	_____	No

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

THE SCHOOL DISTRICT OF ST. JOSEPH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

The prior audit report contained no written comments relating to the federal award programs.

B. STIPENDS OF $5,000 PAID TO MOST DISTRICT ADMINISTRATORS

Shortly upon assuming his duties as Superintendent of Schools on July 1, 2013, Dr. Fred Czerwonka saw a need to increase administrator involvement in community organizations and increase attendance at District evening activities. As of July 1, 2013, there was no requirement that administrators perform such extra duties. Therefore, the Superintendent, in consultation with Board President Dan Colgan, authorized stipends for all administrators, except Dr. Czerwonka, [redacted] b6 b7C However, in each case, the stipend was $5,000. A few employees received adjustments as they were not on the proper salary schedule. The transfer reflected an increase in the length of contract and/or additional duties that were assigned.

Issues have arisen concerning the legality of these stipends. A number of statutory provisions are relevant. For instance, Article III Section 39 limits the power of the General Assembly "to grant extra compensation to a public officer . . . after services have been rendered or a contract has been entered into and performed in which or in part." (Copy enclosed). This provision has been expanded to include a similar prohibition against public school districts. (Attorney General Opinion 6-85). However, succeeding Attorney General Opinions (for e.g. OP 171-71 and 211-70) have limited the prohibition to situations when a public employee's compensation was increased without the addition of responsibilities and duties which were not previously contracted. Thus, the consistent accepted understanding of the law is that a contracted public employee may have their contractual salary increased only if these are additional duties and responsibilities for which the employee had not previously contracted.

In the present case, the stipends were given for the performance of additional duties and responsibilities. The District has records indicating the fulfillment of these duties and responsibilities for administrators who received stipends.

Board Policy CB School Superintendent also authorizes the Superintendent "to give directives, which shall be valid until disapproved by the Board for the management of the District to employees and students on points not covered by adopted policies, rules and procedures." At the time of Dr. Czerwonka's stipend directive there were no procedures to mandate administrator involvement in community organizations or participation in evening activities. Consistent with Policy CB, the Board of Education considered whether to approve or disapprove the $5,000 stipends at its meeting of February 10, 2014. At that meeting, the Board was given three options:

1. Affirm the stipends;
2. Disapprove and terminate the stipends; or
3. Terminate the stipends and require that stipends paid to date be returned to the District.

As noted, in the enclosed minutes, [redacted] moved to affirm the stipends. [redacted] seconded the motion and the motion was approved unanimously. b6 b7C

Contrary to some speculation, the stipends were not unlawful bonuses, but rather additional compensation for the assumption of new duties and responsibilities. The enclosed Missouri Attorney General's Opinions clearly support the difference between these opposing scenarios. Moreover, the Board of Education, pursuant to its authorization, considers its options and unanimously approved the stipends.

Missouri Constitution

Article III
LEGISLATIVE DEPARTMENT
Section 39

August 28, 2013

Limitation of power of general assembly.

Section 39. The general assembly shall not have power:

(1) To give or lend or to authorize the giving or lending of the credit of the state in aid or to any person, association, municipal or other corporation;

(2) To pledge the credit of the state for the payment of the liabilities, present or prospective, of any individual, association, municipal or other corporation;

(3) To grant or to authorize any county or municipal authority to grant any extra compensation, fee or allowance to a public officer, agent, servant or contractor after service has been rendered or a contract has been entered into and performed in whole or in part;

(4) To pay or to authorize the payment of any claim against the state or any county or municipal corporation of the state under any agreement or contract made without express authority of law;

(5) To release or extinguish or to authorize the releasing or extinguishing, in whole or in part, without consideration, the indebtedness, liability or obligation of any corporation or individual due this state or any county or municipal corporation;

(6) To make any appropriation of money for the payment, or on account of or in recognition of any claims audited or that may hereafter be audited by virtue of an act entitled "An Act to Audit and Adjust the War Debts of the State," approved March 19, 1874, or any act of a similar nature, until the claim so audited shall have been presented to and paid by the government of the United States to this state;

(7) To act, when convened in extra session by the governor, upon subjects other than those specially designated in the proclamation calling said session or recommended by special message to the general assembly after the convening of an extra session;

(8) To remove the seat of government from the City of Jefferson;

(9) Except as otherwise provided in section 39(b), section 39(c), section 39(e) or section 39(f) of this article, to authorize lotteries or gift enterprises for any purpose, and shall enact laws to prohibit the sale of lottery or gift enterprise tickets, or tickets in any scheme in the nature of a lottery; except that, nothing in this section shall be so construed as to prevent or prohibit citizens of this state from participating in games or contests of skill or chance where no consideration is required to be given for the privilege or opportunity of participating or for receiving the award or prize and the term "lottery or gift enterprise" shall mean only those games or contests whereby money or something of value is exchanged directly for the ticket or chance to participate in

Attorney General of Missouri

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January 24, 1985

OPINION LETTER NO. 6-85

FILED
6

The Honorable John L. Goldman
Representative, District 98
8505 Elsa
Affton, Missouri 63123

Dear Representative Goldman:

This letter is in response to your questions as follows:

1. Is it necessary for a school board to issue contracts to tenured, permanent teachers by April 15 of each year?

2. Is it necessary for a school board to set the salary schedule on or before April 15?

3. Once a salary schedule has been adopted and contracts have been issued, how may a school board and teacher modify the contract if the change is mutually acceptable?

4. Once a salary schedule has been adopted and contracts have been issued, when may a school board and a teacher modify the contract if the change is mutually acceptable?

The facts stated in support of your request are as follows:

Historically, the Affton School District has adopted an amended salary schedule for its tenured teachers on or before April 15. The Board adopted the salary schedule for the 1984-85 school year on April 9, 1984. The

> Board issued the contracts for the 1984-85 school year during the week of April 8 - 12, 1984.
>
> In July of 1984, the School Board revised its budget, because of greater amounts in its year end balances.
>
> The superintendent recommended, to the Board, that the tenured teachers contracts be modified to give a 2% raise. The Board rejected this modification based upon the recommendation of the Board attorney that a raise at that time would be illegal.

Section 168.106, RSMo 1978, authorizes an indefinite contract between a school district and a permanent teacher, which may be terminated only under certain conditions. Section 168.108, RSMo 1978, establishes the form for the indefinite contract; such form, inter alia, sets forth the annual compensation. Section 168.110, RSMo 1978, provides that a board of education may modify an indefinite contract, as to the annual compensation, annually on or before the fifteenth day of April. Section 168.112, RSMo 1978, provides that an indefinite contract may be modified or terminated at any time by the mutual consent of the parties.

Although Section 168.112, RSMo 1978, would appear to authorize a mutually agreeable modification in an indefinite contract providing a mid-year salary increase, such statute must be read in harmony with the Constitution of Missouri.

Article III, Section 38(a), Missouri Constitution, states in part:

> The general assembly shall have no power to grant public money or property, or lend or authorize the lending of public credit, to any private person, association or corporation, excepting . . .

Article III, Section 39(3), Missouri Constitution, states:

> The general assembly shall not have power:
>
> * * *
>
> (3) To grant or to authorize any county or municipal authority to grant any extra compensation, fee or allowance to a public officer,

> agent, servant or contractor after service has been rendered or a contract has been entered into and performed in whole or in part;

Article VI, Section 23, Missouri Constitution, states:

> No county, city or other political corporation or subdivision of the state shall own or subscribe for stock in any corporation or association, or lend its credit or grant public money or thing of value to or in aid of any corporation, association or individual, except as provided in this constitution.

Article VI, Section 25, Missouri Constitution, states:

> No county, city or other political corporation or subdivision of the state shall be authorized to lend its credit or grant public money or property to any private individual, association or corporation except as provided in Article VI, Section 23(a) and except that the general assembly may authorize any county, city or other political corporation or subdivision to provide for the retirement or pensioning of its officers and employees and the widows and children of deceased officers and employees and may also authorize payments from any public funds into a fund or funds for paying benefits upon retirement, disability or death to persons employed and paid out of any public fund for educational services and to their beneficiaries or estates; and except, also, that any county of the first class is authorized to provide for the creation and establishment of death benefits, pension and retirement plans for all its salaried employees, and the widows and minor children of such deceased employees.

In Opinion No. 211, Belt, 1970, copy enclosed, this office concluded that the granting of a three hundred dollars ($300.00) per teacher bonus during the school year to teachers already under contract to perform services during that year violated Article III, Sections 38(a) and 39(3), Missouri Constitution. Whatever is the efficacy of that conclusion, we believe that giving teachers a bonus for services already contracted for is a grant of public

funds prohibited by Article VI, Sections 23 and 25, Missouri Constitution. Accordingly, modifications of teachers' contracts of the type proposed are unconstitutional.

Very truly yours,

WILLIAM L. WEBSTER
Attorney General

Enclosure:
Opinion No. 211, Belt, 1970

Missouri Attorney General

Opinion No. 211-70

Topics: SCHOOLS.
TEACHERS.

Summary conclusion

The $34,000 in additional school moneys, which the Macon School District R-I estimates it will receive from the state, may not be legally paid by the district to and among all teachers already under contract with the district for the 1969-1970 school year.

Contents of opinion

May 6, 1970

Honorable Ronald M. Belt
State Representative
District No. 96
State Capitol Building
Jefferson City, Missouri 65101

Dear Representative Belt:

This official opinion is issued in response to your request for a ruling on the designated questions arising out of the following fact situation:

> "Macon School District R-I included in its budget for the 1969-1970 school year anticipated receipts from the State of Missouri under Mo.R.S. Section 163.031 in the then estimated amount of $220,000. On the budgeted basis of such anticipated amount plus estimated funds from other sources, annual employment contracts were timely executed for said school year by this District with numerous teachers. Each of these employment contracts designated the position to be occupied by the teacher named, the cash amount of salary to be paid and the time period covered, without inclusion of any special provision.
>
> It now appears probable that for and during this school year this District will receive under said Section 163.031 the amount of $254,000 instead of $220,000. The District has fully complied with the eighty percent requirement under Paragraph 9 of Section 163.031 and under Section 163.061, and also the Directors have ordered that all said moneys be placed in the teachers fund. The District Directors further desire to distribute presently during this 1969-1970 school year most of the aforesaid $34,000 difference among all of the teachers employed by said District by paying $300.00 to each teacher, if such payment is legally permissible.
>
> It has been suggested that, by mutual consent between the District and each teacher, they may terminate each teacher's employment contract existing for this school year and in conjunction therewith execute a new employment contract covering only the balance of this school year and in each teacher's contract provide for a salary which would exceed by $300.00 the amount otherwise payable to such teacher under such teacher's existing contract for such balance of this school year. The new contract would not provide for any different service by or position for any teacher nor for any employment time period beyond the existing contract expiration date.

> Questions: May the aforesaid $34,000 be legally paid by the District to and among all the teachers employed as aforesaid by said District during this 1969-1970 school year? If so, by what method, e.g., by substitution of new employment contract as above-mentioned or in some other manner?

Article III, Section 38(a) provides in part as follows:

> "The general assembly shall have no power to grant public money or property, or lend or authorize the lending of public credit, to any private person, association or corporation, excepting aid in public calamity."

A school board has only those powers conferred on it by the General Assembly. Therefore, if the constitution prohibits the General Assembly from taking certain action, a school board can have no greater power. Kizior v. City of St. Joseph, 329 S.W.2d 605, 609 (Mo. 1959).

Here, the school board has an employment contract with the teachers in question obligating the teachers to perform certain services. For these services, the school board has agreed to pay a specific cash salary. Now, without altering in any manner the nature of the teacher's obligation, the school board proposes to pay each teacher an additional $300 for these same services. We believe this amounts to a "grant of public money" to a private person in violation of Article III, Section 38(a). Relying in part on the predecessor to Article III, Section 38(a), this office has previously determined that a school district may not pay a bonus to a teacher when said bonus is not provided by a contract (Opinion No. 16, dated April 23, 1938). Also, we have previously decided that a school board may not make a donation or gift to a school teacher during the term of the contract (Opinion No. 21, May 10, 1939). In the instant case, the board proposes to pay each teacher, regardless of length of service or amount of salary, the same amount, i.e., $300. This payment, too, could be classified as a "bonus," a "gift" or a "donation."

Furthermore, Article III, Section 39(3), Missouri Constitution 1945, prohibits the granting of extra compensation to public officers or agents after a contract has been entered into and performed in whole or part. Section 39(3) of Article III provides that:

The general assembly shall not have power:

> "(3) To grant or to authorize any county or municipal authority to grant any extra compensation, fee or allowance to a public officer, agent, servant or contractor after service has been rendered or a contract has been entered into and performed in whole or in part;"

In the instant case, we have a proposal "to grant extra compensation" to school teachers "after a contract has been entered into and performed in whole or in part." Whether this provision applies to the instant situation depends on whether school districts are included within its coverage. In other words, is the General Assembly prohibited from authorizing a school board to grant extra compensation to one of its agents after a contract has been performed in whole or in part? The answer to this question depends on whether a school district is a "county or municipal authority."

Even though school districts are not referred to expressly, we believe that, in view of the laudatory purpose of this provision and in view of the liberal construction given similar language by the Supreme Court of Missouri, school districts are included within the coverage of Article III, Section 39(3).

The purpose underlying Article III, Section 39(3) has been described as follows by the Supreme Court of Missouri in its opinion in Kizior v. City of St. Joseph, supra:

> "Section 39(3), Article III was adopted by the people as a safeguard against the squandering of public money and to

> prohibit public officers from giving gratuities to contractors, and it may not be cast aside even though one who has acted in good faith may suffer hardships. The courts of this state have adhered to a policy of strictly enforcing the constitutional and statutory safeguards applicable to the contracts of public corporations. Likes v. City of Rolla, 184 Mo.App. 296, 167 S.W. 645; Webb-Boone Paving Co. v. State Highway Commission, 351 Mo. 922, 173 S.W.2d 580; Donovan v. Kansas City, 352 Mo. 430, 175 S.W.2d 874." Id. at 610.

The Supreme Court has generally adopted a broad definition of "municipal corporation" in interpreting other provisions of the Missouri Constitution; for instance, in interpreting the provisions of Article X, Section 6, Missouri Constitution 1875, which provided that "all property of the state, counties and other municipal corporations shall be exempt from taxation," the Missouri Supreme Court, in State ex rel. Caldwell v. Little River Drainage Dist., 291 Mo. 72, 236.S.W. 15 (1921), stated:

> "The statutes of this state under which drainage districts are organized declare them to be public corporations. Because of their inherent nature and because of the purposes for which primarily they are created, we have repeatedly held that they are not private corporations in. any sense; that they are political subdivisions of the state, and exercise prescribed functions of government. Mound City Land & Stock Co. v. Miller, 170 Mo. 240, 253, 70 S. W. 721, 60 L. R. A. 190, 94 Am. St. Rep. 727; Morrison v. Morey, 146 Mo. 5143, 561, 48 S. W. 629; Drainage District v. Turney, 235 Mo. 60, 90, 138 S. W. 12. We have also said that they are municipal corporations. Wilson v. Drainage District, 257 M o. 266, 286, 165 S. W. 7314; State v. Taylor, 224 Mo. 393, 1469, 123 S.W. 892. In its strict and primary sense the term 'municipal corporation' applies only to incorporated cities, towns, and villages, having subordinate and local powers of legislation. Heller v. Stremmel, 52 Mo. 309. But in the larger and ordinarily accepted sense the term is applied to any public local corporation, exercising some function of government, and hence includes counties, school districts, townships under township organization; special road districts and drainage districts. Wilson v. Trustees of Sanitary District, 133 Ill, 443, 464, 27 N. E. 203; Rathbone v. Hopper, 57 Kan. 240, 242, 45 Pac. 610 34 L. R. A. 674." Id. at 16. [Emphasis supplied]

In the case of Laret Inv. Co. v. Dickmann, 345 Mo. 449, 134 S.W.2d 65 (En Banc 1939), the court referred again to the broad definition of "municipal corporation":

> The term 'municipal corporation' is sometimes used in a strict sense to designate a corporation possessing some specified power of local government. In a broader sense it includes public, or quasi public, corporations designed for the performance of an essential public service. See Dillon on Municipal Corporations, Fifth Ed. Sec. 32.
>
> This court has adopted the broader definition. In State ex rel. Caldwell v. Little River Drainage District, 291 Mo. 72, loc. cit. 79, 236 S.W. 15, loc. cit. 16, we said: 'In its strict and primary sense the term "municipal corporation" applies only to incorporated cities, towns, and villages, having subordinate, and local powers of legislation.' Heller v. Stremmel, 52 Mo. 309. But in the larger and ordinarily accepted sense the term is applied to any public local corporation, exercising some function of government, and hence includes counties, school districts, townships under township organization, special road districts and drainage districts.
>
> See also State ex rel. Kinder v. Little River Drainage District, 291 Mo. 267, 236 S.W. 848; Grand River Drainage District v.

> Reid, 341 Mo. 1246, 111 S.W.2d 151; State ex rel Caldwell v. Little River Drainage District, 291 Mo. 72, 236 S.W. 15; Harris v. William R. Compton Bond Co., 244 Mo. 664, 149 S.W. 603.
>
> The broad definition of a municipal corporation requires that it be formed for the purpose of performing some governmental function. Id. at 68.

Also, in Russell v. Frank, 348 Mo. 533, 154 S.W.2d 63 (1941), the court, in ruling on the validity of a school tax under the provisions of Article X, Section 11, Missouri Constitution 1875, stated:

> Appellants also contend that even. though this tax be not for building purposes it is authorized under the general powers of the legislature to levy taxes for state purposes non-municipal in their nature. An elaborate argument, with the citation of many authorities, is made to sustain this point. It will be unnecessary to analyze all of the cases cited because the argument is squarely opposed to the express language of the constitutional provision here involved. The section above cited imposes a special and specific limitation on school taxes. The tax in this case was levied not by the state but by the school district, which is and was a municipal corporation as we have defined that term in Laret Investment Co. v. Dickmann, 345 Mo. 449, 134 S.W.2d 65. The very purpose for which such municipal corporation is created is that of the maintenance of a school system. Id. at 67.

In City of Olivette v. Graeler, 338 S.W.2d 827 (Mo. 1960), the court reiterated its reliance on the broad definition of "municipal corporation:"

> Characterizing St. Louis County as a 'municipal corporation' does not necessarily determine that its land area is incorporated within the meaning of a particular statute. The same word, term or phrase may vary in meaning depending on the time, place and circumstances under which it is used. In Towne v. Eisner, 245 U.S. 418, 38 S.Ct. 158, 159, 62 L.Ed. 372, the Supreme Court speaking through Mr. Justice Holmes stated: 'But it is not necessarily true that income means the same thing in the Constitution and the Act. A word is not a crystal, transparent and unchanged, it is the skin of a living thought and may vary greatly in color and content according to the circumstances and the time in which it is used.'
>
> In its strict and primary sense the term 'municipal corporation' applies only to incorporated cities, towns, and villages, having subordinate and local powers of legislation. But in the larger and ordinarily accepted sense the term is applied to any public-local corporation, exercising some function of government, and hence includes counties, school districts, townships under township organization, special road districts and drainage districts. State ex rel. Caldwell v. Little River Drainage Dist., 291 Mo. 72, 236 S.W. 15, 16. See also Laret Investment Co. v. Dickmann, 345 Mo. 449, 134 S.W.2d 65, 68[2]; St. Louis Housing Authority v. City of St. Louis, 361 Mo. 1170, 239 S.W.2d 289, 294 [12-15]; and McQuillin, Municipal Corporations, 3rd Ed., Vol. I, § 2.03 et seq.
>
> Many public agencies, rendering services of a municipal nature for which a corporate form of organization is provided by law, may properly be included in the category on 'municipal corporations' in the broader sense. To those mentioned in the Caldwell case could be added county health departments and hospitals, fire districts and, notably in St. Louis County, the Metropolitan St. Louis Sewer District, 'a body corporation, a municipal corporation and a political subdivision of the state' which encompasses both the area in question and the City of Olivette. The territory which these

> 'municipal corporations' occupy does not ipso facto become an incorporated area within the meaning of the annexation statutes. Id. at 835.

The General Assembly has also on occasion classified a school district as a "municipal corporation." Section 432.070, RSMo 1959, states that "[n]o county, city, town, village, school township, school district or other municipal corporation shall." [Emphasis supplied].

Article III, Section 39(3) refers to "municipal authority," not "municipal corporation." However, we believe that "municipal authority" is not as specific a term as "municipal corporation" and, therefore, a broad interpretation of its meaning is equally warranted.

In Watts v. Levee Dist. No. 1, Mississippi County Mo., 164 Mo.App. 263, 1145 S.W. 129 (St.h.Ct.App. 1912), the plaintiff sought to have certain warrants of the levee district declared void. In determining whether estoppel would lie against the district, the court stated:

> "Certainly no estoppel should be adjudged against them but on clear and unmistakable proof of acts of ratification and acquiescence, done within the line of their powers and duties. The directors of these levee districts have no power to impose any obligations on the district unless first authorized to do so by vote of the landowners of the district. They are quasi-public officers, officers of 'a public governmental corporation.' Our Constitution, section 48, article 4, provides that the General Assembly itself, the supreme lawmaking power of the state, shall have no power to grant, or to authorize any county or municipal, authority to grant, any extra compensation to a public officer, agent, servant or contractor, 'after service has been rendered or a contract has been entered into and performed in whole or in part, nor pay, nor authorize the payment of any claim hereafter credited against the state or any county or municipality of the state under any agreement or contract made without express authority of law and all such unauthorized agreements or contracts shall be null and void.' While this constitutional prohibition does not literally cover the class of officers or public agencies to which these drainage districts belong, it would seem that its spirit should cover them, and that spirit is against the allowance or payment for public work, services or labor of any kind done in the first instance without authority of law, as was the case here." Id. at 134.

Consistent with the court's conclusion in the Watts case, we do not believe that the people of Missouri intended only to prohibit counties and municipalities, in the narrow sense of the word, from increasing the compensation of an agent for services he is already legally obligated to perform. We believe that Article III, Section 39(3) was intended as a broad prohibition against such action by any public, local corporation which is entrusted with public moneys. Therefore, we conclude that "municipal authority" as used in Article III, Section 39(3) includes school districts.

Having so determined, the school board cannot increase the compensation paid to teachers presently under contract for the 1969-1970 school year. This same conclusion was reached by the Missouri Supreme Court in Kizior v. City of St. Joseph, supra. The city had entered into an exclusive contract with a private corporation for the collection of garbage for a ten year period at a specific sum. An attempt was made, after partial performance, to increase the compensation paid by the city for precisely the same services which the contractor was already obligated to perform. The court, after quoting Article III, Section 39(3), stated:

> "A careful reading of the amendatory contract does not disclose that appellant agreed therein to do anything except 'to continue to collect and dispose of garbage in accordance with the contract [of July 12, 1949] hereinabove referred to.' Obviously, appellant was already bound to do that which it

agreed to do in the agreement to amend. The stated purpose of the city in agreeing to the amendment was to make it possible for appellant to continue the garbage collection operation which appellant had found it impossible to do 'by reason of conditions beyond its control.' For doing that which appellant was already obligated to do under the original contract, the city agreed in the amendment to pay appellant at least $19,000 annually in addition to the amount originally agreed upon. That clearly violated the quoted constitutional provision, as it was a 'grant' of 'extra compensation to a contractor after a contract has been entered into and performed in part.' Article III, Section 39(3), supra. For analogous cases, see Sager v. State Highway Commission of Missouri, 349. Mo. 341,160 S.W.2d 757, and Spitcaufsky v. State Highway Commission of Missouri, 349 Mo. 117, 159 S.W.2d 647[2]." Id. at 609.

Any argument in favor of a conclusion different from the one reached herein must rely on Section 168.111, RSMo 1967 Supp. as being legislative authorization for rescinding the current contract and entering into a new one at a higher salary. Subparagraph 6 of Section 168.111, RSMo 1967 Supp. provides in part as follows:

"A teacher's contract may be terminated at any time by mutual consent of the teacher and the board."

An argument can be made that this authorization is intended solely to allow the termination of a teacher's employment by mutual agreement, thereby avoiding the restrictions on unilateral termination contained in the previous subparagraphs of Section 168.111 and in Section 168.121, RSMo 1967 Supp. Furthermore, subparagraph 2 states that a teacher's "reemployment is subject to the regulations hereinafter set forth." No authority is granted to the board to reemploy teachers for the current year during the current year. Nevertheless, assuming that the legislature intended subparagraph 6 of Section 168.111 to permit a contract to be terminated and another entered into having the same terms and conditions but providing for more monetary compensation, such an interpretation would be in conflict with Article III, Section 38(a) and Article III, Section 39(3) and, therefore, beyond the power of the General Assembly to enact.

CONCLUSION

It is, therefore, the opinion of this office that the $34,000 in additional school moneys, which the Izacon School District R-I estimates it will receive from the state, may not be legally paid by the district to and among all the teachers already under contract with the district for the 1969-1970 school year.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, D. Brook Bartlett.

Very truly yours,

John C. Danforth
Attorney General

Missouri Attorney General

Opinion No. 171-71

Topics: SCHOOLS.
COMPENSATION.
CONSTITUTIONAL LAW.

Summary conclusion

In school districts in which a school board is authorized by Section 168.191, RSMo 1969, to enter into a contract with a superintendent of schools for the school district for a period of not to exceed three years, Section 38(a) of Article III, and Section 39(3) of Article III, Missouri Constitution, prohibit such school board and the superintendent from terminating a partially performed three year contract and executing a new three year contract providing for the performance of the same duties at a greater compensation when the only reason for so doing is to increase the superintendent's compensation before the expiration of the current contract.

Contents of opinion

May 4, 1971

Honorable Donald J. Gralike
Representative, District 49
Room 301, Capitol Building
Jefferson City, Missouri 65101

Dear Representative Gralike:

This official opinion is issued in response to your request for a ruling on the following question:

> "On May 6, 1970 you issued opinion No. 211 which states. in conclusion that additional school monies received by a school district may not be legally paid by the district to teachers already under contract.
>
> "In St. Louis County many school superintendents are under three year contract. It is common practice for superintendents to resign before the expiration of the three year contract and be reappointed to this position by the school board with a salary increase for a new three year period.
>
> "Due to the fact that you have held this procedure improper for teachers, it would appear that the method being followed by the school superintendents would also be in violation."

The implicit assumption underlying the factual situation presented by your opinion request is that the only reason for terminating a superintendent's current three year contract before its term expires and executing a new contract for another three year period is to increase the superintendent's compensation before the expiration of the current contract. With the exception of the greater compensation, we understand, and will assume for the purposes of this opinion, that all other terms and conditions in the new contract are the same as in the terminated agreement.

Section 168.191, RSMo 1969, governing the employment of a school superintendent in a first class county provides in part as follows:

> "In all counties of the first class, any school board, other than boards in urban districts, in charge of a public school system maintaining a classified high school, previously approved by

> the state board of education, and employing a superintendent devoting his full time to supervisory and administrative work, may employ and enter into contract with a superintendent of schools for the school district for a period of not to exceed three years. . . ."

Article III, Section 38(a), Constitution of Missouri of 1945, provides in part as follows:

> "The general assembly shall have no power to grant public money or property, . . . to any private person, . . . excepting aid in public calamity, . . ."

As a school board derives its powers from the General Assembly, and can have no greater power than the General Assembly, Article III, Section 38(a) is also a limitation upon the authority of a school board. Kizior v. City of St. Joseph, 329 S.W.2d 605, 609 (Mo. 1959).

In the present case, the school board proposes to increase the superintendent's compensation, without altering the nature of his obligation, by terminating a partially performed contract and executing a new contract providing for a greater rate of compensation. This is but an indirect way of increasing the superintendent's compensation for the remainder of the partially performed contract, and has the same effect as would a direct payment of extra compensation during the term of such contract. We believe this arrangement amounts to a "grant of public money" to a private person in violation of Article III, Section 38(a).

Relying in part on the predecessor to Article III, Section 38 (a), this office previously determined that a school district may not pay a bonus to a teacher at the end of the year when said bonus is not provided by contract (Opinion No. 16, dated April 23, 1938).

Also, a school board may not make a monetary donation or gift to a school teacher or superintendent during the term of contract (Opinion No. 21, May 10, 1939). In Opinion No. 211, dated May 6, 1970, we concluded that Article III, Section 38 (a) prohibited a school board from increasing a teacher's compensation during the term of contract either by making a direct payment to the teacher during the term of the contract, or by terminating the contract and entering into a new contract for the same year providing for the same terms and conditions but at additional compensation.

In comparing the instant factual situation with the factual situation in Opinion No. 211, the only potentially meaningful distinction is that here the school board proposes to terminate a current contract and enter into a new contract for a subsequent three year period whereas in Opinion No. 211 the school board proposed to execute a new contract for only the remainder of the term of the partially performed contract. This distinction does not furnish a basis for distinguishing the instant situation from that presented in Opinion No. 211 because we are assuming that the terms and conditions of the new three year contract are the same as the partially performed contract except for higher compensation. Therefore, for the period of time left in the old contract, which is included in the new contract, the school board by increasing the superintendent's compensation has granted public money to a private individual in violation of Section 38(a).

In State ex rel. Wander v. Kimmel, 256 Mo. 611, 165 S.W. 1067 (1914), the Supreme Court of Missouri held that a statute which denied witness fees to policemen who testified in certain cases but contained an exception which allowed a policeman who was a member of a police relief association to collect witness fees for the use and benefit of the association was unconstitutional. The money so collected was used by the association to pay pensions and other benefits to its members. In construing the predecessor of Article III, Section 38(a), the court stated that:

> "Moreover, as judicial construction is not a thing that may ride without bits or reins, it is a fundamental proposition to be accepted as a sound rule of exposition that what is forbidden to be done in a straight line may not be done in a crooked

line. What is forbidden to be done directly may not be done indirectly or obliquely. If, then, the effect of the legislation in question is to create a pension fund out of the common chest and thereby grant pensions out of public funds to policemen . . . the statutes questioned cannot be held a constitutional exercise of legislative power in that regard." Id. at 1072.

In State ex. rel. Curators of the University of Missouri v. Neill, 397 S.W.2d 666, (Mo. banc 1965), the Supreme Court of Missouri noted that:

"The Constitution in general is subject to the same rules of construction as other laws with due regard being given to the broader scope and objects of the Constitution as a charter of popular government, . . ." Id. at 669.

One such rule of construction provides that:

"The legislative act should be given such construction as to suppress the mischief, and advance the remedy, and to suppress subtle inventions and evasions for continuance of themischief, and for private gain, and to add force and life to the cure and remedy, for the public good. . ." State v. Schwartzmann Service, Inc., 40 S.W.2d 479, 480 (St.L.Ct. App. 1931)

Consistent with these principles we believe that in the present case a school board cannot circumvent the limitation of Article III, Section 38(a) by increasing a superintendent's compensation under a partially performed contract in the indirect fashion proposed.

Furthermore, we believe that the proposed arrangement to increase a superintendent's compensation is prohibited by Article III, Section 39(3), Constitution of Missouri of 1945, which reads in part as follows:

"The general assembly shall not have power:

* * *

"(3) To grant or authorize any county or municipal authority to grant any extra compensation, fee or allowance to a public officer, agent, servant or contractor after service has been rendered or a contract has been entered into and performed in whole or in part;"

In Opinion No. 211 we determined that a school district was a "municipal authority" within the meaning of Article III, Section 39(3), and that a school board was, therefore, prohibited from increasing the compensation of one of its teachers by terminating a current contract before expiration and entering into a new contract for the same year providing for greater compensation. In the instant case, terminating an existing three year contract and entering into a new three year contract with the same terms and conditions and requiring performance of the same duties is an attempt to accomplish indirectly what could not be accomplished directly increasing the superintendent's compensation during the term of the contract. We believe such a scheme violates Section 39(3) of Article III.

In Kizior v. City of St. Joseph, supra, the city had entered into an exclusive contract with a private corporation for the collection of garbage for a ten year period at a specified annual fee. After partial performance the contractor complained that the contract had become unprofitable and an attempt was made to increase the compensation paid by the city without changing the contractor's obligation. In holding that the increase in compensation was unlawful, the Supreme Court of Missouri described the purpose underlying Article III, Section 39(3), as follows:

". . . Certainly the fact that appellant may have entered into an improvident contract would afford no basis for creating an exception to the application of a clear constitutional prohibition. Section 39(3), Article III was adopted by the

> oeonle as a safeguard against the squandering of public money and to prohibit public officers from giving gratuities to contractors, and it may not be cast aside even though one who has acted in good faith may suffer hardships. The courts of this state have adhered to a policy of strictly enforcing the constitutional and statutory safeguards applicable to the contract of public corporations. Likes v. City of Rolla, 184 Mo.App. 296, 167 S.W. 645; Webb-Boone Paving Co. v. State Highway Commission, 351 Mo. 922, 173 S.W.2d 580; Donovan v. Kansas City, 352 Mo. 430, 175 S.W.2d 874. . ." Id. at 610 Watts v. Levee Dist. No. 1, Mississippi County, Mo., 164 Mo. App. 263, 145 S.W. 129 (St.L.Ct.App. 1912), demonstrates the liberal interpretation courts have given to this constitutional provision in order to fully effectuate its beneficial purpose. In that case, the court, interpreting the predecessor of Article III, Section 39(3), stated that:
>
> ". . . While this constitutional prohibition does not literally cover the class of officers or public agencies to which these drainage districts belong, it would seem that its spirit should cover them, and that spirit is against the allowance or payment for public work, services or labor of any kind done in the first instance without authority of law, as was the case here." Id. at 134.

In light of the broad purposes and liberal interpretation of Article III, Section 39(3), a school board cannot evade the restrictions of Section 39(3) by increasing a superintendent's compensation under a partially performed contract in the indirect fashion proposed.

CONCLUSION

It is, therefore, the opinion of this office that in school districts in which a school board is authorized by Section 168.191, RSMo 1969, to enter into a contract with a superintendent of schools for the school district for a period of not to exceed three years, Section 38(a) of Article III, and Section 39(3) of Article III, Missouri Constitution, prohibit such school board and the superintendent from terminating a partially performed three year contract and executing a new three year contract providing for the performance of the same duties at a greater compensation when the only reason for so doing is to increase the superintendent's compensation before the expiration of the current contract.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, D. Brook Bartlett.

Very truly yours,

John C. Danforth
Attorney General

School Superintendent

The superintendent of schools shall be the chief executive officer of the Board of Education and the administrative head of all divisions and departments of the St. Joseph School District. The superintendent shall be responsible to the Board for the execution of its policies, rules and procedures. The superintendent shall be the representative of the Board and the channel through which all directives from the Board to its employees or students shall be communicated. The superintendent may also give directives, which shall be valid until disapproved by the Board, for the management of the school district to employees and students on points not covered by the adopted policies, rules and procedures.

The superintendent shall be held accountable to the Board for all aspects of administering to the school district. The execution of all decisions made by the Board concerning the internal operation of the school district shall be delegated to the superintendent. The superintendent shall then be responsible for the delegation of responsibility and authority for the operation of the various functions of the district.

Board Policy Adopted: February 12, 2007

Legal Refs: §§ 168.191, .201, RSMo.

ST. JOSEPH
SCHOOL DISTRICT

Executive Session Minutes
St. Joseph School District Board of Education
February 10, 2014

The St. Joseph School District Board of Education met in Executive Session on Monday, February 10, 2014, at 5:00 p.m. in the Board Conference Room, 925 Felix Street, St. Joseph, Missouri, pursuant to 610.021 610.021 (1) (2) (3) (11) (12) (13) (14).

In Attendance:
Board Members Present: [redacted]

b6
b7C

[redacted]

Also in attendance:
[redacted]

[redacted] moved and [redacted] seconded the motion to enter into Executive Session at 5:00 p.m.

Roll Call Vote: [redacted]

Motion Carried.

ST. JOSEPH
SCHOOL DISTRICT

Appointment of [redacted] **at Humboldt Elementary School beginning the 2014-15 school year**

[redacted] moved and [redacted] seconded the motion to appoint [redacted] at Humboldt.

Roll Call Vote:

[redacted]

Yea
Yea
Yea
Yea
Yea
Yea
Yea

b6
b7C

Motion Carried.

Superintendent's Evaluation

[redacted] updated the Board on the Superintendent's evaluation. The Board decided that it will be finalized in Closed Session in March. The Board will present their input to the Board secretary by February 18th and she will forward to [redacted]

Academic Calendar

ST. JOSEPH
SCHOOL DISTRICT

The Board discussed the proposed academic calendar. It was decided to keep it on the agenda for a vote tonight.

There being no further Closed Session business, [redacted] moved and [redacted] seconded the motion to adjourn from Executive Session.

Roll Call Vote:

[redacted]

Yea
Yea
Yea
Yea
Yea
Yea
Yea

b6
b7C

Motion Carried.

The Board adjourned from Executive Session at 5:57 p.m. and will continue the discussion after the Board meeting.

The Board reconvened in Executive Session 7:15 pm. [redacted] moved and [redacted] seconded the motion to re-enter into Executive Session.

Roll Call Vote:

[redacted]

Yea
Yea
Yea
Yea
Yea
Yea
Yea

Motion Carried.

ST. JOSEPH
SCHOOL DISTRICT

Stipends

[redacted] reported to the Board that stipends totaling approximately $250,000 had been given to several administrators in August.

After considerable discussion, [redacted] moved and [redacted] seconded the motion to ratify the additional duty stipends for the administrators on the attached list and that the superintendent is authorized to reissue extra duty contacts for such employees and verify their satisfaction of the stated extra duties and travel stipend.

Roll Call Vote:

[redacted]

Yea
Yea
Yea
Yea
Yea
Yea
Yea

b6
b7C

Motion Carried.

[redacted] moved and [redacted] seconded the motion to adjourn from executive session at 9:25 pm.

[redacted]

Missouri Constitution

Article VII
PUBLIC OFFICERS
Section 6

August 28, 2013

Penalty for nepotism.

Section 6. Any public officer or employee in this state who by virtue of his office or employment names or appoints to public office or employment any relative within the fourth degree, by consanguinity or affinity, shall thereby forfeit his office or employment.

Source: Const. of 1875, Art. XIV, § 13 (as adopted Feb. 26, 1924).

(1964) Acts of officer will not be declared invalid until question of forfeiture has been judicially determined. State v. King (Mo.), 379 S.W.2d 522.

(1967) A county court judge is a "public officer" within the meaning of this section of the constitution. State ex rel. Stephens v. Fletchall (Mo.), 412 S.W.2d 423.

(1976) When sheriff appointed his wife's uncle as deputy sheriff in violation of the constitutional provision which is self-enforcing, he forfeited his office and quo warranto was an appropriate remedy to enforce the resulting forfeiture. State ex inf. Roberts v. Buckley (Mo.), 533 S.W.2d 551.

(1994) Although other county commissioners cast sufficient number of votes to assure appointment, when presiding commissioner of county participated in appointment process by voting for the appointment of presiding commissioner's sister-in- law as trustee of county board (a nonpaying position), appointment violated an antinepotism provision of constitution. State ex inf. Attorney General v. Shull, 887 S.W.2d 397 (Mo. en banc).

Missouri General Assembly

Missouri Revised Statutes

Chapter 168
Personnel--Teachers and Others
Section *168.126*

August 28, 2013

Probationary teachers, how terminated--notice, contents—reemployed, how.

168.126. 1. A board of education at a regular or special meeting may contract with and employ by a majority vote legally qualified probationary teachers for the school district. The contract shall be made by order of the board; shall specify the number of months school is to be taught and the wages per month to be paid; shall be signed by the probationary teacher and the president of the board, or a facsimile signature of the president may be affixed at his discretion; and the contract shall be attested by the secretary of the board by signature or facsimile. The board shall not employ one of its members as a teacher; nor shall any person be employed as a teacher who is related within the fourth degree to any board member, either by consanguinity or affinity, where the vote of the board member is necessary to the selection of the person.

2. If in the opinion of the board of education any probationary teacher has been doing unsatisfactory work, the board of education, through its authorized administrative representative, shall provide the teacher with a written statement definitely setting forth his alleged incompetency and specifying the nature thereof, in order to furnish the teacher an opportunity to correct his fault and overcome his incompetency. If improvement satisfactory to the board of education has not been made within ninety days of the receipt of the notification, the board of education may terminate the employment of the probationary teacher immediately or at the end of the school year. Any motion to terminate the employment of a probationary teacher shall include only one person and must be approved by a majority of the members of the board of education. A tie vote thereon constitutes termination. On or before the fifteenth day of April in each school year, the board of education shall notify in writing a probationary teacher who will not be retained by the school district of the termination of his employment. Upon request, the notice shall contain a concise statement of the reason or reasons the employment of the probationary teacher is being terminated. If the reason for the termination is due to a decrease in pupil enrollment, school district reorganization, or the financial condition of the school district, then the district shall in all cases issue notice to the teacher expressly declaring such as the reason for such termination. Nothing contained in this section shall give rise to a cause of action not currently cognizant at law by a probationary teacher for any reason given in said writing so long as the board issues the letter in good faith without malice, but an action for actual damages may be maintained by any person for the deprivation of a right conferred by this act.

3. Any probationary teacher who is not notified of the termination of his employment shall be deemed to have been appointed for the next school year, under the terms of the contract for the preceding year. A probationary teacher who is informed of reemployment by written notice shall be tendered a contract on or before the fifteenth day of May, and shall within fifteen days thereafter present to the employing board of education a written acceptance or rejection of the employment tendered, and failure of such teachers to present the acceptance within such time constitutes a rejection of the board's offer. A contract between a probationary teacher and a board of education may be terminated or modified at any time by the mutual consent of the parties thereto.

(L. 1969 p. 275 § 168.113, A.L. 1983 H.B. 38 & 783, A.L. 1990 S.B. 740, A.L. 1992 S.B. 470 & 497, A.L. 2004 S.B. 968 and S.B. 969)

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Missouri General Assembly

Missouri Revised Statutes

Chapter 162
School Districts
Section *162.261*

August 28, 2013

Seven-director district, board of, terms--vacancies--prohibition on hiring spouse of board member, when--constitutional prohibition on nepotism applies to districts.

162.261. 1. The government and control of a seven-director school district, other than an urban district, is vested in a board of education of seven members, who hold their office for three years, except as provided in section 162.241, and until their successors are duly elected and qualified. Any vacancy occurring in the board shall be filled by the remaining members of the board; except that if there are more than two vacancies at any one time, the county commission upon receiving written notice of the vacancies shall fill the vacancies by appointment. The person appointed shall hold office until the next municipal election, when a director shall be elected for the unexpired term.

2. No seven-director, urban, or metropolitan school district board of education shall hire a spouse of any member of such board for a vacant or newly created position unless the position has been advertised pursuant to board policy and the superintendent of schools submits a written recommendation for the employment of the spouse to the board of education. The names of all applicants as well as the name of the applicant hired for the position are to be included in the board minutes.

3. The provisions of article VII, section 6 of the Missouri Constitution apply to school districts.

(L. 1963 p. 200 § 3-26, A.L. 1973 H.B. 158, A.L. 1978 H.B. 971, A.L. 1979 H.B. 280, A.L. 2003 S.B. 686, A.L. 2004 S.B. 968 and S.B. 969)

(Source: RSMo 1959 § 165.317)

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Missouri General Assembly

Missouri Revised Statutes

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(L. 1963 p. 209 § 3-26, A.L. 1973 H.B. 158, A.L. 1978 H.B. 971, A.L. 1979 H.B. 280, A.L. 2003 S.B. 686, A.L. 2004 S.B. 968 and S.B. 969)

(Source: RSMo 1959 § 165.317)

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Missouri General Assembly

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Support Staff Recruiting And Hiring

To provide a positive educational environment for students, the district must employ quality staff members. It is the responsibility of the superintendent or designee to determine the support staff personnel needs of the school district and to locate suitable support staff candidates. The superintendent will make recommendations for employment of contractual support staff members for the Board's approval. The Board will employ personnel in accordance with law.

The Board is responsible for the hiring, promotion, demotion or termination of all persons employed. However, the Board delegates to the superintendent the authority to make decisions on the hiring, promotion, demotion or termination of all non-contractual support staff employees.

The district's hiring procedures will comply with all federal and state laws, including laws prohibiting discrimination. The St. Joseph School District is an equal opportunity employer. The district hires only citizens of the United States and persons who are legally authorized to work in the United States.

Recruiting

Efforts will be made to recruit the best-qualified candidate for the position. New or vacant positions will be posted for at least five (5) business days in the district's buildings and publicized externally by other means as determined appropriate by the superintendent or designee. However, if the superintendent or designee determines that it would be detrimental to wait five (5) business days or that a longer period is necessary, the position will be advertised for as many days as is appropriate. Further, if the same or similar position was recently advertised, the superintendent or designee may utilize applications previously received without re-advertising the position. A position is not considered vacant if the Board, superintendent or designee assigns an existing employee to the position.

Recruitment procedures will not overlook the talents and potential of individuals already employed by the school district. Any current, qualified employee meeting the stated requirements may apply for positions in the district.

All requests for information concerning vacancies in the district shall be directed to the superintendent or designee. Persons interested in positions in the district must complete a formal application and provide all necessary information requested by the superintendent or designee. The superintendent or designee shall conduct interviews, review references and obtain other information as deemed necessary.

The superintendent or designee will conduct background checks on employees and applicants for employment in accordance with law and Board policy.

Hiring

A position will be filled by the Board of Education only after receiving the recommendation of the superintendent or designee. All candidates will be selected on the basis of qualifications, training, experience and ability to fulfill the requirements of the position. Any applicant found to have presented false credentials or any document referencing false credentials will immediately be removed from consideration or immediately terminated from employment if already hired.

A spouse of a Board member will only be hired to fill any vacant or new position if the position has been advertised in accordance with this policy and if the superintendent has submitted a written recommendation supporting the employment of the spouse. If the spouse of a Board member is hired, the names of all applicants for that position as well as the name of the individual hired will be included in the appropriate Board minutes.

In accordance with law, the district will hire individuals receiving retirement benefits from the Missouri Public Education Employee Retirement System to work full time only if the district has determined that it has a shortage of noncertificated employees. The district may only hire retired employees under this program if it has:

< Made a good-faith effort to fill positions with candidates who have not retired.

< Not offered early retirement incentives for either of the previous two (2) years.

< Posted the vacancy for at least one (1) month and solicited applications through local newspapers or other media.

< Determined that there is an insufficient number of eligible applicants.

< Declared a critical shortage of noncertificated employees that is active for one (1) year.

The total number of retired noncertificated employees hired under this section cannot exceed at any one (1) time the lesser of ten (10) percent of the total noncertificated staff in the district or five (5) noncertificated employees.

Board Policy Adopted: March 9, 2009

Board Policy Revised: March 8, 2010

Cross Refs: AC, Prohibition Against Illegal Discrimination and Harassment
BBFA, Board Member Conflict of Interest and Financial Disclosure
DD, Grants

Legal Refs: §§ 162.261, .511, 168.133, 213.010, .055, .070, 290.400, .410, RSMo.
Immigration Reform and Control Act of 1986, 8 U.S.C. § 1324a
Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681
Equal Pay Act, 29 U.S.C. § 206(d)
Age Discrimination in Employment Act, 29 U.S.C. §§ 621 - 634
The Rehabilitation Act of 1973, Section 504, 29 U.S.C. § 794
Family and Medical Leave Act, 29 U.S.C. § 2615
Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d - 2000d-7
Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e - 2000e-17
Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 - 6107
Americans with Disabilities Act, 42.U.S.C. §§ 12101 - 12213

ST. JOSEPH
SCHOOL DISTRICT

Salary Schedules
The Board reviewed three possible administrative salary schedule options, including specifically identifiable information about specific employees and discussed each in detail. [redacted] suggested that after the Salary Schedule format is approved that in the future it be brought before the Personnel Committee, then on to the full Board.

[redacted] moved and [redacted] seconded the motion to ratify the following:
Technical Director Salary Schedule

[redacted]

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Roll Call Vote:

[redacted]

Abstain [redacted]
Yea
Yea
Yea
Yea
Yea

Motion Carried.

[redacted] moved to recommend to include the attached salary schedule for administrative salaries and extra duty into the 2014-15 Salary Schedule. [redacted] seconded the motion.

[redacted]

Yea
Nay
Yea
Yea

ST. JOSEPH
SCHOOL DISTRICT

[redacted] Yea
Yea

5 Yea, 1 Nay Motion carried.

[redacted] moved that we give [redacted] authority to draft a message addressing issues with respect to administrative salaries. [redacted] seconded the motion..

[redacted] Yea
Yea
Nay
Yea
Yea
Nay

b6
b7C

4 Yea, 2 Nay Motion Carried.

There being no further business, [redacted] moved and [redacted] seconded the motion to adjourn from Executive Session.

[redacted] Yea
Yea
Yea
Yea
Yea
Yea Motion Carried.

The meeting adjourned at 10:45 p.m.

[redacted]

E. FLIPPEN GROUP

Policy DB - Annual Budget provides as follows on page 2:

"The total amount that may be expended during the fiscal year for the operation of the school district are set forth in the budget. The total budgeted expenditure for each program is the maximum amount that may be expended for that classification of expenditures during the school year unless earmarked revenue for that program exceeds the budgeted amount or a budget transfer is recommended by the Superintendent."

Prior to [redacted] arrival, the Board had approved a budget that among other things provided a specific amount for Professional Development. On July 1, 2013, the morale of the staff was in crisis because, among other things, the departure of a large number of key employees. [redacted] had worked with the Flippen Group, as had a large number of school districts in team building, enhancing morale and education focus on the education of District students. The Flippen Group successfully presented at the Convocation to start the year with staff enthusiasm. To date, all board members as well as 123 staff members have received training through the Flippen Group. Three hundred twenty social contracts have been created in District buildings and classrooms. Positive results are readily apparent and well within budget.

b6
b7C

Interestingly, the District's attendance rate has increased by 1% which generates approximately an additional $600,000 in state revenue. Can it be directly attributed to the Flippen activities? No, but it has had an impact on student attendance. More importantly, District students are at school, learning more this year than in the past. This is a positive outcome to which all should welcome.

Finally, the Board and to some extent the integrity of Board members has been questioned. One can read in the media and get the impression that rogue individuals run the District. But the reality is that the District operates under a budget adopted in a public meeting. It retains an outside auditing firm to audit its financial operations. It is a district that has received unqualified audits for at least the last five years. It is a district that has legal counsel at all of its meetings to advise the Board and to review and finalize Board minutes. These facts seem to have been lost in a rush to judgment.

Annual Budget

One of the primary responsibilities of the Board of Education is to secure adequate funds to conduct a quality program of education in the school district. The annual school budget represents a written document presenting the Board's plan for allocation of the available financial resources into an explicit expenditure plan to sustain and improve the educational function of the school district. It is a legal document describing the programs to be conducted during the fiscal year and is the basis for the establishment of tax rates for the district.

The planning and preparation of the budget is a continuing process. It must involve a number of people who have knowledge of the educational needs of the community and who can provide accurate data in regard to the financial potential of the district. Members of the Board, citizens, students and professional and support staff members may be involved in the planning process, which culminates in the preparation of the budget document. The superintendent will establish procedures that seek input from the appropriate people on budgetary needs and that consider the priorities established by the Board.

The Board designates the superintendent to serve as the budget officer of the district. As budget officer, the superintendent or his/her designee will direct the planning and preparation of the budget and will submit it to the Board for approval. The superintendent or his/her designee may present to the Board a tentative budget proposal for the following year and will present the final budget proposal before the new fiscal year begins, as provided by law. However, if the budget is not ready for Board consideration before July 1, then the budget for the prior fiscal year shall be deemed to be reappropriated until such time as the superintendent shall present a final budget to the Board at a regular or special Board meeting in July.

Should the adopted budget require an increase in the tax levy above the authorized level that the Board may levy, the tax levy increase shall be presented to the voters for approval. The budget shall be appropriately adjusted if the voters fail to pass the tax levy increase. The Board will conduct at least one (1) public hearing regarding the proposed budget and taxation rate.

The annual budget document shall present a completed financial plan for the ensuing fiscal year and shall include at least the following statutory requirements:

- A budget message describing the important features of the budget and major changes from the preceding year.
- Estimated revenues to be received from all sources for the fiscal year, with a comparative statement of actual or estimated revenues for the two (2) years preceding, itemized by year and source.
- Proposed expenditures for each department, office and other classification for the fiscal year, with a comparative statement of actual or estimated expenditures for the two (2) years preceding, itemized by year, fund, activity, and major object.
- The amount required for the payment of interest, amortization and redemption charges on the debt of the school district.
- A general budget summary.

In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the fiscal year. Upon the recommendation of the superintendent, the board will approve a system of internal accounting to ensure proper financial accounting of revenues and expenditures.

The adopted budget of The School District of St. Joseph serves as the control to direct and limit expenditures in the district. Overall responsibility for assuring control rests with the superintendent, who will establish procedures for budget control and reporting throughout the district.

The total amounts that may be expended during the fiscal year for the operation of the school district are set forth in the budget. The total budgeted expenditure for each program is the maximum amount that may be expended for that classification of expenditures during the school year unless earmarked revenue for that program exceeds the budgeted amount or a budget transfer is recommended by the superintendent.

The Board will review the financial condition of the district monthly and shall require the superintendent to prepare a monthly statement. This statement will be used as a guide for projected purchasing and as a guide for budget transfers.

During the fiscal year the superintendent may transfer any unencumbered balance or portion thereof from the expenditure authorization of one (1) account or program to another, subject to limitations provided by state laws.

All moneys received by the school district shall be disbursed only for the purposes for which they are levied, collected or received.

Board Policy Adopted: February 12, 2007

Cross Refs: CGC, State and Federal Programs Administration
DBB, Fiscal Year
DC, Taxing and Borrowing Authority
DCA, Tax Rate Hearings and Reviews

Legal Refs: §§ 67.110, 165.016, .021, .051, .131, RSMo.
Mo. Const., Art. VI, § 26
Mercantile Bank of Illinois v. School district of Osceola, 834 S.W. 2d 737 (Mo. Banc 1992)

OFFICIAL RECORD
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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/12/2014

Title: (U) Editorial from St. Joseph POST -

Approved By: SSRA [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 Sec 28

(U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Editorial in the St. Joseph POST titled, "When it comes to the St. Joseph School District, we're still learning" which was posted on May 11, 2014.

♦♦

St. Joseph Post

When it comes to the St Joseph School District, we're still learning.

5/11/2014

By John P Treiber

When it comes to the St Joseph School District, we're still learning.

We're learning some disturbing things about the financial activities of the district. Based on interviews with multiple sources, on and off the record, a pattern of inappropriate, unethical, possibly illegal behavior emerges that goes back more than twenty years. This behavior goes far beyond the stipends that we know about.

We're learning it dates back decades. It taxes the imagination how officials have pillaged our tax dollars. It hyper-extends our vocabulary to come up with synonyms that do justice to the term "stipend." We'll give it a shot.

We're learning of all manner of payments and other perks given to district administrators. These include a free masters degree, an MBA no less. That's right: a top administrator was repaid the cost of tuition at a private college when he graduated. He was repaid in the form of a direct payroll check for approximately $20,000.

We're learning of double dipping, the payment of travel expenses to a top administrator who also drove a district vehicle, powered by fuel intended for school buses or charged on a district credit card. There might even be some pilot lessons involved. The list is now as varied as it is outrageous. All of this was on the public dime, and most of it was never clearly reported to elected officials.

We're learning about just HOW they did it. Top brass in the district have, for decades, taken advantage of the accounting system to quietly hand out millions of dollars to themselves and their top lieutenants, outside the normal scrutiny focused on public spending.

We're learning that school boards, past and present, have largely ignored their oversight role. Board members have a pretty good excuse for the oversight oversight. We're also learning that district officials have gone to great lengths to keep the actual numbers away from board members.

We're learning that those boards of education approved the so-called salary schedules without actually comparing the dollar-total with the total dollars actually spent. The bottom lines in the so-called salary schedules have rarely, if ever, matched the amount of money actually paid to the employees on that schedule. Personnel contracts, and the salary schedule, such as it is, are both managed by the Human Resources Department, and ultimately by the superintendent. The extra perks, bonuses, job benefits...okay "stipends"...are not routinely reported to the Board of Education. They haven't been for decades.

We're learning that until recently almost no one within the St Joe School District was willing to actually perform this simple act of arithmetic. We're learning that some of them have actually taught math. At least one has an MBA.

We're learning that the Human Resources Director or the Superintendent needed only to notify the business office, in writing, via a so-called "transmittal," how much money should be paid and to whom, and the business office would then cut the checks.

We're learning, long after the fact, because of the very private nature of personnel matters. Negotiations, contracts, administrative leave, and firings, are generally considered private by the law, and are considered privately by elected officials. They are generally considered in executive session. The first of the jaw-dropping stipend revelations were considered, and approved, months after the fact, in executive session.

We're learning the lengths to which district officials have been willing to go to keep their secret cash-stash a secret. We'll soon learn if their efforts to hide their the double-dealing, and to hush it up, rises to the level of obstruction of justice. That's in addition to questions of whether any public money was misused, any false documents filed, or any money laundered.

Stay tuned. We hope to learn much more this week, when the spit REALLY hits the spam. At the St Joseph School District, we're still learning.

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/12/2014

Title: (U) Editorial " WE'LL BE WATCHING THE SCHOOL BOARD CLOSELY TODAY"

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

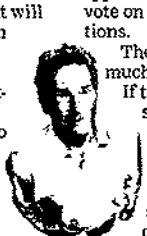
Case ID #: 194B-KC-4719955 - Sec 29

(U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Editorial in the St. Joseph News Press titled "We'll be watching the school board closely today" from May 12, 2014.

♦♦

We'll be watching the school board closely today



Common Thoughts, Common Sense
by Steve Booher

In the midst of a Grand Jury investigation, something important will happen today at the St. Joseph Board of Education meeting.

Something that will show parents, teachers, taxpayers and voters exactly where they stand.

The school board is expected to vote on a revised salary schedule, which includes additional stipends. We all remember the March board meeting, when member Chris Danford called attention to administrator stipends and huge pay raises for relatives of board members and administrators. At that time, the stipends totaled more than $250,000. They were paid in July but not approved until that March meeting.

And things have gone downhill for the school district ever since.

Apparently, $250,000 is not the total amount of stipends paid. There's more. And, the additional payments, which were also made in July, also need board approval. Tonight, the school board will vote on whether to approve these additions.

The outcome of that vote will reveal much.

If the stipends are approved, our school board will send a clear message to everyone that its members don't really care about public opinion, aren't really interested in fixing problems and will continue to oversee the district by taking a business-as-usual, rubber-stamp approach.

And this wouldn't be surprising.

Even after the furor arose over stipends, the school board voted 6-1 to pay the stipends and award the raises.

Even after uncovering what seems to be clear cases of nepotism, the board still voted to hire superintendent Dr. Fred Czerwonka's wife, Wendy Czerwonka, as the district's homeless coordinator.

Even after questions arose about educational consultant Flip Flippen, the board still paid $135,000 in fees.

And even after the start of a state audit and in the midst of an unheard-of FBI investigation, the board still voted to extend Dr. Czerwonka's contract and increase his pay.

Every step the board has taken in the past two months has undermined public trust, eroded confidence and just plain made people angry. Our school administration and board of education have become the butt of statewide jokes.

It's shameful.

So, here's a revolutionary idea: Don't approve this salary schedule.

A unanimous "no" vote on more stipends would send a clear signal to parents, teachers and taxpayers that the school board will not keep paying the bills for an administration run amok.

It will not keep hiring relatives.

It will insist on documentation when the administration brags about saving a million dollars by hiring a food service company.

It will say that the board does not expect taxpayers to keep writing checks to overpaid consultants who espouse the same tired message of "caring for kids."

And it will tell us that board members are ready to do their jobs, to oversee with a critical eye, to restore the checks and balances in our school system and put an end to madness of the past two months.

Tonight's vote could be the first step on a journey of rebuilding trust.

Of course, everybody realizes that a "no" vote will open a new can of worms. If money has already been paid but not approved by the board, what happens? Would administrators be required to pay back money that's already been spent? Would a whole new controversy arise because of this vote?

Maybe. But it couldn't be worse than existing headaches, and this time taxpayers wouldn't be expected to foot the bill.

The ball is in the school board's court. We'll be watching.

Steve Booher can be reached at steve.booher@newspressnow.com.

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Title: (U) Editorial in Saturday Newspaper

Approved By: SSRA [redacted]

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Drafted By: [redacted]

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(U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
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925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Editorial in Saturday may 10. 2014 St. Joseph News Press

♦♦

UNCLASSIFIED

DEBATE

Our opinion

ST. JOSEPH SUPPORTS EDUCATION

A widening investigation of the St. Joseph School District is leaving district patrons with little choice but to question, "Why us?"

In their own lives, the vast majority of local citizens and taxpayers do things the right way. They expect others to do the same. They want to trust their elected officials and appointed leaders.

All of which means that, while most of us have few hard facts to go on, we all have an opinion about what is transpiring in the school district. And it is increasingly a negative opinion.

We can't help but "go there" with our thoughts, particularly when we consider how these events may have been influenced by the actions of those in whom we have placed our trust.

This is when the district's taxpayers, parents and school employees on the front lines need to take stock:

- Our personal qualities, values and reasons for supporting education have not changed throughout this unfolding spectacle of questionable decisions, possible illegal behaviors and an unceasing stream of bad news.
- Our belief in our kids — and wanting the best possible education we can provide for them — is as strong today as ever.
- Our willingness to help is still present — and more so now that we know our help is that much more needed.

Our counsel for the coming days is for passionate school district patrons to do what they can to keep the focus on supporting education. In this season of graduations and grade-level advancements, let's be sure to celebrate our kids as they progress through public education, acquire skills and confidence, and prepare to enter the adult world.

At the same time, all district supporters also are called to closely monitor the investigations that have cast the district in such a poor light. The bright light of public scrutiny is by far our best hope for shifting the spotlight back to our kids.

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Import Form

Form Type: OTHER **Date:** 05/12/2014

Title: (U) Editorial "SUMMER DOESN'T END SCHOOL NEWS"

Approved By: SSRA [redacted]

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Drafted By: [redacted]

Case ID #: 194B-KC-4719955-31 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Editorial "SUMMER DOESN'T END SCHOOL NEWS" from St. Joseph News Press on May 12, 2014

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

♦♦

Get your photo noticed

CONTINUED FROM Page A5

Regardless of what decisions boards make, they all hear the same reaction from a certain segment of the community: "Why didn't anyone tell us this was happening?" As most school board or city council members will tell you, "this" often refers to something that was discussed in public before a decision was made.

So now that summer is almost here and you don't have to spend time making the kids do their homework or driving to track meets, take an hour or so a month and head over to the school for the board meeting. You'll get a chance to learn what's going on and can often share an idea or two of your own. Who knows? You may even stop your own local school scandal before it starts.

Get your photo noticed

If you spent any time at all last week on the Internet, you likely saw the famous photo of the "fire tornado" spotted north of Chillicothe.

The photographer, Janae Copelin, found her Instagram page swamped with visitors and attention.

Other Livingston County residents will soon have a chance to get their own photos recognized, thanks to the Livingston County Sheriff's Office. The sheriff's office seeks new photographs of sites and scenes that depict daily life for the county.

Images can be sent to sheriffcox@gmail.com and should be in jpeg format. Please include your name, contact information and any other information you wish, along with the photograph. Submissions are due by noon June 10.

Mourning in Hiawatha

The Brown County Genealogical Society will host a free program on mourning at 7 p.m. Thursday at its location across from the courthouse at 116 S. Seventh St. in Hiawatha, Kan.

Jill Freese, of Manhattan, Kan., will give a presentation on how different cultures handle the process of mourning and how the practice has changed over the years.

Prizes will be awarded for those who come dressed in the best mourning attire.

Clinton Thomas can be reached at clinton.thomas@newspressnow.com. Follow him on Twitter: @SJNPThomas.

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Summer doesn't end school news

Regional Roundup

by Clinton Thomas

Every time I looked over my shoulder last week, my colleague Alonzo Weston seemed to make yet another phone call regarding the latest breaking news at the St. Joseph School District.

Whether it's a grand jury investigation, FBI interviews, or a fight over stipends, the action seems to have heated up just as the school year winds to a close.

As someone who descends from a line of teachers and school board members, the situation doesn't surprise me. Boards use this time of year to review what has worked and what hasn't in the past. Summer also provides a time ripe for planning fall ballot initiatives to build new schools or pay for the upkeep of existing facilities. You may even see a few stories about small schools banding together for sports.

Please see GET/Page A7

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Import Form

Form Type: OTHER **Date:** 05/12/2014

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Approved By: SSRA [redacted]

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b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 - 32 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) "GRAND JURY TARGETS SCHOOL DISTRICT" article in St. Joseph News Press on Saturday, May 10, 2014

Enclosure(s): Enclosed are the following items:
1. (U) Page 2 of article

♦♦

News-Press

Grand jury targets SJSD

CONTINUED FROM Page A1

The subpoena was served to Debbie Consolver, the school board's custodian of records, at the district offices about midmorning. The document was served in person by a local FBI agent.

Ms. Consolver said this is the first time she had been subpoenaed for any records.

"We have been and will continue to fully cooperate with the FBI investigation," said superintendent Dr. Fred Czerwonka through a press release. "We hope to resolve this shortly so we can get back to our No. 1 focus, which is to educate kids."

The FBI began investigating the district after Board of Education members learned at a March meeting of stipends paid to administrators without board approval. In addition, the board learned of promotions and large pay raises given to relatives of administrators and a school board member.

On April 10, the FBI interviewed Dr. Czerwonka and district human resources director Doug Flowers. During the past few weeks, board members have confirmed that they have been interviewed by FBI agents.

The investigation led the school district to hire Tom Mickes, a St. Louis attorney who represents the district and the Board of Education. Last week, Mr. Mickes released an 83-page report in which he reassured board members that the FBI investigation had proven fruitless.

Mr. Huff said Dr. Czerwonka was out of town at an education conference and wasn't available to attend the news conference. Mr. Huff said Dr. Czerwonka was unavailable to comment further.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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St. Joseph News-Press

FOX 26 | NewsPressNOW.com | ST. JOSEPH, MISSOURI • 170TH YEAR • SATURDAY, MAY 10, 2014 • NO. 16 • 75¢

Grand jury targets school district

Superintendent's office receives subpoena to produce records

By ALONZO WESTON
St. Joseph News-Press

A federal grand jury has opened an investigation into the St. Joseph School District, school officials confirmed Friday.

The superintendent's office received a subpoena to produce records from the district to the U.S. District Court for the Western District of Missouri.

School officials said the request is for meeting records, meeting notices, policies and personnel records and other documents. No officials have been subpoenaed.

Steve Huff, assistant to the superintendent, said he couldn't say how far back they had to go to retrieve the documents requested. He said it would probably take about a week or more to retrieve and submit all the requested documents.

"It's hard to say at this point. We just received it. We have not put it together yet. We're working on a plan to provide that information," Mr. Huff said.

Please see GRAND/Page A7

Salt Serkan Gurbuz | St. Joseph News-Press

Assistant to the superintendent Steve Huff speaks to members of the media about the subpoena the St. Joseph School District received on Friday.

MAPPING MOZINGO'S NEXT 20 YEARS

Jessica Stewart | St. Joseph N

Many people were taking advantage of Mozingo Lake Recreation Park on Friday afternoon. The city of Maryville, Mo., is creating a master develop the park.

Design team presents ideas for potential upgrades

By CLINTON THOMAS
St. Joseph News-Press

MARYVILLE, Mo. — City officials hope the next 20 years bring as much action to the shores of Mozingo Lake as the past 20.

RDG Planning & Design joined city staff to present ideas to the public Friday for a new master plan at Mozingo Lake Recreation Park.

A series of aerial maps showed the existing facilities that cater to golfers, campers, fishermen, horseback riders and anyone else who enjoys the growing tourist attraction east of Maryville.

Hans Klein-Hewett, a landscape architect for RDG, said members of the design team spoke to a variety of stakeholders to see what features they wanted to add or expand around the lake. After that, they began work on a master plan to guide future development. The last such plan was adopted in 1995.

Mr. Klein-Hewett said a consistent theme appeared: Visitors viewed the assorted attractions as separate parks instead of one large one with many features. Many of the proposed changes would connect places like the golf course and camping through trails.

"For the most part, it's all abo viding access to the different a the park," Mr. Klein-Hewett sa

A potential lodge at "The could anchor the bigger, better Mr. Klein-Hewett said the lo would provide visibility from U.S. Highway 136 and would golfers deep within the park, trast with the current setup, golfers may never see the camp fishing areas of the lake.

Please see DESIGN/

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/13/2014

Title: (U) News Article "BOARD TO HOLD OFF ON STIPENDS"

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 -33

(U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) News Article "BOARD TO HOLD OFF ON STIPENDS" in the St. Joseph News Press on Tuesday, May 13, 2014

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

♦♦

Board votes to hold off on stipends

CONTINUED FROM Page A1

"Despite all the concern about the $5,000 stipends, we are in the five or 10 lowest administrative costs per budget in the state of Missouri. We will be one of the lowest if not the lowest of administrators in the state. It's a shame because our principals work very hard," Mr. Flowers said.

The evening started off with energy as Todd Brockett, a Robidoux Middle School teacher and president of the local National Educators Association, addressed the board and the audience during the public participation portion of the meeting.

Mr. Brockett said teachers should be allowed to vote for an organization that will represent them. He asked the board to consider giving $2,500 stipends to all teachers.

"If you're going to value your teachers, pay your teachers," he said to applause in the room.

Mr. Flowers also addressed the board regarding what he perceived as a personal attack from board member Chris Danford. He said Mrs. Danford claimed he gave raises to five individuals, including his wife, which was not true, he said. He also accused Mrs. Danford of creating a hostile work environment.

Mr. Flowers said he submitted a formal grievance to the board president and legal counsel in March. He has yet to hear from the board concerning the grievance, he said.

"If it continues, I will be forced to submit a formal complaint to the Equal Employment Opportunity Commission and the Missouri Commission on Human Rights," Mr. Flowers said.

In other action, the board approved a plan to let sixth-grade students at the seven elementary schools affected by the boundary changes to remain at that their current school for the final year. Those schools affected are: Bessie Ellison, Edison, Humboldt, Coleman, Parkway, Lindbergh and Skaith elementary schools. Fifth-graders at Bessie Ellison also will be allowed to stay at their school next year.

Parents who are granted transfers have to provide transportation for their children. However, the board also approved a measure that said if those parents can drive their children to the bus stop and if there is room on the bus, their children can ride the bus to their schools.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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St. Joseph News-Press

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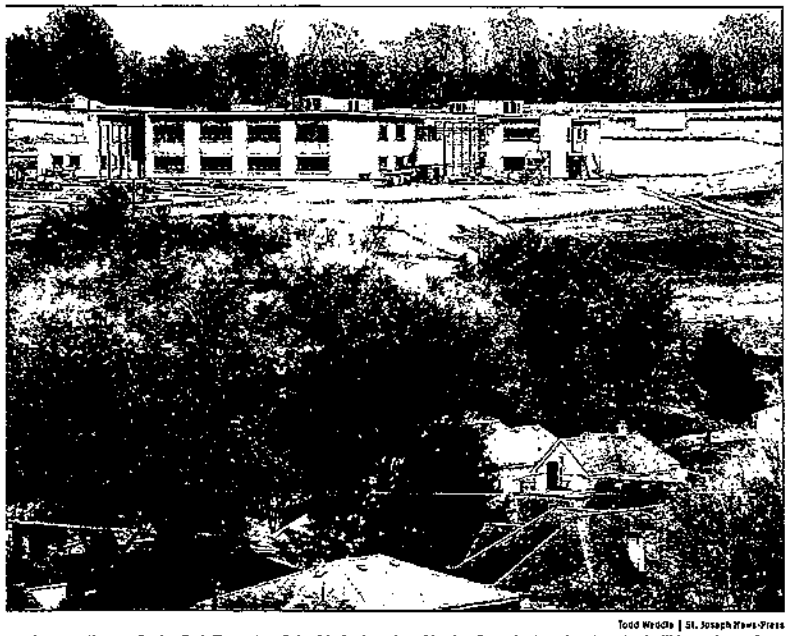
IMING TRUTH



Todd Weddle | St. Joseph News-Press

continues on the new Carden Park Elementary School in St. Joseph on Monday. Records show that the school will have about 78 sex ng within a one-mile radius.

ırly 80 sex offenders live near school

.IPPIN

v elementary schools, Oak l Carden Park, will open s to students at the end of ıer.

ile much excitement sur- th projects in St. Joseph, it's ; else that surrounds one l that's raising concerns.

/ Carden Park Elementary School is located on Duncan Street. Just two-tenths of a mile away from the school sits the homes of two registered sex offenders who were convicted of sex crimes against children. If you go a little farther out and look at a one-mile circle surrounding the school, what you find is, to say the least, alarming.

According to the Missouri State Highway Patrol's sex offender registry website, 78 registered sex offenders live within a mile of the Carden Park school

Kenny Shryock is an investigator with the sex offender registry compliance unit for the Buchanan County Sheriff's Department.

"I would always be concerned about it," he said. "There's all kinds of scenarios that can arise. We have from the minor girlfriend/boyfriend

Please see NEARLY/Page A8

Board votes to hold off on stipends

By ALONZO WESTON
St. Joseph News-Press

The St. Joseph Board of Education voted unanimously Monday night to approve raises but delay awarding administrative stipends until it could study the issue further.

The vote came before an overflow crowd at the board meeting room in the school district's offices at 925 Felix St.

The board voted to form an ad-hoc committee to study the stipend issue, which has drawn controversy since the extra payments were approved last month.

The committee will consist of board members Dennis Snethen, Kappy Hodges, teachers and members of the community. Board president Brad Haggard said he hoped the committee could form quickly and bring back recommendations to the board to vote on during its June 9 meeting.

"Long-term wise I want them to look at really all of them as far as are we paying the coaches enough? Or are we paying the band instructor enough? That could take them six months to do that,'" Mr. Haggard said.

Mr. Haggard said one of the reasons for putting this group together was because he didn't know how many people were due to get stipends. In the past, teachers got a regular contract and an extra duty contract, he said.

"That needs to come back so we can have those separate and the board can provide closer oversight of the stipends and we can review those," Mr. Haggard said.

Doug Flowers, district human resource director, was concerned that delaying the stipends or cutting them could affect some teachers' salaries. But if they are approved next month, they won't cause any issues as those stipends will be for next year's salary schedule.

Mr. Flowers said between 400 and 500 administrators, teachers and support staff receive some sort of stipend.

Please see BOARD/Page A8

Sari Sarkan Gutbus | St. Joseph News-Press

Todd Brockett, Robidoux Middle School teacher and St. Joseph National Education Association President, speaks at the Board of Education meeting for the St. Joseph School District on Monday.

INSIDE TODAY

MOKAN GETS $200,000 FOR WORK FORCE DEVELOPMENT, JOB TRAINING

Details in MIDLAND

Brighter, slimmer, lighter ...

- Summer recipe makeovers
- Look leaner instantly
- Best sunblock buys

LOW: 44°

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.....A6
.....A2
.....A5
.....A4
.....B3

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/13/2014

On May 12, 2014, Special Agent (SA) [redacted] reviewed the website maintained publicly by the St. Joseph School District, St. Joseph, Missouri. The website maintained meeting minutes for all Board of Education meetings. It also contained the written PERSONNEL REPORTS from the Human Resources Department that were electronically signed by [redacted]. b6 b7C

The PERSONNEL REPORTS were observed to have been shown and approved by the BOE.

The PERSONNEL REPORTS for June 24, 2013 through April 10, 2014 were printed and reviewed. The reports did not disclose any information concerning stipends. The reports did not mention salary changes for the following individuals:

[redacted] b6 b7C

In the August 26, 2013 PERSONNEL REPORT, [redacted] was noted as being [redacted] b6 b7C

The copies of the PERSONNEL REPORTS mentioned in this report are

Investigation on 05/12/2014 at St. Joseph, Missouri, United States (, Other (Internet Search))

File # 194B-KC-4719955 -34 Date drafted 05/13/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/13/2014

On May 12, 2014, Special Agent (SA) [redacted] and SA [redacted] attended the regularly scheduled public meeting of the St. Joseph School District Board of Education (BOE) meeting. A closed session meeting had also been scheduled but was cancelled by the board. The meeting was well attended with approximately fifty individuals having to listen to the meeting from a hallway because the meeting room was at standing room only capacity.

b6
b7C

St. Joseph National Education Association [redacted], addressed the BOE admonishing them for having made teachers take a salary cut by removing them from career ladders but then turning around to give administrators $5,000 stipends especially when the administrators had not been removed from their career ladders and had suffered no pay losses. The crowd was observed to react loudly in in favor of [redacted].

[redacted] addressed the BOE on a personal issue for him giving a five minute speech. [redacted] accused [redacted] of creating a hostile work environment for him through her accusations of wrongdoing against him for not reporting stipends paid to employees without BOE approval. [redacted] advised the BOE that he had filed a grievance with the BOE against [redacted] and if they did not act he would take the matter to higher authorities in the State of Missouri. The crowd was observed to not have reacted at all to [redacted].

b6
b7C

The BOE was scheduled to approve the 2014 budget but postponed that vote until the finance committee could review the current budget. [redacted] noted that the salary budget was $1.2 million dollars over budget for the year and she inquired as to why. [redacted] did not know. It was decided to allow the finance committee to investigate and report back to the board.

b6
b7C

THE BOE was scheduled to discuss the 2014-2015 SALARY SCHEDULE which included all newly disclosed to the public stipends. The BOE moved to table the stipends until a committee chaired by [redacted] could review all stipends and make recommendations. It was anticipated that this new committee could have this review accomplished by the next BOE meeting in June.

Investigation on 05/12/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 -35 Date drafted 05/13/2014

b6
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by [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/15/2014

Title: (U) Civil Lawsuit [redacted]

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955-36 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Civil Lawsuit [redacted]

♦♦

FD-1036 (Rev. 10-16-2009)

UNCLASSIFIED

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Import Form

Form Type: OTHER **Date:** 05/15/2014

Title: (U) St Joe POST article on MUSSER LAWSUIT

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 -37 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joe POST article on Musser Lawsuit on 5/13/2014

♦♦

UNCLASSIFIED

CFO Lawsuit Describes Rampant Illegal Spending Prior To Stipend Mess; Get Your Copy Here

5/13/2014

By John P Trefbar

Long before he turned up the recent pay raises and stipends that sparked the controversy in the St Joseph School District, former CFO Beau Musser says he came across a lot of illegal behavior.

In fact, he received an internal audit report on his second day of work. That audit report contained a lot of alarming problems for Musser.

According to his lawsuit, Musser turned up evidence that the fiscal wrongdoing was as widespread as it was brazen. The lawsuit names the school district, Superintendent Dr. Fred Czerwonka, Human Resources Director Doug Flowers, and board member Dennis Snethen as defendants. He's asking for actual, future, and punitive damages from each of them.

Here are some of the highlights, revealed publicly for the first time, culled from court documents:
a) The District's maintenance office could not account for over 4,000 gallons of fuel.
b) Superintendent Dr. Fred Czerwonka contracted with the consulting firm "The Flippen Group" for $135,000 without the approval of the school board, when in fact the maximum expenditure allowed without board approval is $15,000.
c) Multiple vehicles and a spa were purchased at Central High School without prior approval.
d) The Maintenance Department purchased a vehicle without first obtaining approval by the board.
e) Dr. Czerwonka hired another consulting group, "APQC," for $36,000, and paid them $18,000 prior to receiving board approval.
f) Short Term Disability Rates were not sufficient to cover the district's expenses, and no actions were taken to increase those rates.

In July of 2013, Mr Musser says he became aware of the salary increases (stipends and pay raises) issued to certain administrative employees totaling approximately $375,000 annually, which had not been approved by the school board.

Mr Musser says in court documents it was his pursuit of board approval for this last group of perks that sparked the stipend controversy. He also says his persistence also turned administrative officials against him, and all manner of punitive actions were taken against him. The lawsuit lists three counts, Retaliation for Whistleblowing and Wrongful Termination, Slander/Defamation, and Breach of Contract.

Dr Fred Czerwonka

Doug Flowers

Dennis Snethen

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Import Form

Form Type: OTHER **Date:** 05/15/2014

Title: (U) St. Joe New Press article on MUSSER lawsuit

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955-38 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press Article on Musser Lawsuit on 5/14/2014

Enclosure(s): Enclosed are the following items:
1. (U) Page 2 of article

♦♦

Saint Joseph News Press 05/14/2014 Copy Reduced to %d%% from original to fit letter page

St. Joseph News-Press

FOX 26 | NewsPressNOW.com | ST. JOSEPH, MISSOURI • 170TH YEAR • WEDNESDAY, MAY 14, 2014 • NO. 20 • 75¢

Suit claims CFO warned of irregularities

By MARSHALL WHITE
St. Joseph News-Press

Beau Musser claims he walked into financial turmoil on his second day at work for the St. Joseph School District, which hired him last summer as the chief financial officer.

Beau Musser

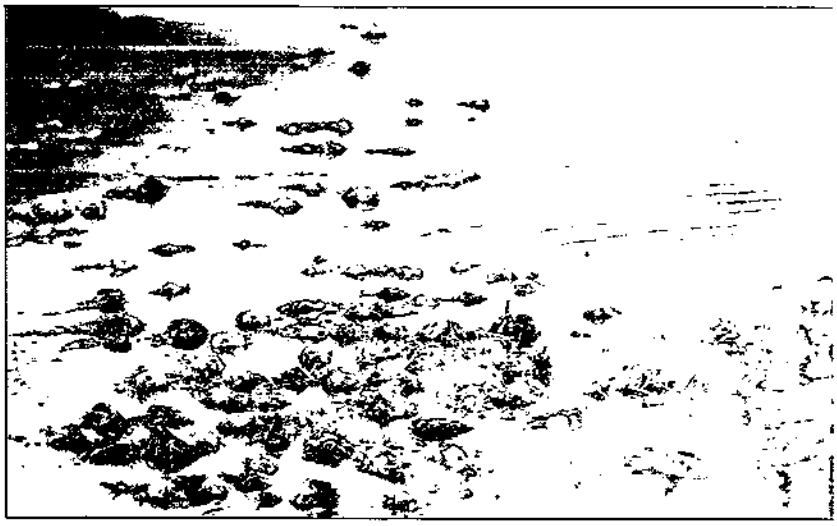
Tuesday, Mr. Musser filed a civil employment discrimination lawsuit naming the school district, Dr. Fred Czerwonka, Doug Flowers and board member Dennis Snethen as the defendants.

The St. Joseph School District denies all allegations, said Steve Huff, a district spokesman. The district's

Please see SUIT/Page A3

On the Web
For more stories on the St. Joseph School District's troubles, visit
NewsPressNOW.com

LAKE CONTRARY DRYING UP



Jessica Stewart | St. Joseph New

Dead fish line the shore of Lake Contrary on Tuesday morning. The water level is very low at the oxbow lake. 'The lake is down,' Joan Bennett, president of the Lake Contrary Development Association, said. 'There's nothing we can do about it 35-year resident said she has never seen it like this.

Altec adding stoplight at Riverside Road intersectic

Details in BUSINE

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Wednesday, May 14, 2014

Suit claims CFO warned of irregularities

CONTINUED FROM Page A1

insurers have hired Thomas Mickes to represent all four defendants, Mr. Huff said.

The lawsuit alleges Mr. Musser immediately noticed numerous financial irregularities and began attempting to legally correct the situation. Over the next 11 months, the lawsuit outlines the problems and the series of steps Mr. Musser allegedly took to bring the matter to a legal conclusion.

In retaliation, the lawsuit alleges, the district smeared Mr. Musser's good name, placed him on administrative leave and didn't renew his contract for the 2014-2015 school year, "constructively terminating Mr. Musser's employment with the District."

Alleged illegal salary increases were a major focus of Mr. Musser's claims.

In July 2013, Mr. Musser became aware of salary increases in the form of administrative stipends and pay raises totaling $375,000, which allegedly hadn't been approved per district policy. The lawsuit alleges that the superintendent and Mr. Flowers, the human resources director, issued salary increases to certain employees, including family members and friends, in "violation of state and federal laws."

Mr. Musser discovered Mr. Flowers' wife, Tammy Flowers, was a beneficiary of the nonapproved salary increases.

Mr. Flowers allegedly told Mr. Musser it was a decision for the superintendent and said, "Who is going to catch it?"

Mr. Musser stated he informed Dr. Czerwonka that an upcoming state audit would reveal numerous violations of district purchasing regulations. The lawsuit alleges Jake Long and Brad Owing are close friends of Dr. Czerwonka and received salary increases.

In late January, the superintendent allegedly told Mr. Musser he'd talked to Dr. Dan Colgan, a former superintendent and the school board president. The lawsuit alleges Dr. Colgan informed Mr. Czerwonka that it wasn't necessary to inform the board about the illegal pay raises.

Mr. Musser alleges Dr. Colgan's son Mark Colgan received a 30 percent pay increase, which he claims to be illegal.

Mr. Musser says he then notified two board members, Mr. Snethen and Sarah Siemens, about the salary increases.

On March 28, Mr. Musser was put on paid administrative leave due to multiple allegations of sexual harassment. On April 1, Mr. Flowers allegedly informed Mr. Musser the allegations had morphed into allegation about "creating a hostile work environment."

The lawsuit alleges Mr. Snethen joined with Dr. Czerwonka and Mr. Flowers to falsely scheme to discredit Mr. Musser.

The state has launched an audit and last Friday the district received a federal grand jury subpoena for financial records.

The civil lawsuit has been assigned to Buchanan County Circuit Judge Randall Jackson and has been scheduled for a hearing at 8:30 a.m. Aug. 11.

Marshall White can be reached at marshall.white@newspressnow.com. Follow him on Twitter: @SJNPWhite.

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Import Form

Form Type: OTHER **Date:** 05/15/2014

Title: (U) SJNP article "LAWSUIT REVEALS OTHER ISSUES AT SJSD"

Approved By: SSRA [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 39

(U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press article "LAWSUIT REVEALS OTHER ISSUES AT SJSD" on front page on 5/15/2014 edition

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

♦♦

St. Joseph News-Press

FOX 26 | NewsPressNOW.com | ST. JOSEPH, MISSOURI · 170TH YEAR · THURSDAY, MAY 15, 2014 · NO. 21 · 75¢

ver rates may ease 9 percent

RVELL
vs-Press

nts of major concern during the this year were discussed by the ıcil Wednesday night: streets and

ting was the fifth of six hearings cal Year 2015 budget, which will be City Council in June. It will take ef-

ver rates

by Black & Veatch shows sewer residential customers will increase nt this year.

age consumer of 600 cubic feet per ıl see a $7.89 increase, from $43.79 to $51.68 per month.

ıge rates and fees have actually ı, but it's the base fee that has in- ıis year in order to guarantee rev- l cover state- and federally-man- ects.

clude a major ammonia removal d the Blacksnake Creek Stormwa- ıtion Project, as well as mandatory rades from KCP&L.

funding

ɜin the street maintenance budget this

Please see SEWER/Page A3

Lawsuit reveals other issues at SJSD

By ALONZO WESTON
St. Joseph News-Press

Up to this point, the issue of stipends is largely what has troubled the St. Joseph School District. But Beau Musser, the former district chief financial officer who was placed on administrative leave in March, filed a civil employment discrimination lawsuit Tuesday that cited other problems.

The lawsuit named the school district, superintendent Dr. Fred Czerwonka, administrator Doug Flowers and board member Dennis Snethen as defendants. Not only did the lawsuit allege numerous financial inconsistencies but that the school district also attempted to smear Mr. Musser's character.

Thomas Mickes, the district's attorney, said he will file a paragraph-by-paragraph answer giving the district's position within the next 30 days. He said he feels comfortable the district will be vindicated.

"There's so much rumor and innuendo floating around about this issue, the district will have an opportunity to publicly state its position on all these issues," Mr. Mickes said.

He added that the expense of the lawsuit and attorney fees is covered by the district insurance policy.

"It's not going to be an outlay of cash for the district," he said.

Last July, Mr. Musser said he became aware of salary increases in the form of administrative stipends and pay raises totaling $375,000, some of which were salary increases to family members and friends of certain administrators. His suit maintains that he was repeatedly ignored when he brought the

Please see LAWSUIT/Page A8

Voters to decid transit sales ta

Missouri Genera Assembly gives appr

By DAVID A. LIEB
Associated Press

JEFFERSON CITY, Mo. — Missou will decide later this year whether the state sales tax to generate more t million annually for roads and oth portation projects.

The House gave final approval We to a proposed constitutional am that would impose a three-quart cent sales tax for transportation. ate approved the measure previou means it will go before voters in N unless Gov. Jay Nixon sets an earl tion date.

If approved by voters, the gene tax increase would take effect in run for 10 years. It would mark time that Missouri's roads have bee with something other than a user as a motor fuel tax, registration fees

Please see VOTER

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Lawsuit reveals other issues at SJSD

CONTINUED FROM Page A1

issue to the attention of Dr. Czerwonka, Mr. Flowers and Mr. Snethen.

Mr. Musser was placed on administrative leave March 28 due to sexual harassment allegations.

Some of the other issues reported in the lawsuit include:

- The district maintenance office was not able to account for more than 4,000 gallons of fuel used during the 2012-2013 school year.
- Dr. Czerwonka hired the Flippen Group without obtaining board approval.
- Multiple vehicles and a spa were purchased at St. Joseph Central High School without board approval.
- The district maintenance department purchased a vehicle without board approval. The vehicle purchased also exceeded the amount the administration is allowed to spend without board approval.
- Dr. Czerwonka also hired APQC, another consultant group, without board approval.
- Short term disability rates were not sufficient to cover district expenses. No action was taken to increase the rates.
- Dr. Czerwonka and Mr. Flowers manufactured the sexual harassment allegations in retaliation for his reporting of the illegal raises to family members and friends.

Board member Chris Danford, who pointed out the stipend issue during the March school board meeting, said she was surprised at all the allegations that were in the lawsuit.

"I would say the thing that was most alarming was the detailed statements Mr. Musser had in his lawsuit on how many times that he went to report these violations to our HR (Human Resources) person, Mr. Flowers, and the times he went to seek counsel from (school district attorney) Mr. Briggs and also went to Dr. Czerwonka," she said

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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Date of entry 05/15/2014

[redacted] b6 b7C b7D

voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. The identity of the interviewing agents was already known to [redacted] who thereafter provided the following information:

[redacted]

Investigation on 04/29/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 - 40 Date drafted 05/01/2014

by [redacted] b6 b7C

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Electronic Communication

Title: (U//~~FOUO~~) ST. JOSEPH NEWS-PRESS ARTICLES AND COMMENTS **Date:** 05/15/2014

CC: [redacted]
KC-14 (OST)
[redacted]

b6
b7C

From: KANSAS CITY
KC-20
Contact: [redacted]

Approved By: SIA [redacted]
SSRA [redacted]

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 - 41 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
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Synopsis: (U//~~FOUO~~) Newspaper articles with associated comments from the St. Joseph News-Press regarding the St. Joseph School District.

Full Investigation Initiated: 04/08/2014

Enclosure(s): Enclosed are the following items:
1. (U) It's your call, April 29, 2014
2. (U) Closed meeting? Just say no
3. (U) Area votes reflect support for schools
4. (U) School levy could face a rough road
5. (U) Czerwonka gets extension, raise
6. (U) School district shouldering cost of some legal services
7. (U) Board risks making things worse

Title: (U//~~FOUO~~) ST. JOSEPH NEWS-PRESS ARTICLES AND COMMENTS
Re: 194B-KC-4719955, 05/15/2014

8. (U) In West Plains, two versions of Fred Czerwonka
9. (U) Superintendent explains controversial video

Details:

(U//~~FOUO~~) Writer reviewed the online version of the St. Joseph News-Press for articles and comments regarding the St. Joseph School District and their alleged misuse of taxpayer monies. The following articles were located:

- **It's your call, April 29, 2014** - a commentary section wherein individuals may express their viewpoints. One comment under the heading, "Bagel meetings" expressed the writer's displeasure about Dr. Czerwonka adding to teachers' daily schedule with a "bagel meeting" before school and question the status of Beau Musser. The editor's comment stated "Officially, Mr. Musser remains on paid administrative leave."
- **Closed meeting? Just say no** - written by Steve Booher suggested the school board should no longer hold closed meetings. Booher suggested that each of the issues, stipends, nepotism, and scandal all were because of closed meetings. He stated, "Many people now feel that every time the school board and administration moved to an executive session, they hammer out back-room deals, hand out stipends, hire and promote relatives, and pay huge fees to consultants. Then they go into open session and gloss over what they've just done."
  - One individual commented, "The minute Danny Boy (meaning Dan Colgan) was hired as superintendent 22+ years ago, this district has gone down hill."
  - Another comment listed each of the St. Joseph School Board members and their remaining terms:
    - Dan Colgan - 2 years
    - Brad Haggard - 2 years
    - Dennis Snethen - 4 years
    - Martin Rucker - 4 years
    - Chris Danford - 4 years
    - Kappy Hodges - 6 years
    - Lori Prussman - 6 years
- **Area Votes Reflect Support for Schools** - under the "Our Opinion" section. This article was about the school tax levy. The writer stated, "residents also expressed faith and confidence in their

school leaders" when they voted yes on the tax levies in the past.

- **School levy could face a rough road** - written by Alonzo Weston. This article discussed the school tax levy and a specified tax payor stating her distrust of the St. Joseph School District.
- **Czerwonka gets extension, raise** - written by Greg Kozol. This article stated Dr. Czerwonka received a "2% increase to the superintendent's base salary of $190,000 a year." School board members, with the exception of Chris Danford, voted for the extension of Czerwonka's contract by one year and to provide a raise. Ensuing comments expressed outrage that Czerwonka was receiving anything in light of the school district's budget cuts and staff decreases. Allegations were made that School Board Member Dennis Sneathen's son was given a full time position that was never advertised.
- **School district shouldering cost of some legal services** - written by Alonzo Weston. This article stated the school district hired the legal services of Mickes Goldman O'Toole LLC. Thomas Mickes stated he was hired by the district's insurance carrier. Mickes stated the district was to pay "cost" for representation during the FBI investigation. Further the article stated Mickes "worked with" Dr. Czerwonka when Czerwonka was a superintendent in West Plains, MO. Alleged in the article was that Mickes may have provided policy manuals to school districts in the past.
- **Board risks making things worse** - from the Our opinion section the writer stated the Board of Education "risk deepening the divide between the board and patrons of the school district. The article discussed the 05/02/2014 board meeting wherein Dr. Czerwonka read portions of a prepared report from the hired attorney stating there was no evidence of commingled federal education dollars with state and local tax dollars; Czerwonka was within his authority to issue the stipends to administrators, and that nepotism did not appear to be an issue since former board president Dan Colgan abstained from the vote promoting his son. It was also stated that Mickes was not only representing the school board but the school district's insurance company, which may present a conflict of interest.
- **In West Plains, two versions of Fred Czerwonka** - written by Alonzo Weston. This article stated two individual opinions regarding Czerwonka. One person said Czerwonka was highly ethical and driven; the other said Czerwonka was very arrogant. Further, Czerwonka's salary was listed as having a base salary of $190,000, a $12,000 annuity, and a $500/month car allowance.

Title: (U//~~FOUO~~) ST. JOSEPH NEWS-PRESS ARTICLES AND COMMENTS
Re: 194B-KC-4719955, 05/15/2014

- **Superintendent explains controversial video** - written by Alonzo Weston. This article provided a link to an endorsement of the Flippen Group given by Czerwonka. In the video endorsement, Czerwonka made comments that were taken to be directed at the St. Joseph staff. Czerwonka stated he found his teaching staff "very standoffish, very cold," before the implementation of the Flippen Group program. Further, the article provided a link to a news interview of Czerwonka where he explains he was not talking about the St. Joseph staff and that he felt he and his family were being targeted by individuals wishing to discredit him.

♦♦

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It's your call, April 29, 2014

Story Comments (50) Share Print Font Size

Posted Monday, Apr 28, 2014 11:55 pm | *Updated 11:34 am Tue Apr 29, 2014*

50 comments

On the Contrary

My son rides his bike down by Lake Contrary with his friends. And my question is, why isn't something being done by the health board and the state conservation department about the lake and the dead fish? That is very, very bad and unhealthy. Nothing is being done. The lake is not being dredged, nothing.

Bundy's battle

To the "in support" caller, all the national media with the possible exception of the "Fair and Unbalanced Network" have reported from the beginning that Mr. Bundy has been grazing his cattle on federal land for years and that Mr. Bundy owes the federal government $1 million. The national media already has reported that the other ranchers have paid what they owe. One only needs to listen to Mr. Bundy for about 60 seconds to know that he has lost his marbles. What should happen to Mr. Bundy is, his firearms should be confiscated and he should spend the rest of his life in a rubber room where he can't harm others.

Bagel meetings

Steve, I couldn't have said it better myself. The SJSD just keeps digging deeper holes. Now Dr. Czerwonka wants bagel meetings before school. That will certainly start the school day with great optimism. Teaching will take a back seat to all the bagel buds. Only one lonely school board member wanted to get important questions answered. Ahh, little did Chris know that such eruption would spew forth. Let's have open board meetings so that the public knows what they need to know. And by the way what's happened to (School district chief financial officer) Beau Musser? Is he MIA?

Editor's note: Officially, Mr. Musser remains on paid administrative leave.

Eternity is forever

Yes, St. Joseph School Board, we know some of the shenanigans you have pulled over the past 25 years. It may be getting worse, but not much. Yes, some had to resign quickly. Hiring relatives isn't bad as long as they are not supervised by relatives. With the FBI, this should be a very thorough investigation. You know what you have done. You need to repent and turn from your wicked ways. Get right with God while you are able. All will come out. Act fast and be forgiven. Eternity is forever.

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COMMUNITY CALENDAR

April 2014

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

today's events browse submit

ONLINE POLL

Which of these do you believe in?

non-pertinent pages were eliminated tsg

Munchkin posted at 6:32 am on Tue, Apr 29, 2014.

Posts: 2662

Bundy 's Battle - did it ever occur to you that the media at whole with the exception of the only fair and balanced network has always deceptively misreported the news ? The MSM falls hand over feet to cover up everything to protect the left while castigating the right . This Bundy issue is much bigger than you realize . Harry Reid has his finger prints all over this. One day trouble will be at your front door, apathy will be our downfall.

Report +Link Reply

modvd posted at 9:40 am on Tue, Apr 29, 2014.

Posts: 3118

Was Harry Reid involved when the courts first ruled against Bundy in 1993? If so, what proof do you have of this?

Report +Link Reply

ridiculoose posted at 7:27 am on Tue, Apr 29, 2014.

Posts: 16

Bagels to get out there and make sure the teachers are supporting their politics, and to flex their power would be my guess, since nothing has changed and that business as usual in this district. If they want to tell the teachers thanks don't take away the diminishing time they have to prepare, give them all a stipend. Oh I forgot one rule for administration, and a different one for everyone else. Give the bagels to downtown, I am sure they have time to enjoy! Give the teachers some real respect.

Report +Link Reply

rl317 posted at 3:11 pm on Tue, Apr 29, 2014.

Posts: 2

The only thing you have correctly said is.....oh wait you haven't. It is unfortunate that the district employed people to do a job and the board won't allow that. It is also unfortunate that people perseverate on the wrong things. The focus is and always has been the students of the SJSD. I have talked with lots of teachers who love their job and support Dr. C and the work he does. Is it the SJSD's fault that one board member wants all of the kids to go to the school that signs her paycheck? That seems to be a conflict. Let me stir stuff up to boost private schools. Hmmm...maybe her husband doesn't make enough money, because you know $394K isn't enough and so she needs job security. I bet her stipend at SJSD was larger than most.

Report +Link Reply

JamesBond posted at 7:30 am on Tue, Apr 29, 2014.

Posts: 3882

Where does the term "paid administrative leave" come from.....? Wouldn't "paid, unearned vacation" be more appropriate.

Is it just to make the School Board look good.....?

Well.....it ain't working.

Report +Link Reply

JamesBond posted at 7:38 am on Tue, Apr 29, 2014.

Posts: 3882

MANCOULTER.....you have it wrong.....a "moocher" is one of those food stampers that DOESN'T work . You see them at the boat every day.

Report +Link Reply

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Common Thoughts, Common Sense

Closed meeting? Just say no

Story Comments (25) Share Print Font Size

Posted Sunday, April 27, 2014 11:45 pm | *Updated: 10:05 am, Tue Apr 29, 2014*

By Steve Booher | St. Joseph News-Press |
26 comments

If you're currently a member on the St. Joseph Board of Education and you want to begin moving past the troubles that have recently visited your board room, here's a simple idea: Stop holding closed meetings.

One common thread runs through the stipend and nepotism scandal that descended on the St. Joseph School District. It binds all these troubles together. That thread is: closed meetings.

Many people now feel that every time the school board and administration move to an executive session, they hammer out back-room deals, hand out stipends, hire and promote relatives and pay huge fees to consultants. Then they go into open session and gloss over what they've just done.

Nothing in the Missouri Sunshine Law requires closed meetings. In fact, the Sunshine Law starts with every meeting being open. Then it makes exceptions for things like personnel issues, lawsuits and buying real estate. But it never says these things must be discussed in closed session.

And, there are specific procedures to conduct a closed meeting, which the school district has violated over and over again.

Closed meetings used to be rare. Now they are routine.

The fact is that running our public schools is the business of everyone and should be conducted in an open and transparent manner. It would be refreshing if and when a closed session is proposed, our school board just says "no."

Paying for lawyers

Nobody really seems concerned about how the school district will pay for what could be some hefty legal bills. When asked, board President Brad Haggard said, "I had a discussion with (Superintendent) Dr. (Fred) Czerwonka that maybe this is the best once we see how long it is going to take for their services. Maybe it's just very brief; it's part of our budget."

Indeed, the school district budgets for legal expenses. But Mr. Haggard may want to peek at the books, because a source told me that the district is already over budget on legal expenses. For instance, the costs of handling a Sunshine Law complaint by John Hickman last year came due this year.

Then there's a settlement paid to Leupold Farms.

Leupold Farms, a local supplier, provided produce and other perishable food to the school district. The company had a multi-year contract worth several hundred thousand dollars.

But when the district brought in OPAA Food Management last year, it dropped the contract with Leupold Farms. In order to avoid a lawsuit, the district paid Leupold Farms a lump sum of $89,000, which represents the profit the local business would have made on the balance of the contract.

Apparently, this settlement was charged to the district's budget for legal expenses.

Latest on the FBI probe

COMMUNITY CALENDAR

April 2014

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ONLINE POLL

Which of these do you believe in?

The FBI investigation alone could take months, even years. Word is, the investigation is being swamped with people coming forward to divulge information about additional misappropriation of funds, more illegal stipends and acts of nepotism.

This investigation could go back years, and rumors say the FBI have called in help to sort it all out.

The depths of anger

As the law enforcement investigation churns, parents, taxpayers and especially teachers have expressed deep anger at the school district mess.

For instance, Superintendent Dr. Fred Czerwonka is holding "bagel" meetings at every school, most likely to reassure teachers and staff. It's probably a good idea, except that the meetings are scheduled for 7 a.m., which is outside the teachers' contract times. Oh, and the meetings are mandatory.

That's when the feel-good strategy backfires.

Instead of being reassured because their administration is reaching out to them, many teachers are angry that they're required to show up to a school function on their own time. Somehow, a tasty bagel seems like small compensation when you work for a school district that has been passing out stipends like candy on Halloween.

So while morale may be low in the administrative offices, my guess is that it's hit bedrock in the classrooms.

Steve Booher's column runs on Mondays. He can be reached at steve.booher@newspressnow.com. Follow him on Twitter: @SJNPBooher.

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Posted in Common thoughts on *Sunday, April 27, 2014 11:45 pm. Updated: 10:05 am.* | Tags: St. Joseph School District Fbi Investigation, St. Joseph Board Of Education, St. Joseph School Board, Brad Haggard, Leopold Farms Settlement, Opaa Food Management, St. Joseph Missouri, Northwest Missouri

25 comments:

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SJSDKIDSFIRST posted at 6:38 am on Mon, Apr 28, 2014.

Posts: 7

One of the best articles I have read in a long time! Thank you, Booher, for this amazing article, especially about teachers having to come to that meeting on their own time, and that is just a small part of the anger!!

Report aLink Reply

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- Heaven only.
- Neither.

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- CNA - Multiple Positions — Saint Joseph, MO | Living Community Of St Joe

notonyourlife posted at 7:15 am on Mon, Apr 28, 2014.

Posts: 81

I have hammered for months on the contract with OPAA and the deleterious effect it would certainly have. to add insult to injury, now I read THIS? did anyone else catch the huge discrepancy in what the OPAA hired head of dept and rick hartigan said in the meeting about how splendidly the OPAA transition has gone? they are serving an average of 1000, (yes, one thousand) fewer meals than our previously local controlled nutrition services. Dr. Czerwonka had absolute knowledge of that discrepancy, as did rick hartigan and jake long. hartigan actually helped in the LIE, and any person sitting on that dais or in that room in administration who know should have immediately piped in with a correction to that. In not doing so they also committed a lie of omission.....

Report Link

Hawk posted at 7:48 am on Mon, Apr 28, 2014.

Posts: 15

Isn't it amazing that none of these highly-educated, highly-experienced, highly-compensated administrators have enough common sense to realize that these bagel meetings are another really dumb idea. It's going to take a lot more than the smell of bagels and coffee to rid the district of the stench of stipends and nepotism and consultants and lawyers and deceit.

And the closed meetings? Clearly our board and administrators believe they are under attack so they've circled the wagons and are in survival mode. They've locked down and hunkered down. But they've also broken down the trust of their teachers, staffers, supporters and voters. And, after all, isn't broken trust what this is all about? Bagels and early morning meetings won't fix that.

Thanks, Mr. Booher. Stay on these guys.

Report Link

lundra85 posted at 7:48 am on Mon, Apr 28, 2014.

Posts: 218

Steve - I think that is the best advice anyone could give the school board right now. Good job!

Report Link

johnahickman posted at 9:00 am on Mon, Apr 28, 2014.

Posts: 143

I submitted the sunshine request to see emails & letters (which is the bilk of the legal expenses) that were supportive of & opposed to the budget cuts which were orchestrated by Colgan. I know in my gut he was lying about all the letters he'd received supporting his position. It turns out, based on the evidence Colgan produced, he was CLEARLY lying - he was unable to produce a single letter supporting his position. If Colgan had simply been honest a year ago spending $20K of taxpayer money to prove him a liar wouldn't have been necessary. Now, that will seem like a pittance in legal fees when the FBI, MO Attorney General, MO State Auditor, MO Ethics Commission gets done w/Colgan & the others. I say to Beau Musser & the law enforcement agencies, HAVE AT'EM

Report Link

Mama2 posted at 9:15 am on Mon, Apr 28, 2014.

Posts: 2

The morale at the classroom level is ridiculously low. IF the most important thing about the district is the kids, then why do the people (teachers) that have the most contact with students feel the worst they have ever felt? Trust. The teachers have been duped just as much as the public, if not more. Bagels and meet and greets are not going to fix any issue at this point. Trust has to be earned back, not bought back.

Report Link

Class A Drivers
Saint Joseph, MO | Affiliated Foods

Clinic Nurse
Saint Joseph, MO | NW Mo Oral Surgery

kidsfirst posted at 10:09 am on Mon, Apr 28, 2014.

Posts: 25

When is enough enough? This OPPA deal is ridiculous. Not only in what is cost but why there was a need to change so fast. Didn't the district throw away thousands of dollars worth of food that it had already purchased for the school year?

When will we as a community demand the removal of all downtown administrators. Then we should look into building principals that have been corrupt as well. Not all building principals are bad, but many abuse there power and position.

Report Link

PorkChop posted at 11:04 am on Mon, Apr 28, 2014.

Posts: 9

The minute Danny Boy was hired as superintendent 22+ years ago, this district has gone down hill. He has been nothing but power hungry. He keeps his hand in the fish bowl at all times, and when Dr. Smith would let him have control during her time, he decided to run for the BOE and got rid of her and he did! I don't know what Colgan does to everyone to get them to follow his leadership but I've heard he's quite the bully. If people follow out of fear, got a backbone like Danford! There is power in numbers! Stand up to the big bad bully! Or are you being paid, too?

Oh, and BOE members and admin., beware, Dennis Snethen is the devils advocate. He has shared info with Mr. Musser. Some of which is slander to others. Also, he was given hundreds of books at the Westley Center to distribute to the schools in need and when the gracious people left, he told his employees to throw the books away bc he didn't have time for that! Really? Thank goodness a teacher was there to overhear this bc she got to take all of the books to Humboldt and share with her building. So, why did we elect Dennis? How can we get them out?

Also, please look into when Colgan's son, Mark, had his wreck. He was not a district employee at the time. However, it is my understanding that Dan had his insurance and

Report Link

read more (about 7 more lines)

ZRHtoNRT posted at 11:34 am on Mon, Apr 28, 2014.

Posts: 112

What is the recall process for school board members? I have tried to find it in the state statutes, but no luck so far.

Report Link

johnahickman posted at 1:06 pm on Mon, Apr 28, 2014.

Posts: 143

Missouri statute does not allow for the recall of school board members. Unless those involved willingly resign to preserve what little dignity they have left, we're stuck with them until their terms expire. In other words, we're screwed.

Report Link

commentb posted at 2:24 pm on Mon, Apr 28, 2014.

Posts: 8

There is always a process to remove elected officers, regardless of their function in government. For the State of Missouri, MRS §77.650, 78.260 outlines the process, which is petition-based.

There is also a process specifically developed for school boards, to hold members accountable for their stewardship, found in MRS section 162, specifically, MRS §162.631.

Report Link

smith posted at 5:49 pm on Mon, Apr 28, 2014.

Posts: 210

Chapters 77 and 78 of Missouri Revised Statutes apply only to third class cities not school districts.

Report Link

commentb posted at 2:25 pm on Mon, Apr 28, 2014.

Posts: 8

MRS §162.631
Jurisdiction of circuit court over board--how exercised.
162.631. 1. The circuit court of the city has jurisdiction over the members of the board of education and its officers to require them to account for their official conduct in the management and disposition of the funds, property and business committed to their charge; to order, decree and compel payment by them to the public school fund of all sums of money, and of the value of all property which may have been improperly retained by them, or transferred to others, or which may have been lost or wasted by any violation of their duties or abuse of their powers as such members or officers of the board; to suspend any member or officer from exercising his office, whensoever it appears that he has abused his trust or become disqualified; to remove any member or officer upon proof or conviction of gross misconduct or disqualification for his office; to restrain and prevent any alienation of property of the public schools by members or officers, in cases where it is threatened, or there is good reason to apprehend that it is intended to be made in fraud of the rights and interests of the public schools.

Report Link [redacted]

ZRHtoNRT posted at 5:01 pm on Mon, Apr 28, 2014.

Posts: 112

So, if I understand this correctly, the PA or a Grand Jury would have to indite (sp?) and then take the accused to a hearing by the judge. Otherwise a recall petition would have to be circulated.

Report Link

commentb posted at 2:25 pm on Mon, Apr 28, 2014.

Posts: 8

MRS §77.650, 78.260
Recall of elected officials--procedure--limitations.
77.650: 1. The holder of any elective office in a third class city may be removed by the qualified voters of such city by recall petition in accordance with the procedure set out in sections 77.650 to 77.660 subject to the following limitations:
(1) The officer has held office for at least six months;
(2) In the case of an office for a term of two years only, one recall petition may be filed during such term;
(3) For a term of office more than two years, additional recall petitions may be filed but not less than six months later after voter disapproval of the last recall petition;
(4) The recalled officer may not be a candidate to succeed himself at a special election held to fill the vacancy created by his recall, nor may he be appointed by the appointing authority to fill the vacancy.
2. A petition signed by voters entitled to vote for a successor to the incumbent sought to be removed, equal in number to at least twenty-five percent of the total number of registered voters in such city entitled to vote for a successor to the incumbent sought to be removed, demanding the recall of a person from elective office shall be filed with the county clerk which petition shall contain a statement of the reasons for which recall is sought which shall not be more than two hundred words in length. Such petition for recall shall be filed with the appropriate county clerk or election authority within sixty days after the date of the earliest signature on the petition. The reasons for recall are misconduct in office, incompetence or failure to perform duties prescribed by law. The signatures to the petition need not all be appended to one paper, but each signer shall add to his signature his place of residence, giving the street and number and the date signed. One of the signers of each such paper shall make oath before an officer competent to administer oaths that the statements therein made are true as he believes and that each signature to the paper appended is the genuine signature of the person whose name it purports to be.

Report Link

smith posted at 5:52 pm on Mon, Apr 28, 2014.

Posts: 219

see: "1. The holder of any elective office in a third class city"

Report Link

johnahickman posted at 1:08 pm on Mon, Apr 28, 2014.

Posts: 143

Dan Colgan - 2 Years Remaining
Brad Haggard - 2 Years Remaining
Dennis Snelhen - 4 Years Remaining
Merlin Rucker - 4 Years Remaining
Chris Danford - 4 Years Remaining
Kappy Hodges - 6 Years Remaining
Lori Prussman - 6 Years Remaining

Report Link

smith posted at 5:58 pm on Mon, Apr 28, 2014.

Posts: 219

How about this instead:

Dan Colgan - 72 months Pekin federal prison
Doug Flowers - 84 months Marion IL Federal Prison
Rick Hartigan - 48 months Yankton Federal Prison Camp (the real meaning of going up river)
Melody Smith - 24 month Aliceville AL Federal prison

Brings a whole new meaning to term limits.

Report Link

locamaco posted at 11:43 am on Mon, Apr 28, 2014.

Posts: 2

Now I understand why the meeting initially described as "mandatory" was later changed or clarified to be "NOT mandatory". There was no mention of bagels.

Report Link Reply

smith posted at 5:51 pm on Mon, Apr 28, 2014.

Posts: 210

But I like bagels.

Report Link Reply

sgwrightmac posted at 12:55 pm on Mon, Apr 28, 2014.

Posts: 1

Steve Booher, I will say it once again...you are my Hero!! Thank you for being a bulldog. We need more like you and Chris Danford!! No more hiding in the dark SJSD. I wish there were more people with the guts to stand up for what's right or get the heck out and let someone with courage step in. Yes BOE, I'm talking to you!!!!
This is Jennifer Holden btw.

Report Link Reply

Hooray posted at 4:54 pm on Mon, Apr 28, 2014.

Posts: 37

Thank you for standing up for our taxpayers! Keep up your good reports!

Report Link Reply

bigmuddy posted at 6:06 pm on Mon, Apr 28, 2014.

Posts: 34

Big kudos to you and Alonzo for keeping this fresh.
Fish rot from the head down and we have a rotten fish stinking up the schools.
More money spent on administrators than teachers makes the internal agenda pretty clear. Feather their nests and ignore the kids.!
Too much money spent on their projects, two schools and air conditioning for the six week period until October 15 should have been a big alarm.
Clean sweep time, and then make their governmental associates answer for their complicity .
Big budgets , big misappropriations . Nepotism is for private business, not civil servants. Nepotism in government is called monarchy .

Report Link Reply

Page 9 non-pertinent

Privacy posted at 11:36 pm on Mon, Apr 28, 2014.

Posts: 1

Yes, the A/C the schools never got. Roughly 60% of the vote went to approve that ridiculous expenditure b/c "our kids deserve a/c" propaganda. The BOE is the one that put them in school during the hottest 2 weeks of the year, then whines they need money for a/c?!

Spend thousands on computers and then don't have a place to put them? They charge parent $80 for a computer cord that has a tiny nick in it - but you aren't allowed to replace the cord yourself, and you aren't allowed to see the damaged cord, and you aren't allowed to have the cord you're forced to paid for.

$10k for a speech? Oh yes, $30k for reprinting ballots b/c somebody didn't proofread very well? This district is as crooked as they come, ripping off parents, the community and every taxpayer that pays their salary. Honestly and sadly, none of this surprises me after watching their behavior over the past few years.

And as a parent of three students - elementary, middle and high school - the new food management program stinks too. The food is gross and cold and nasty -- so bad that they would rather go hungry than eat what is served to them. Not that it was ever "great" but it used to be tolerable. Now they won't eat a thing the cafeteria serves, so the 1000 less meals doesn't really surprise me either. 180 school days X my 3 kids = 540 of those.

Report Link Reply

Hooray posted at 7:36 am on Tue, Apr 29, 2014.

Posts: 37

About food, my son never wants to eat food at school a couple years ago. He doesn't like it. We packed his lunch everyday!

Report Link Reply

kurt4045

Beg-n typing here

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Our opinion

Area votes reflect support for schools

Story Comments (2) Share Print Font Size

Posted Saturday, April 26, 2014 11:45 pm | *Updated 12:06 pm, Mon Apr 28, 2014*

2 comments

A recent caller to the News-Press' "It's Your Call" line makes an interesting point about taxes.

Although most of us like the idea of tax cuts, we often forget taxes pay for many of our essential services, such as roads, sewers, schools, and police and fire protection. The reasoning goes the more we pay in taxes — up to a point — then the more we benefit.

Supporters of tax measures in Cameron, Maryville and Rock Port all benefitted from this perspective in voting earlier this month.

In each case, they promised improvements to public schools that could be accomplished if every property owner chipped in. Also, significantly, they timed those requests so as to avoid asking for a tax levy increase. Instead, they simply sought an extension of current tax levies for several more years.

Make no mistake about these kinds of ballot proposals: The taxpayers are committing to new funds for their communities. They could have chosen to let the levies expire and pocketed the savings. But community leaders proposed a continued investment, and these ideas prevailed.

Maryville voters approved a $10.25 million bond issue for their schools. Nearly half of the bond funding — $5 million, plus a $558,000 donation from the Schneider family — will go toward a 670-seat performing arts center at the high school. Additional fine arts and athletics upgrades at the high school will cost $2.7 million; Eugene Field Elementary will receive a new $1.9 million cafeteria and kitchen; and numerous security upgrades will be made throughout the district.

In Cameron, voters passed a $9.75 million school bond. The money primarily will go to build a new middle school and enhance security at district facilities. And in Rock Port, voters said yes to a $2.7 million measure to build a new school gymnasium and complete other remodeling.

One of the most impressive features is the margin by which the issues passed. A whopping 76 percent of voters said yes in Cameron, while Rock Port's measure passed with 70 percent and Maryville's margin of victory was 67 percent.

A vote for the students? Indeed. But with these totals, residents also expressed faith and confidence in their school leaders.

This fact should not be overlooked — particularly in St. Joseph, where new schools are being built due to past voter support, and where an important vote looms in the near future on extending the 63-cent tax levy for school operating expenses.

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Which of these do you believe in?

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Posted in Editorials on *Saturday, April 26, 2014 11:45 pm Updated: 12:06 pm*

2 comments:

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ParkChop posted at 4:47 am on Sun, Apr 27, 2014.

Posts: 9

The key point to remember is that the taxpayers of those communities have faith and trust in their BOE and school administrators. Ours have always been sketchy but no one could really "prove" anything, just heard things and gave you that deep down gut feeling that they weren't on the "up and up". Now we all know the truth to that deep down gut feeling thanks to Mr. Musser and Chris Danford. If it weren't for them, how long would this continue to happen behind closed doors?

I just wish something would happen to them all fast! I'm not a very patient person when it comes to seeing justice being served. Czerwonka should be removed as well as Doug Flowers. If a teacher or principal (Rick German) had miss handled funds, Doug would be the first person at their door to tell them they're fired or they have the opportunity to resign. Why haven't the tables turned? CLEAN HOUSE, IF YOU CARE ABOUT YOUR STUDENTS AND TEACHERS!!!! (BOE, that means you need to voluntarily need to remove yourself so that we can have a new election to find honest members who won't be a rubber stamp or crooks! Snethen, Rucker, COLGAN, Haggard.)

Report Link

64503 posted at 10:32 pm on Sun, Apr 27, 2014.

Posts: 245

You are correct all of these administrators involved should be fired immediately if not sooner. And the rubber stamps we have on the board of education who knew of this but kept it quite are just a guilty and should be removed from their seat on the board and a special election held to replace them.
But instead they will sit on their hands and do nothing like they always do and hope that this will all blow over.
Hopefully the state auditors will find all of this and if possible take over the district till a new board is elected.
One can only hope that the 2 new board members will not be rubber stamps but in all of this they have been to quite and the general public do not know their position on this and if they stand with Mrs.Danford which they should.
Snethen never even opens his emails and or responds, Colgan and Rucker like to pass the buck and Haggard simply blows smoke and likes to keep his head in the sand.

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kurt4045

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School levy could face a rough road

Story Comments (30) Share Print Font Size

Posted Wednesday, Apr 23 2014 4:49 pm | *Updated 10:28 pm Wed Apr 23 2014*

By Alonzo Weston St. Joseph News-Press | 30 comments

Connie Bonebrake has voted "yes" for every school issue ever since she's been able to vote. But when the sunset clause ends on the school district's 63-cent levy in August 2015, she's not sure she will support it.

"I just don't feel comfortable right now believing anything the school district has to tell me," Ms. Bonebrake said.

Lisa Logan said she will have to think hard before deciding to vote for any school levy renewal. The problems facing the school district right now could have a negative effect on them getting any financial issue passed, she said.

"It's unfortunate that things are in such a mess," Ms. Logan said.

The mess the school district now finds itself in began last month. During the March Board of Education meeting, board member Chris Danford raised concerns about stipends being paid to administrators without going through board discussion and approval.

A few days later, the district's chief financial officer, Beau Musser, was placed on paid administrative leave.

The Missouri auditor's office contacted the district about conducting an audit of its budget. The FBI also is conducting an investigation of the district.

In November 2009, voters approved a 63-cent operating levy with a five-year sunset clause. The recent problems could hinder its renewal. That could potentially mean loss of jobs and services for the district.

But Dr. Jake Long, director of safety, transportation and student services, said the sunset will not affect the current budget that needs board approval in June. The levy sunset will affect the 2015-2016 school budget. He said he is optimistic the issues will be settled by that time.

"We're going to remain positive about the levy and we feel that whenever the dust settles, the community will still want to support its schools and we know that high-quality schools are vital to the economic success of a community," Dr. Long said.

The district has an operating budget of about $117 million. It also has about 20 percent of that amount in reserves, Dr. Long said.

"We feel we can come out of this a stronger school district and more efficient and continue striving to be a premier school district," he said.

Nevertheless, Ms. Bonebrake said she is unsure even after a year if she will support a levy issue. There are a lot of unanswered questions.

"I think it's going to take a while for all this to settle down," she said.

Alonzo Weston can be reached

at alonzo.weston@newspressnow.com.

Follow him on Twitter: @SJNPWeston.

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Posted in Local news, Schools on *Wednesday, April 23, 2014 4:49 pm. Updated: 10:28 pm.*

30 comments:

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NoRegrets posted at 8:22 pm on Wed, Apr 23, 2014.

Posts: 292

I agree.... We, the voters, had faith in our SJSD that if we approved additional funding, it would be spent and used wisely. Well, looks like the goose that laid the golden egg, may have just cooked ITSELF. I too, will have to think a lot, before I'll be in favor of ANY additional monies going to the school district now. Oh, and they'll have no one but THEMSELVES to blame.

Report Link Reply

cherrypickr posted at 8:45 pm on Wed, Apr 23, 2014.

Posts: 11

The admin. have lost all of my respect and trust. I will vote NO! Their scare tactics such as threatening to cut positions and staff will have no effect. They will need to give up some of their huge raises and big stipends before making cuts!

Report Link Reply

ridiculoose posted at 9:03 pm on Wed, Apr 23, 2014.

Posts: 16

Expedite any appropriate action to any discovery of violations or known fact, and the dust will settle or all this will settle down sooner, and it might have a chance. Trivialization and time are working against each other. I am sure there will be a huge quilt trip campaign about doing it for the children, but people have had enough of the double standards, and voting is the only way to have a true voice.

Report Link Reply

kidsfirst posted at 9:46 pm on Wed, Apr 23, 2014.

Posts: 25

By dust settling I think they are hoping everyone will forget everything. The special jobs, tips, stipends, Administrative couples make a quarter of a million dollars or more. Yeah, forget all of those things and give more money! Only way this has a chance to pass is if the downtown administration ALL step down. They keep saying we will become a premier school district...for who? Surely not the kids. For a handful of people this is probably a much better place than it is for everyone else!

Report Link Reply

jones posted at 9:52 pm on Wed, Apr 23, 2014.

Posts: 197

The level of hubris of this administration is simply stunning...

Report Link Reply

St. Joseph News-Press
Tweets from a list by newspressnow.com
Official Twitter accounts of the St. Joseph News-Press and FOX 26 KNPN staffs

Kristin Hoppa 29m
@SJNPHoppa
Therapy dog Chandler meets with @MissouriWestern students for finals stress-relief. #StJoMo pic.twitter.com/FOIXFrKJum

USD 237 Atchison CCS

×

ONLINE POLL

Which of these do you believe in?

Total Votes: 300

Heaven and hell.

Heaven only.

Neither.

Vote View Results

COMMUNITY CALENDAR

April 2014

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

today's events browse submit

Jones posted at 9:55 pm on Wed, Apr 23, 2014.

The level of hubris of this administration is simply stunning...

Posts: 107

Report •Link

okay posted at 11:20 am on Thu, Apr 24, 2014.

You can say THAT again.

Posts: 274

Report •Link

wa wa tusi posted at 10:03 pm on Wed, Apr 23, 2014.

Posts: 7

sorry kids but you all started this by agreeing to everything this school district said without ever forcing them to be accountable they need they got they need they got. it's a little late to be whining about it now.

Report •Link

okay posted at 11:21 am on Thu, Apr 24, 2014.

It's never too late to fix a mistake.

Posts: 274

Report •Link

knowledgeispower posted at 11:06 pm on Wed, Apr 23, 2014.

Posts: 15

Those administrative issues will be fixed you have to look deeper at who the failing levy hurts. It hurts all the teachers and kids that work in the trenches for the betterment of the kids! I would the fine people of this town to ask questions of the school district to help regain their faith in it and the hopefully new administration. It can't get any worse only better.

Report •Link

Skew posted at 4:11 am on Thu, Apr 24, 2014.

Posts: 54

I love it when the school district brings out the old Kids game to win elections.
the problem is the st joe school district is greedy. 20% reserve .
perhaps the district could assist the city with its street problems.
o sure they can't do that .that might be considered taking money from kids or thinking out of the box. perhaps the school district might consider giving the street funds they requested from the city for the 2 new schools back to the city to assist on repairing bridges or streets.

Report •Link

SJSOKIDSFIRST posted at 6:28 am on Thu, Apr 24, 2014.

Posts: 7

All they have to do is to truly respect TEACHERS and STUDENTS...THEY COME FIRST. They have to truly BELIEVE that it takes TEACHERS and the community to change a district around...not just and only administration. Once they do that, money goes to the right directions. Honest hard working people always know where the money should really go. Just sayin...

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Diesel Technician
Saint Joseph, MO | Heartland Trailways

Integrated Media Consultant
Saint Joseph, MO | Npg Newspapers

Certified Nursing Assistant (CNA)
Saint Joseph, MO | Wathena Health Care & Rehab

CNA - Multiple Positions
Saint Joseph, MO | Living Community Of St Joe

Class A Drivers
Saint Joseph, MO | Affiliated Foods

Clinic Nurse
Saint Joseph, MO | New Mo Oral Surgery

64503 posted at 6:31 am on Thu, Apr 24, 2014.

Posts: 245

With current state of the district admin and board we will sadly not support and new levy for the district til a few things happen. First the current admin either must step down or be fired to regain trust in the community. Second board members who knew about this mis-appropdiations of funds need to step down and a special election held to replace them or the state takes the district over till a new boards in place. The nepotism issue in district offices and out in the schools must be addressed as well.
Our superintendent is full of himself and lies I have caught him in more then one personally. He is shady in his dealings and one needs to look no further then the Oppa deal and what that has done to our local venders and how many people have lost there jobs and replaced by part time workers with no benefits. He's in bed so to speak with the Oppa people, I mean he does promotions for them.
As parents you have to stay on top of the BS they try an pull on you if you have any dealings with them. Simply put a bunch of greedy crooks running our schools. Replace them and hold them accountable for their actions or no new levy for you to spend for whatever you want and to give raised for nothing other then for nepotism. And if they think this is going to calm down before next August boy are they sadly mistaken they do not know how the people of St Joseph remember things.

Report Link Reply

read more (1 more line)

okay posted at 11:27 am on Thu, Apr 24, 2014.

Posts: 274

I doubt that you have ever voted for money to support our schools, mm. Every time there has been an election, all you do is rant against the schools, so please do not pretend that THIS is he final straw.

Report Link Reply

knowledgeispower posted at 6:53 am on Thu, Apr 24, 2014.

Posts: 15

Good call kidsfirst! At least someone understands it

Report Link Reply

TFurguson posted at 8:35 am on Thu, Apr 24, 2014.

Posts: 100

"But Dr. Jake Long, director of safety, transportation and student services, said the sunset will not affect the current budget that needs board approval in June. The levy sunset will affect the 2015-2016 school budget. He said he is optimistic the issues will be settled by that time"

Wait....so if the levy fails next spring due to the sunset you will be OK in 2015-16? Without passing another bond initiative how is this possible?

NPG: Why wouldn't you ask that question after he stated that? Seems like a pretty logical followup.

Report Link Reply

Clinton Thomas posted at 3:46 pm on Thu, Apr 24, 2014.

Posts: 9
STAFF

I'm not Alonzo, but I've written enough budget articles about other government groups that I think I can weigh-in. The district won't 'be OK' in 2015-16 unless a levy passes. Dr. Long's words mean he's optimistic the district will regain public confidence and get the levy passed, therefore 2015-16 will not be a problem. He never said they'd be OK if the levy failed. He's simply optimistic the levy will pass.

Hope this helps.

--Clinton

Report Link Reply

guitarguy posted at 8:50 am on Thu, Apr 24, 2014.

Posts: 67

Expect to see the levy on the primary election ballot in August (or June if it gets moved up). It will probably lose. There will be a re-do in November - perhaps with a tweaked sunset time period. Even if that one gets voted down they will still have another chance or 2 before the '15-16 school year begins.

Report -Link Re: ...

JohnQTaxpayer posted at 3:26 am on Sat, Apr 26, 2014.

Posts: 14

The voters in St. Joseph are so lazy/stupid that they will either vote YES or fail to vote at all, while the SJSD mobilizes all their cronies and threatens their employees job security if they don't support it, and after running several failed elections with the support of the local media, they will finally ram it down our throats. Then it's back to business as usual. Maybe one sacrificial goat will take the heat and step down to make it all plausible. Probably someone who is near retirement already who has boosted their pension during their last three yearly contracts...

Report -Link ...

JohnQTaxpayer posted at 6:00 am on Sat, Apr 26, 2014.

Posts: 14

The voters in St. Joseph are so st*pid and l*zy that they will either vote YES or fail to vote at all, while the SJSD mobilizes all their cronies and threatens their employees job security if they don't support it, and after running several failed elections, with the support of the local media they will finally ram it down our throats. Then it's back to business as usual. Maybe one sacrificial goat will take the heat and step down to make it all plausible. Probably someone already near retirement who has a boosted pension during their last three yearly contracts...

Report -Link Reply

music48 posted at 9:18 am on Thu, Apr 24, 2014.

Posts: 11

Our city may have 76,000 residents but it acts more like a town of 7,600. You cannot get a job anywhere here without knowing someone or having family already working for the business. The district is no different.
If a levy fails they WILL put it on the next ballot, and the next ballot, and the next until it passes, spending the $32,000 or so it takes in county tax dollars to have an election each time.
...and I promise you, administrators will NEVER lower their own salaries. They will cut services, sports, field trips, text book purchases, maintenance and experienced teachers.

Report -Link Re: ...

diligent1 posted at 9:36 am on Thu, Apr 24, 2014.

Posts: 24

I would like to first address the comments about losing trust THIS year. The district, in all of its wisdom, chose to put TWO new schools where infrastructure, if there at all, had to be built. This happened in both places, Devils Backbone and Cook Road. If the city picks up the tab, WE will pay that. If the school district picks up the tab, WE will pay that. What is the difference? I would be willing to bet that SUPPORT STAFF AND TEACHERS salaries have not kept up with the percentage increases of administration. So much for "Kids First." This school district has seen a lot of good veteran teachers leave, because they were encouraged to do so by administration. Again, so much for "Kids First." Has support staff been given all they need to keep buildings clean and in good running order, or are they buying such products themselves, as teachers have to do? It would appear that the students and the staff have been the victims in all of this for some time.

Report -Link ...

smith posted at 2:39 pm on Thu, Apr 24, 2014.

Posts: 210

I think the location choices were driven by several factors, but chief among them was getting a parcel of land that was large enough because they did not want to condemn people's houses and have to deal with the complaining caused by that. Second the size of the buildings drives the utility needs. This isn't just some 200 amp service to a house.

Report aLink Reply

PorkChop posted at 11:11 pm on Thu, Apr 24, 2014.

Posts: 9

Having close ties with a teacher of the SJSD, I can tell you that teachers get an average of 2% a year on a good year. That is spread across the board. So those that have been there longer get a lower percentage than the newer teachers. The admin get a straight up percentage. It isn't an average. The stipends that were given this year without BOE approval equated 5% for them. Teachers have NEVER seen that kind of a raise, EVER!

Anyone friends w Tammy Flowers on FB? Her daughter has been raising money for a very good charity in Africa. Her efforts and hard work are honorable. However, they are needing $300 more to help get her to Africa to see where the water well she helped provide is. I think with their combined salaries and bonuses they should pay for it themselves. Other people who make that much pay their own way. Just a thought.

Report aLink Reply

dirtygent1 posted at 4:05 pm on Thu, Apr 24, 2014.

Posts: 24

My point is that we are still paying for it. I don't argue that the northeast section of town can use a school, and I do agree with getting away from some kind of eminent domain. However, at a time when we are all complaining about street issues and the sewer problems continue to take more money, I don't think this was the way to go. I also question over 500 students in a school in the year 2014. Disciplining and learning could get to be a big issue.

Report aLink Reply

popski posted at 4:34 pm on Thu, Apr 24, 2014.

Posts: 1296

I can tell you that I, along with a large number of other St. Joe residents, will never vote YES on any further levy increases until full accountability is complete. If that includes firing current board members and administration folks, so be it. Too many smoking guns....too many guilty people. Unless a good old fashioned house cleaning happens, I'll never vote for another tax levy again.

Report aLink Reply

notonyourlife posted at 5:49 pm on Thu, Apr 24, 2014.

Posts: 8

Jake Long (Mini ME) is a fool if he thinks all this mumbo jumbo both he and CZ learned from Flip Flippen is going to save their skins. everyone posting here needs to send emails to all the BoE members and make it crystal clear what the stakes are here. personally, i have held my nose and voted yes each time but the vote yes twice campaign. I won't be supporting any BoE until I see some real action and support for Chris Danford. That includes a no vote for the levy.

Report aLink Reply

county4what posted at 6:23 pm on Thu, Apr 24, 2014.

Posts: 137

The FBI will review it all, can cross state line PD cannot. The State Auditor is nothing compaired to the feds. The question is who is singing to the FBI?

I SAY FIRE ALL EXCEPT PRINCIPALS AND LOWER. NEW BRASS SO TO SPEAK IS THE ONLY WAY TO EVEN HAVE A CHANCE.

THE CHILDREN SUFFER.

Report Link

What posted at 5:00 pm on Fri, Apr 25, 2014.

Posts: 22

It appears the district thinks this administrative nightmare will all blow over and they'll eventually pass a levy. This time, it will not pass, teachers will get cut, not administrators, class sizes will rise, supplies will be even lower, but district teachers are saying they will not vote for the levy even if it means losing their own jobs. Cutting their nose off to spite their face? NO. Why? Because some people have morals about doing the right thing. The 5% raises that teachers have never seen and the paid for MSTA dues are not the right thing to do for teachers or in any organization. Teachers are tax payers, too and they are tired of living administrative pockets and favored employees in back-room secret deals. They've been losing for a lot of years. The naming of Technical Directors without board approval in secret to hand out ridiculous raises ($17,000 per year and counting!) to unqualified and retiring employees must be corrected now. The unqualified Technical Directors are laughing their way to the bank right now as they prepare to draw another $17,000 EXTRA next year while everyone sticks their head in the sand. Why has CZ not corrected his mistake by taking back these secret-promotions before they continue on? The secret deal still lingers on! The longer one keeps a lie in action, the longer people will remember your lie. If you can be humble enough to admit you're wrong, say you're sorry, fix the mistake, and rebuild your

Report Link

read more (about 4 more lines)

ridiculoose posted at 8:32 am on Sat, Apr 26, 2014.

Posts: 16

They cut the 15,000 dollar teacher early retirement incentive years ago, but were able to pay undeserved stipends downtown. Teachers retiring saves money for years down the line. Money that should get to the classrooms. Very poor stewardship of our money. Bigger incentives for early retirement pay off way better than manipulated terminations, just ask an attorney familiar with school law. After a couple of years of these administration stipends recipients collect way over any fines for being complicit, and jump ship; or retire into lifetime financial support inflated by stipend compensation if it is reported to the PSRS. That would be interesting to find out; Did the stipends get reported?, and how much per month more did that get the retirees of the "mass exodus"for life.

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kurt4045

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Czerwonka gets extension, raise

Todd Weddle | St. Joseph News-Press

St. Joseph School Superintendent Dr. Fred Czerwonka speaks at a podium during a board meeting April 10.

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Posted Wednesday, April 30, 2014 3:02 pm
| Updated 3:47 pm Mon May 5 2014

By Greg Kozol | St. Joseph News-Press | 102 comments

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The St. Joseph Board of Education voted in closed session three weeks ago to give Superintendent Dr. Fred Czerwonka a 2 percent pay increase as well as a one-year contract extension.

The board approved the action 6-1 in a closed meeting April 10, prior to the open session of its scheduled meeting. The lone dissenting vote was from board member Chris Danford, who said she was troubled by several issues, including administrative stipends granted without board approval.

"That a leader would come in and do that and not relay that information to the board, it puts us in a precarious position," said Ms. Danford, who first raised the issue of stipends at a board meeting in March. "We did have to make budget cuts last year because of our financial situation."

Normally, the board has little discretion over the superintendent's salary and the matter is resolved in fairly routine fashion, often as part of a performance evaluation. This year, the board's action came on the heels of a controversy over stipends and job titles, some of which affected the pay of district employees who are related to board members or other district administrators.

April 10 also was the day that the board received a report on an upcoming state audit and information came to light on an FBI probe into district activities.

Board member Dennis Snethen, who made the motion to extend the contract for another year, said he doesn't believe the state audit and the FBI issue should affect how the board handles Dr. Czerwonka's salary and other terms of the contract. Mr. Snethen noted that Dr. Czerwonka's contract calls for a pay increase that is equal to what the board grants for teachers.

That would come to a 2 percent increase to the superintendent's base salary of $190,000 a year.

"That's the way it's been every year since I've been on the board," Mr. Snethen said. "I think he's doing a great job. Most of the problems he's had, he inherited."

Mr. Snethen said inherited problems would include "policies and procedures he was not aware of."

Brad Haggard, who was elected board president on April 10, said the timing of the review was discussed in light of issues over the audit and the FBI investigation. "All these things kind of came up at once," he said. "Obviously it's a concern."

Mr. Haggard said the superintendent's salary and review is often handled in February but got delayed as board members finished their evaluations. He said the review needed to be handled April 10 because that was the last day two departing board members would be able to take part.

How the board voted

Mr. Snethen moved to confirm the amount of increase for Dr. Czerwonka for the 2014-15 school year at 2 percent as required by the existing contract, Mr. Haggard seconded.

Mr. Snethen amended the motion to confirm the amount of increase for Dr. Czerwonka for the 2014-15 school year at 2 percent as required by the existing contract and extend his contract to 2016-17. Mr. Haggard seconded the motion.

Dr. Colgan called for a roll call vote:

Dan Colgan: Yea

Brad Haggard: Yea

Martin Rucker: Yea

Sarah Siemens: Yea

Chris Danford: Nay

Dennis Snethen: Yea

Sue Wagner: Yea

Motion carried.

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"We were trying to get it done as soon as possible," he said.

The board has more authority over the length of Dr. Czerwonka's employment contract, Mr. Snethen said most superintendents work on a three-year contact, so failure to grant an extension would amount to telling a district's top official to start looking for another job.

Asked if the extension amounted to a vote of confidence in Dr. Czerwonka, Mr. Snethen said, yes. "I voted to retain Fred and give him a chance," Mr. Snethen said. "We went through a lot of work to find this guy and we need to give him a chance."

He said any issues surrounding the FBI and the state audit should be addressed when those matters become final.

Ms. Danford said she feels comfortable discussing the reasons behind her vote, saying some of the previous spending decisions were secretive and eroded her confidence in the district's leadership. "I have been pretty clear about my concerns," she said. "There's nothing secret that I'm keeping, I don't want this to be a personal thing."

She said the board is entitled to discuss Dr. Czerwonka's contract in a closed meeting because it involved issues with his performance evaluation. She said information on the raise and the contract extension could have been mentioned in the open portion of the April 10 meeting, but it was not placed on the agenda

Mr. Snethen said the intention is to eventually announce the decision in open session, but the timing would be up to the board president or Dr. Czerwonka.

"There's no secrets here," he said. "There's nothing going on that hasn't been going on in the years I've been on the board. It's the same procedures and policies."

Mr. Haggard said he supports Dr. Czerwonka but thinks in hindsight the raise and extension should have been disclosed sooner. "Looking back, we should have done that right then," he said

Greg Kozol can be reached at greg.kozol@newspressnow.com. Follow him on Twitter: @SJNPKozol.

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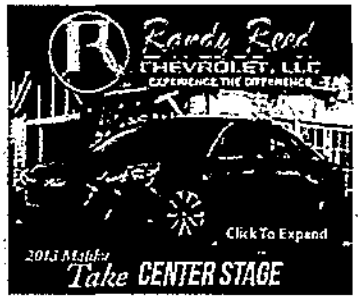

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Posted in Local news Schools on Wednesday, April 30, 2014 3:02 pm. Updated: 3:47 pm

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102 comments:

fanofsports30 posted at 4:56 pm on Wed, Apr 30, 2014.

Rate +1

Really Mr Snethen??? He deserves a raise because he's been very, very nice to people? Violate policy and hand out stipends after many budget cuts but that's all ok as long as you are nice to people?

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COMMUNITY CALENDAR

May 2014

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6		8	9	10
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notonyourlife posted at 7:02 am on Thu, May 1, 2014.

Posts: [illegible]

what do they have on you, Snethan? no one in their right mind would say being nice to people is a good reason for a pay raise. if you don't think the ongoing investigations will cause a problem, just wait til the levy fails. seriously, I used to respect you.

Log in to report | Link

PorkChop posted at 5:10 pm on Wed, Apr 30, 2014.

Posts: 2,[illegible]

You have to be kidding me! He gets a raise bc he's been nice to people!! Of course, he gave raises to administrators who had low morale. They all got 5% to bandage their wounds while the teachers in the trenches get the shaft? And after he gave himself and others 5% he gets another 2% for being nice? Dennis, weren't your children's teachers nice? Shouldn't they get more for being in the trenches working and teaching to student and dealing with parents that don't always agree or help them when their child misbehaves or doesn't do their homework, read nightly to get their book reports, study for tests, put the video games away at a decent time and go to bed? Should I go on? Teachers deal with a lot more everyday and have to keep their composer and bite their tongue just to keep parents off their backs! Oh, and they teach children, motivate them, nurture them, love them, bond with them, care for them, pray for them, go to games and some even provide for them! Shouldn't teachers get MORE than 2%! They are way more than just nice! AND I do believe that the audit and FBI should affect his job and raise.

To all the teachers that read this, if you haven't learned anything yet about what happens when Doug Flowers comes to your classroom for anything, MSTA will not [illegible]

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[illegible] (about 3 more [illegible])

doneya2 posted at 10:33 pm on Thu, May 1, 2014.

Posts: 1

Amen to that. I was part of the SJSD and MSTA. BEST decision I ever made was move to a KC district and now in NEA. SJSD is a mess, and I feel bad for the students and the others that have taken a hit....I applauded Chris D for her work...the rest are snakes...pure snakes. I hope many more leave that district

Log in to report | Link

84503 posted at 5:41 pm on Wed, Apr 30, 2014.

Posts: 270

Really Mr. Snethen coming from one who never checks or opens his emails and or ever responds to people who you answer to emails you. You are so far out of touch with what's going on its not even funny. You must be replaced with the other remaining ones who had knowledge of the issues this administration has caused.
You all give the very person who violated the policies set in place a 2% raise and a year extension???????????? Have you not been paying any attention to what the community is saying and calling for this admin to be replaced???????? Good luck next year with a new levy now for sure you all show your inabilty to lead and serve on the board of education its time for you all to step down.
As a tax payer this is unacceptable and you all answer to us and some of us want answers.

Log in to report | Link

socialdingered posted at 8:33 pm on Wed, Apr 30, 2014.

Posts: [illegible]

I will never vote for any funding increase the schools ask for now. This is beyond absurd.

Log in to report | Link

Not surprised posted at 6:49 pm on Wed, Apr 30, 2014.

Posts: 5

Let the recalls begin. We may be contracted now with this buffoon for another year but we can get rid of the ones who voted the raise and extension. The damage the current board with their negligence is immeasurable to the children and teachers of this community . Dennis Snethen –your legacy has gone from being a successful Olympic coach to a public disgrace.

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Superintendent explains controversial video

[illegible]

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Saint Joseph, MO | [illegible]

Physical Therapist
[illegible]

Customer Service Representative
[illegible]

Dental Front Office Assistant/Business Ass...
[illegible]

Owner / Operator
[illegible]

Housekeeper
[illegible]

Class A Drivers
[illegible]

Clinic Nurse
[illegible]

Registered Nurse (RN)
[illegible]

Customer Service/Legal Assistant
[illegible]

cherrypicks posted at 7:30 pm on Wed, Apr 30, 2014.

Posts ..*

Sad. The two newest board members are sucked in also! If I had only known that this would be so easy for them to do, I probably wouldn't have voted at all for them! I will however vote no on the next levy when it rolls out

Log in to report Link

ridiculoose posted at 8:51 pm on Wed, Apr 30, 2014.

Posts ..

The word was out on Prussman a long time ago. Perfect fit for more of the same.

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johnahickman posted at 10:09 pm on Wed, Apr 30, 2014.

Posts ...

This vote was taken BEFORE Hodges and Prussman were seated on the board and new officers elected. This was done during Colgan's tenure as President

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ZRittoNRT posted at 9:10 pm on Wed, Apr 30, 2014.

Posts ...

To be fair this was done on April 10th in the closed session PRIOR to the installation of the two new members.

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johnahickman posted at 10:07 pm on Wed, Apr 30, 2014.

Posts ...

This vote was taken BEFORE Hodges and Prussman were seated on the board and new officers elected. This was done during Colgan's tenure as President.

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Munchkin posted at 7:55 pm on Wed, Apr 30, 2014.

Posts ...

Wow . I'm shocked ! The audacity in rewarding a man who rewarded suspends illegally without board approvals with a raise is beyond pale Good fuck on any increase support from me ! Or my husband !

Log in to report Link

Carlos posted at 8:49 pm on Wed, Apr 30, 2014.

Posts ...

No surprise here. Snethen has forced his incompetent son on the district mutuple times He now holds a full time position with Traister Media Center From what I've heard he holds a position that was NEVER posted to the public and was created specifically for him. Not only does he hold a position he is unqualified for he also makes a rumored 40k+ a year salary. The nepotism and special favors must end!

-Disgruntled Father

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ParkChop posted at 12:00 pm on Thu, May 1, 2014.

Posts ...

Carlos, if this is true, how sad for our hard working teachers with an education. Not only do they have a college education but most of them work hard to pay for a masters degree and it takes years to earn that money back through the 2% raises and lateral move on the pay scale. I know for a fact that fifth year teachers with a masters degree do not make $40k or + a year. Where is this money that they claim we don't have coming from? Are they cutting from "Peter" to pay, Flowers and Tammy, Czerwonka and his wife, Snethen's son, Danny and his family, and all admin? Good luck getting anyone's support. And Czerwonka is spreading to the schools that the FBI and audit will find nothing, hahaha! I wish I could laugh in his face the day they all get their orange jumpsuits

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School district shouldering cost of some legal services

Story Comments (14) Share Print Font Size

Posted Saturday, April 19, 2014 11:45 pm

By Alonzo Weston St. Joseph News-Press | 14 comments

The question of who pays the price for the St. Joseph School District hiring a St. Louis-based law firm to represent it depends on the issue, officials said.

The district hired the Mickes Goldman O'Toole LLC firm to represent it in two matters. One is for a personnel issue and the other is over an FBI investigation.

The district has experienced both personnel and financial woes in the last month. Those issues were brought to light when Chris Danford, a member of the board of education, raised concerns about stipends paid to administrators.

Last week, FBI agents visited the home of Human Resources Director Doug Flowers and met Superintendent Fred Czerwonka in the school district offices.

The district's chief financial officer, Beau Musser, was placed on paid administrative leave. And officials have declined to comment on his status or say why he was placed on leave.

Thomas Mickes of the law firm said he has yet to be paid for his services. He plans to meet with district officials Monday.

"I've been hired by the district for one purpose, and I've been hired by the district's insurance carrier on a legal matter," Mr. Mickes said. "We received a letter from an attorney about a personnel matter. No suit has been filed, so I can't talk about it too much."

Mr. Mickes said there is no retainer fee for his services. The costs for the personnel issue will be covered by the district's insurance carrier. The district will pay the cost for representation during the FBI investigation.

The district budgets costs for legal representation in its annual budget, said Dr. Czerwonka in an e-mail response to questions.

Mr. Mickes said he will charge an "average rate" for his services.

"I'd say the average will be somewhere around $200 to $210 an hour," he said.

He added that he didn't think the FBI investigation would be a long-term proposition.

"That's my impression. I have talked with the agents, I've talked with the U.S. attorney. We have a very cordial relationship," he said. "I told them that if there is any information we can get from them, or something we can assist them with, we want to get that information to them and facilitate their review."

Not every board member was contacted regarding the decision to hire Mr. Mickes. A section in school board policy BCG states: "Many types of legal assistance to the district may be considered routine, and may not require specific board approval or prior notice. However, when the administration concludes that unusual types or amounts of professional legal service may be required, the board directs the administration to so advise it, and to expeditiously seek either initial or continuing authorization for such service."

Brad Haggard, board president, said the way he understands the policy, it gives the superintendent the authority to seek that counsel if he thinks it necessary.

"I had a discussion with Dr. Czerwonka that maybe this is the best once we see how long it is going to take for their services," he said. "Maybe it's just very brief; it's part of our budget.

"But if it's something that's going to be very lengthy, then I would expect the board to take a formal vote on it."

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Mr. Mickes said he worked with Dr. Czerwonka when the latter was superintendent of the West Plains (Mo.) School District. He also said he worked with five other superintendents in the West Plains district before Mr. Czerwonka.

"There's nothing personal in my relationship with him. I just got to know him and respect him, from watching the work that he did at West Plains. He's probably one of the better superintendents in the state. He's a quality guy," Mr. Mickes said.

But a *St. Louis Business Journal* article brought Mr. Mickes' character into question. According to a story from 2002, Mr. Mickes was ousted from a law firm he helped start.

His former partners at the Tueth Keeney Cooper Mohan & Jackstadt firm reported Mr. Mickes' termination to the Missouri Office of Chief Disciplinary Counsel. The complaint was sort of a conflict of interest issue regarding a business Mr. Mickes owns that provided policy manuals to school districts.

A report from the Missouri Office of Chief Disciplinary Counsel showed Mr. Mickes is an attorney in good standing. There is nothing on his record for any public discipline.

Mr. Mickes said he believed the action "arose from a dispute 12 years ago" that was designed to "tarnish his name and take his practice."

Alonzo Weston can be reached

at alonzo.weston@newspressnow.com.

Follow him on Twitter: @SJNPWeston.

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@SJNPHoppa
Therapy dog Chandler meets with @MissouriWestern students for finals stress-relief. #StJoMo pic.twitter.com/FOIXFrKJum

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Posted in Local news, Schools on *Saturday, April 19, 2014 11:45 pm*

14 comments:

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SJSDKIDSFIRST posted at 6:18 am on Sun, Apr 20, 2014.

Posts: 7

Taxpayers are paying for this lawyer that's needed for this mess, in other words, right? So sad since that money could have been used for KIDS.

Report Link Reply

socialfingered posted at 7:49 am on Sun, Apr 20, 2014.

Posts: 1205

It really grinds on me when I read "paid administrative leave", if we get suspended at work for breaking the rules we get NOTHING until the investigation is complete.

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ONLINE POLL

Which of these do you believe in?

Total Votes: 300

Heaven and hell.

Heaven only.

Neither.

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27	28	29	30			

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FlyOnTheWall posted at 5:59 pm on Sun, Apr 20, 2014.

Posts: 4

I don't believe Mr. Musser is guilty of anything. It is my understanding he is one of the people that brought the corruption to light.

Report Link Reply

64503 posted at 10:47 am on Sun, Apr 20, 2014.

Posts: 245

Tax payer money being wasted Mr Haggard for a mess your administration has made. And one you all fail to act upon and remove the people responsible for. Good luck on getting a new levy next year from the community as long as these same people are in place. I have heard from many many people who will not vote for a levy for the district ever again as long as the same administration is in place but still the board sits on their hands and fails to act accordingly and fire these folks responsible. You all are going to make our communities schools and children suffer, way to go for your inability to do what you know needs done and to listen to the public. Hats off to Chris Danford for doing the communities work and bringing this all to light. The rest of you except the new members should be ashamed of your selfs!!!!!!!!!!!.

Report Link Reply

64503 posted at 10:57 am on Sun, Apr 20, 2014.

Posts: 245

And afterthought so much for openness and transparency from you all. How long has people been calling for this from you all and the admin? I'll tell you several years but your inability to do such gives you all bad reps in the community and there is no trust for you or the administration. But that's right you don't care about the entire community only where you can buy votes at and get your stuff ramrod the ought and shoved down the rest of our throats. Right????

Report Link Reply

notonyourlife posted at 4:12 pm on Sun, Apr 20, 2014.

Posts: 61

ah. I did wonder if this would be an attorney which had a former relationship with czerwonka. that fast defensive paranoia is pretty hard to swallow from a former partner in any business, but one from a law firm? pretty damning, to me. birds of a feather always stick together.

Report Link Reply

dillygent1 posted at 10:36 pm on Sun, Apr 20, 2014.

Posts: 24

I want to know more about the thirty million dollars in the reserve. It would appear that that amount of money has been in reserves for some time. Assuming the money just isn't sitting in the bank just existing, what has become of the money earned through either interest or dividends? I am also concerned that there are at least two board members who seem to have a desire for political office? If they are not watching out for our money as it relates to schools, how we can we depend on them to look out for our money at a state level? My last concern is about the comment about school district insurance is paying for the lawyer. Didn't we, the taxpayer, buy that insurance? Are we, in fact, being victimized again? It is sort of like the infrastructure around the two new schools. We will pay for the city's part in construction as well as the school districts. That strikes me as a double hit.

Report Link Reply

Jones posted at 11:54 pm on Sun, Apr 20, 2014.

Posts: 137

If the personnel matter is related to the FBI testimony would that not be a conflict of interest for Mickes?

Report Link Reply

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Clinic Nurse
Saint Joseph, MO | Nw Mo Oral Surgery

markd posted at 2:35 am on Mon, Apr 21, 2014.

Posts: 36

It's a shame that the county enforces the highest real estate taxes much of which are continually wasted by the millions by ignorant county and city officials.

Report •Link

markd posted at 2:36 am on Mon, Apr 21, 2014.

Posts: 36

And county residents face foreclosures while being forced to pay for this garbage

Report •Link

smith posted at 8:43 am on Mon, Apr 21, 2014.

Posts: 210

Rarely does a foreclosure have anything to do with taxes. It has to do with not paying your mortgage for many months.

Report •Link

waxahatchee posted at 12:00 pm on Mon, Apr 21, 2014.

Posts: 12

Yes, that is true - but the larger issue that I think markd is speaking to is that school officials, over time, begin to feel insulated and entitled to relatively large salaries for the area, and being able to expense everything that is even remotely related to their job, taking trips to nice locales for meetings, having every holiday imaginable off - and the list goes on and on. Same thing happens to teachers. They sometimes don't understand that most of the public doesn't have a 180 day work year with days that end at 3:30 or so. Sure, there may be some meetings or activities you get paid to sponsor, but certainly not everyday. They forget that the rest of the world doesn't operate in that bubble. They lose touch with what's going on in the everyday life of the people they serve. They begin to forget where the money comes from that makes their world possible. Everytime an expensive meal is enjoyed at a meeting and reimbursed - a taxpayer somewhere footed that meal - and more importantly that was money that didn't directly benefit kids. Entitlement - a word usually used to describe welfare programs is actually more relevant for those who are supposed to be "leading" and "serving" the community and it's kids.

Report •Link

litchic79 posted at 12:08 pm on Fri, Apr 25, 2014.

Posts: 2

markd - As a teacher who is currently running on fewer than five hours of sleep because she stayed up last night planning an amazing lesson, who spends more minutes per day of time with your kids than most parents do, who is asked to attend meetings and make phone calls and take professional development courses outside of my "contract" time, who is asked to provide food, counseling, tutoring, and behavior modification help to students, and who gets paid 1/3 of an administrator's salary though she's got just as much education, I would say your comment is an overgeneralization.

I know what the real world is like: I worked in the private sector for 15 years before I became an educator. I know where the money comes from, as it comes out of my check as well. But did you know how much money comes out of my pocket to cover the food, prizes, classes, supplies, etc. that I purchase to try to make my classroom an engaging and equitable place? Far more than my $250 tax deductible. But, I don't get an administrative (or any other type) of stipend for that. There are some good people in the ranks of the SJSD, from administration to teachers to custodians, who don't feel insulated and entitled. I just wish more people would think of the good work those people do before they go and speak out of turn about all of us.

But, you're right. Entitlement is at hand on both sides of this issue: you're entitled to your misinformed opinion of teachers, and we're entitled to our increased understanding about the lack of respect for learning and for teachers we see in our classrooms.

Report •Link

litchic79 posted at 12:49 pm on Fri, Apr 25, 2014.

Sorry....not markd....my comments were directed at waxahatchee

Posts: 2

Report •Link Reply

kurt4045

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Our opinion

Board risks making things worse

Story Comments (10) Print Font Size

Posted: Saturday, May 3, 2014 9:26 pm | Updated: 11:45 am, Mon May 5, 2014

10 comments

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Members of the St. Joseph Board of Education risk deepening the divide between the board and patrons of the school district.

This might seem like a difficult feat, given the existing serious rift. But if the board members keep going like they're going, public attitudes indeed could worsen.

Friday afternoon, observers at a board meeting listened as Superintendent Fred Czerwonka read portions of a report prepared by a newly hired lawyer, Thomas Mickes. Before going further, we ask the same question so many others have asked: Why was this hiring necessary?

A district official has said hiring specialized outside legal help is not unusual, but board members should challenge this practice and grasp why this path is taken. In addition, district patrons are right to question whether the increased need for legal services, specialized or otherwise, traces back to board missteps in overseeing the district.

The district's attorney presumptively should be tasked to guide the board on governance issues, including strict compliance with the Sunshine Law; advise on human resources management, including how to approve compensation and guard against both the appearance and fact of nepotism; and handle other legal matters as appropriate for a school district.

If these things are not occurring, the board is not doing its job in securing appropriate legal services. If they are being done, then there is reason to think we would not need to hire an outside lawyer.

Mr. Mickes says he expects to charge $200 to $210 an hour for his services in helping the district navigate an FBI investigation. He expects the district's insurance provider will pick up the tab for him representing the district on a personnel matter. He also represents the insurance company, which one new board member correctly notes as a concern.

If ever there were a district that needs to avoid creating new areas of potential conflict of interest, this is it. The board should have sought legal services from someone who isn't already representing another party involved in the same matter.

Finally, on the subject of Mr. Mickes' initial findings, Dr. Czerwonka reported the attorney found no evidence the district has commingled federal education dollars with state and local tax dollars; believes Dr. Czerwonka had the authority to issue the $5,000 stipends to top administrators; and found former board president Dr. Dan Colgan abstained from voting on the promotion of his son.

It's good somebody on the legal services payroll for the district is looking into these controversies that have drawn both state and federal attention. But remember this internal report is far from an impartial, third-party review. No matter these findings, few taxpayers think the district has been entirely above-board in handling the issue of nepotism or in handing out more than $330,000 in pay raises to the most highly compensated administrators.

It's an overreach for anyone — but especially board members — to suggest these matters have been resolved or are closed to further public debate.

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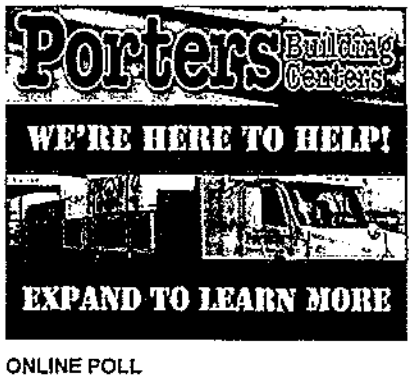
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Posted in Editorials on *Saturday, May 3, 2014 9:26 pm. Updated: 11:45 am.*

10 comments:

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brock posted at 10:38 pm on Sat, May 3, 2014.

Posts: 43

Is the only reason to avoid commingling to avoid an FBI investigation? Why all the concern? If nothing is wrong we should welcome the FBI as the pros who can help us . I doubt they will charge as much as Flip Flippin. Perhaps they can be our speakers at next years convocation; we can use the Men In Black theme song and we can all join in the dance. Sounds like more fun than last year. Bad advice from attorneys can have historic problems, ie Brown v Board of Education of Topeka, Kansas. Sometimes the best course is to use common sense and not offend the public sensibilities and listen to the public roar; they do pay our salaries. I admire the Board members who made a stand. It is difficult to swim against the current. It is much easier to "row, row, row your boat gently down the steam, merrily, merrily, merrily, merrily life is but a dream." Sound familiar???

Report +Link

notonyourlife posted at 7:50 am on Sun, May 4, 2014.

Posts: 101

I sincerely hope that soon the corrupt and inept members of this district all find themselves in that boat with no oars and headed over a spillway. I was so disappointed to see the vote on retaining mickos manipulated by those who have the weapon of understanding how to use meeting protocol to win the game. the board members have to know that their attorney is the one to clarify issues in a vote which they find unclear. I think the board's next move should be to terminate steve briggs contract under conflict of interest issues and get another who will speak up when a member is clearly without any comprehension on a measure up for vote.

Report +Link

smith posted at 11:17 am on Sun, May 4, 2014.

Posts: 217

Yesterday I watched a portion of the board meeting on cable. This was where they discussed and voted in hiring Mickos. I was very disappointed with the quality of the board as a whole. Most were concerned that Mickes was an expert in school law on the HR case. I'd want an expert on HR law as this is an HR case. Then they were concerned about getting him paid for past work. Basically it was another ratification of another Fred spending money without first getting board approval deal. Hodges was only concerned about getting Mickes paid for past work but went along with hiring him for future work. LAME.

This board as a whole continues to follow not lead.

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Certified Nursing Assistant (CNA)
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Production Position
Saint Joseph, MO | Cargill Ag Horizons Us -South

dilligent1 posted at 3:42 pm on Sun, May 4, 2014.

Posts: 29

I am sorry that I didn't see it on cable. I would really like to know just what training school boards have to go through. Is it to get along, go along? I thought the schools were supposed to teach critical thinking. It would appear, if this board was in one of the classes, it may want to do some remedial work. I have never felt that a mere majority vote was such a bad thing. I would think that when there was an overwhelming majority, it could mean it was either a slamdunk or deals were made. I would also agree that if it is necessary to go out of town for a lawyer, then why pay tax dollars to keep your in town lawyer?

Report -Link [redacted]

kidsfirst posted at 5:42 pm on Sun, May 4, 2014.

Posts: 31

So the board lawer said what they were doing is ok? Isn't that what a lawyer is paid to do? Let's next time save the money and ask their mommies if they did anything wrong. Surely we will get the truth then!

Report -Link [redacted]

pitty posted at 8:42 pm on Sun, May 4, 2014.

Posts: 719

I appreciate this Editorial immensely and will bear in mind till the resolution of this investigation and audit that final sentence: "It's an overreach for anyone — but especially board members — to suggest these matters have been resolved or are closed to further public debate."

We have that right to know, and even if the BOE, & Flowers, Czerwonka et al did nothing "criminal", the extent of the appearance of inappropriate process and behavior should be clear enough for a serious consideration of "house cleaning" and open disclosure of how this came about and what's to be done to preclude future episodes during the stressful times to come.

Two elementary schools are in focus now too, and there better be some strict accounting and openness with regard to their success out of the gate.

Report -Link [redacted]

smith posted at 10:33 pm on Sun, May 4, 2014.

Posts: 217

Pitty, why would you expect openness from an organization that doesn't take questions from the public at their board meetings unless they are submitted in writing five days in advance?

Report -Link [redacted]

JamesBond posted at 2:30 am on Mon, May 5, 2014.

Posts: 2926

We hire school administrators based on a defined level of knowledge and competence in school based affairs.....and then this school board goes out and spends millions of dollars for independent "experts" to CYA. This stinks.

Read the editorial one more time and make a motion to adopt it as principle policy going forward.

Report -Link [redacted]

64503 posted at 6:13 pm on Mon, May 5, 2014.

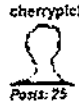
Posts: 267

I sit and wonder if these board member have a set of blinders on and ear plugs in if they are not listening to what's out in the community about them and people are calling for their resignations. People are calling for administrators to be fired. Not one day goes by that at the schools do I not hear how parents are thinking and saying that they will not vote for any future funding for the district as long as these people are in charge. But they continue to support them and fail to act and replace them. I would for once like to hear the board come out and make a public statement and tell us when and who is going to be held accountable not the hope it goes away and we do not have to explain anything to anyone.
Looks like the teachers the schools and the kids are going to be the ones hurt in this because of the actions of the board and administration.
Teacher should not blame the tax payers if a new levy does not pass, but rather place the blame where the blame is due on the board od education and the current administration since they are the blame for the mess the districts is in.
How an a attorney represent the district in this and the insurance company involved in this as well? Scratching my head on that one but only 2 board members found that to be a conflict of interests with Prussman and Danford not voting to retain his services.
Shame on Hodges she being new should have been smart enough to see that as well. She looks as if she is going to be part of the rubber stamp club that is on the board.
Glad I did not waste a vote on her.
This report is far from ones the state will have when the audit is complete and hopefully if there is a second set of books those are found as well and far from what the FBI report is since neither one of them is complete.
Bunch of rubber stamps and crooks.

Report aLink [redacted]

road less (about 6 less lines)

cherrypickr posted at 9:57 pm on Tue, May 6, 2014.



Posts: 25

The district had a culture of being cold and standoffish" before implementing the Flippen strategies! https://www.youtube.com/watch?v=pPJsa32_93U

What kind of kickback did he get for doing this video?????

The district is NOT very cold now and for sure not standoffish!

Report aLink [redacted]

kort4045

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In West Plains, two versions of Fred Czerwonka

Story Comments (42) Print Font Size

Posted Saturday, May 3, 2014 11:45 pm | Updated: 12:53 pm, Mon May 5, 2014

By Alonzo Weston St. Joseph News-Press | 42 comments

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WEST PLAINS, Mo. — Fred Czerwonka saw controversy as superintendent of the West Plains School District, but nothing like what he's seen in St. Joseph.

Dr. Czerwonka spent 10 years in the West Plains R-VII School District. He worked his way up from middle school principal to superintendent in that time. And in that same time, two different opinions were formed about his character and his service. One good. One not so good.

Jim Thompson, West Plains R-VII board president, described Dr. Czerwonka as a highly ethical and driven man who also was somewhat of a visionary. During his tenure there, Dr. Czerwonka took the West Plains School District to another academic level. He also was a fair and efficient administrator, Mr. Thompson said.

"I'd take him back in a heartbeat," Mr. Thompson said.

Contrast that view with Frank Martin, the editor and publisher of the West Plains Daily Quill. Mr. Martin recalls the time Dr. Czerwonka came into the news office, upset about a story the Quill had written about a reported flash mob suicide rumor at the high school. Facebook lit up with fear. Parents were terrified. This was a week after the Sandy Hook school shootings.

"I found him very arrogant," Mr. Martin said.

The St. Joseph School District hired Dr. Czerwonka last year, signing him to a base salary of $190,000 with a $12,000 annuity and a $500 per month car allowance. Less than a year later, recent circumstances surrounding Dr. Czerwonka and some of his decisions have some members of the community wondering which version of Dr. Czerwonka they got for their money.

Those questions began to surface in late March with concerns about stipends paid to administrators. That was followed by the St. Joseph district's chief financial officer, Beau Musser, being placed on paid administrative leave. The Missouri auditor's office contacted the district about conducting an audit of its budget. And the FBI moved in to look into issues surrounding the district.

Dr. Czerwonka issued an apology to the community for the turmoil. It has diverted attention from what he sees as the district's real business, which is kids, he said at a press conference.

"I'm confident I can address these issues that have been raised if given the opportunity, and contrary to rumors circulating, I'm here to stay. Let me repeat that: I'm here to stay," Dr. Czerwonka said in an earlier News-Press story.

Those stories trickled down to West Plains, where some people were surprised about issues surrounding Dr. Czerwonka, while others were not.

The news certainly didn't surprise Vernon and Sharon Hunter. Mrs. Hunter was suspended without pay on the last day of school in 2011.

Mrs. Hunter alleged that Dr. Czerwonka made a push to get rid of her after she evicted the assistant superintendent's sister from a rental unit. "Suddenly I was incompetent and inefficient and insubordinate. He came in January with targets to get rid of me," she said.

A subsequent public hearing was held, where some administrators considered Mrs. Hunter incompetent as a teacher. She was eventually terminated.

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Mrs. Hunter said Dr. Czerwonka also created administrative positions at a time when teachers' supplies were cut. The district couldn't afford raises for teachers, but Dr. Czerwonka wanted the district to pay for health insurance for administrators and their families. The money was given to them in a lump sum instead.

"At the same time we don't have money for this, but we can buy their families health plans?" Mrs. Hunter said.

Mr. Hunter believes what St. Joseph is now experiencing seems like a carbon copy experience of the superintendent's tenure in West Plains. He even called the West Plains board members "bobbleheads," in that they agreed to whatever Dr. Czerwonka wanted.

A West Plains businessman who asked not to be identified said he felt the district did well under Dr. Czerwonka's leadership. He said West Plains has always had a school board that allowed the superintendent free rein.

"Prior to Fred, we had a school superintendent who, frankly, should be incarcerated. I think our school board knew of some of the things he did and essentially covered them up and waited until his contract was up and let him out," the businessman said.

"I certainly was not an advocate when Fred was here that he needed to go."

Ed Button, news director for the Ozark Radio Network, said when he read reports about the issues surrounding Dr. Czerwonka in St. Joseph, he was surprised. It didn't sound like the person he knew in his four years of working with him.

"He was extremely good in his job here. I've always known him to be a fiscally responsible person, very smart with money," Mr. Button said.

"I think that's what shocked me. When this came out, I asked myself, what was he thinking? You just can't go up and do that. You can't take a quarter of a million dollars and throw it out like Oprah does."

Mr. Button said Dr. Czerwonka and his wife are very nice and honest people. He never had any problems getting information from Dr. Czerwonka on school issues and from board meetings. He said many people in the community were upset that he left the district.

"The thing in St. Joe, I think he meant well, I think he wanted to do the right thing, but I don't think he was thinking clearly at the time," Mr. Button said.

Mr. Thompson said he too was shocked by the stories. He also feels there's more to be told.

"The FBI doesn't just show up on your door and you have one board member raising a stink and you kind of put two and two together," he said. "Something is going on that needs to be told."

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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And we're off! Don't be alarmed if a giant horse is at your door-we have free tickets!

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Total Votes: 99

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May 2014

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
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18		20	21	22	23	24
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today's events browse submit

cherrypickr posted at 7:58 am on Sun, May 4, 2014.

Posts: 25

Perhaps the board member who got ousted during CZ reign from West Plains school board because she didn't want to play along with his games is also in the process of blowing the whistle!

Report Link Reply

64503 posted at 10:24 am on Sun, May 4, 2014.

Posts: 267

Well as long as he remains here with all that has come to light and giving all of this money out while cutting the education budget it will be a cold day in heck till we ever vote for another levy for the SJSD and we have kids in the district. He is arrogant and can look you right in the eye and lie to you and has us. He think he is above and beyond any of us parents and or tax payers and he works for us and seems to forget that. As well as the board does and 4 of the older members think they do not answer to us either. So Haggard Rucker Snethen and Colgan all need to go as well before we support any further funding.
They cut library funds and technology fund and on and on for this school year all along they made their pockets fat. Who suffered the kids education did and the teachers did and our schools did. Fire them and replace them and replace the 4 board members as listed above or NO MORE FUNDING!!!!!!. Also lets shed some light on Mr. Musser and why he is still suspended and if this is retaliation for blowing the whistle on them and if so the people responsible held accountable. The best thing right now is the state takes over the district till new board members and admin is in place.

Report Link Reply

64503 posted at 10:27 am on Sun, May 4, 2014.

Posts: 267

The SJSD needs to tell the whole story and what's going on FBI AND STATE do not just show up for no reason. More digging into this by the newspaper maybe.

Report Link Reply

kelfferam posted at 11:15 am on Sun, May 4, 2014.

Posts: 10

So Czerwonka managed to get a teacher in West Plains fired shortly after she evicted the assistant superintendent's sister from a rental home? Outrageous. What a jerk. And the school board there gave in to Czerwonka and always agreed to whatever "he" desired? Hmm...last time I checked, it was the other way around; the superintendent reports to the "board", and does what the "board" desires. Sounds like the school board in West Plains may have been afraid of him to a certain degree...what a bunch of softies.

Perhaps we in Saint Joe now have a superintendent who in some ways seems like that jerk who used to be down in Atchison several years ago...

Report Link Reply

PorkChop posted at 4:30 pm on Sun, May 4, 2014.

Posts: 21

Actually , he's another Mini Colgan. Colgan learned how to manipulate the board when he become superintendent and when he retired he thought Melody Smith would continue to let him run the district through her behind the scene. When that didn't happen he ran for the BOE and got her removed/early retirement. Then, Good Ol' Boy Danny, searched all over for someone who would continue running the district the way he did. Just so happens that Czerwonka was on his way out and had been doing the same illegal things that Colgan did up here so it was a match made in heaven. But little did the BOE know that Beau Musser wasn't the "yes" man that Janet Pulles had been. Kinda put a wrench in there plans. I'm just curious, do you keep telling all the employees of the SJSD everything is fine in hopes that the more times YOU say you'll be able to sleep better? If I were you, I'd rest up now because you'll need to sleep with one eye open soon.

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Production Position
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fmike0210 posted at 2:32 pm on Tue, May 6, 2014.

Posts: 2

The West Plains board is, and has been for a long time, very competent. Mr. Czerwonka started the termination process against Ms. Hunter because she was a very poor quality teacher; not the kind W.P. keeps on staff. Mr. Martin is the local newspaper owner and loves to stir the pot so he can sell a few more of his pathetic newspapers. Whatever happened in St Jo, is a problem they will need to deal with. I hope the truth comes out, whatever it is. I've worked directly for Mr. Czerwonka and never noticed anything out of line. And, no, I never received extra money for anything.

Report •Link

64503 posted at 4:06 pm on Tue, May 6, 2014.

Posts: 267

Want him back were willing to ship him back to you all.

Report •Link

SJSDKIDSFIRST posted at 11:39 am on Sun, May 4, 2014.

Posts: 8

What gets me is that he wears that pin that says, "Kids First" every day. Really? It sounds like to me it should be "Administration First." Do not get me wrong, I believe we should have strong administrators, but teachers are going to be that direct positive influence of the SJSD students. It is the TEACHERS that influence our children of the future. Yes, administrators work their tails off. Guess what? Teachers work their tails off, too! They BOTH work their tails off in different ways. He wants to pay lots to bring up administration's morale, so he did. Did it work? How's the morale of the SJSD now? Ask teachers if they saw any GREAT changes in the administration part. Also, teachers do not have to wear those pins that say, "Kids First." They just do it. They don't need those stipends (even though it would be awesome and most would be spend on classroom supplies and kids), they just do it. It is a part of their JOB. Period. If administration's morale is so low due to money, then leave! There are TONS of openings in this country. Either do your job or leave...Period. Have a great day!

Report •Link

64506 posted at 11:46 am on Sun, May 4, 2014.

Posts: 8

CZ has certainly made his share of mistakes but the root of the problems with the SJSD fall back to Colgan. CZ blindly feel into Colgan's trap after Colgan got rid of Melody. Colgan did everything possible to get Jerry Troester and Randy Dewar out of town so he could take control. The results of his work have gotten the District in the position it is today. Sad. He needs to resign from the Board immediately.

Report •Link

socialfingered posted at 6:42 pm on Sun, May 4, 2014.

Posts: 1252

I wish I could fall into a trap that pays that well.....

Report •Link

J_Dav4283 posted at 12:08 pm on Sun, May 4, 2014.

Posts: 4

After reading these articles and comments for the past week I finally feel I need to say something. I am teacher of the SJSD along with almost every member of my family. While I too have concerns about this entire situation and agree there are questions that need to be answered, I am deeply saddened by how this has been handled. At no point has any information reported by this newspaper been based on actual fact or any physical evidence. This article just takes the cake. Everything I've heard and read has been heresy; he said she said, theories, speculations, and allegations. I understand that people are trying to connect the dots and want to know what's going on, as do I, but all this has done is turn the town into a lynch mob against Czerwonka. And to make personal attacks on a man that you do not actually know is not helpful. Regardless of whether you agree with what I have said, all I ask is please be patient; let the FBI and state auditors do their job, and hold your judgement until all the information is revealed.

To my fellow colleagues who feel the need to make a statement: please remember that you are a professional. I understand that we have the right to be upset and have our voices heard, but please remember that there is an appropriate time, place, and way to do this.

To those of you threatening to vote "no" for the levy next year: please realize the consequences of that decision. The issues the paper has been addressing concerns hundreds of thousands of dollars. I realize this is a lot of money. I earn a teacher's salary. I know the value of a dollar. But that money is a small fraction of the entire budget. Not passing the levy will lose the district millions of dollars. Your kids will be affected. Teachers will be affected. It will do nothing to the administration except give them the difficult task of prioritizing what we have to do without.

I know many of you are passionate about this, but it is not our job to punish them. If anyone deserves consequences for their actions, we have the state and FBI to take care of it for us. Let them do their jobs.

Report »Link [redacted]

read less (about 10 less lines)

kclifferam posted at 1:24 pm on Sun, May 4, 2014.

Posts: 10

I could not agree more. You make excellent points here.

Report »Link [redacted]

64503 posted at 4:43 pm on Sun, May 4, 2014.

Posts: 267

We have the utmost respect for our teachers and know they deserve more and a better work environment. But the sad fact is if we the public keep passing Levy's for them then nothing is going to change and nobody is going to be held accountable. Over many years many things have been shoved down our throats and for many years we have been lied to and if this is the only way to hold those responsible accountable so be it.
The best thing that could happen to our district is the state and the FBI find things and hold the proper people accountable for their actions cause we sure have a sorry excuse of a board of education other then Danford, Prussman and Hodges that are not going to do anything to hold the proper people accountable.
Doesn't matter to us they cut education this school year which would have helped you and all teachers, cut technology, cut library funds and on and on but they continued to give administrators all of this money. Sorry this is a fact and this alone will make us vote NO on any new levy.

Report »Link [redacted]

J_Dav4283 posted at 11:41 pm on Sun, May 4, 2014.

Posts: 4

Whatever turns out to be true, do you honestly think they would try to repeat the offense with all eyes watching? You are talking about things in the budget that concern thousands of dollars. If anyone has the right to be angry about anything it's us. And believe me, we are not rainbows and sunshine about the whole ordeal either. But our number one priority is our students, and the levy (which is just renewing what's already there) concerns millions. When the time comes and you decide to vote no, realize that you have lost the right to complain when your child's education suffers because of overcrowded classrooms. Do not complain when your child cannot get the help they need because teachers are too busy with overwhelming numbers. Do not complain when they do not have the special services needed. Do not complain of the lack of resources available. Do not complain when extracurriculars are cut. Do not complain when the quality teachers and administrators of this district decide to pack up and move to another district that is able to fund their schools. You say you have the upmost respect for us and say we deserve more, yet you are willing to sacrifice us just to try to make a statement. You seek to punish the administration... voting no does nothing. It just makes our job harder.

Report Link Reply

64503 posted at 6:06 am on Mon, May 5, 2014.

Posts: 267

Believe it or not we do support you teacher but will not stand for any more of this behavior from this board or administration. I agree with you but sadly the only thing that get this boards and administrations attention is cutting off their funding. Now you teachers need to stand up and have your voices heard as well if you all are as upset with the current situation as most tax payers are. And no if we vote no we still retain our rights to complain about the education our children receive.

There is already a lack of resources in some of the schools today, was there not a budget cut this school year? Was services not taken away from our kids this year? They are sure was a budget cut and yes services were taken away from teachers and kids and schools. But did or did they not hand out thousands of dollars to administrators which is above and beyond their contracts which is illegal? So sorry but the only way to get the proper people to act and hold people accountable for what we know already has happened which is not only wrong but illegal as well is to withhold funding from them. The have a surplus I guess it looks like they might have to dip into that till they get the message the tax payers will send them with a no vote if they do not act and replace the people who are responsible for this mess.

And as far as teachers packing up and moving to another district that has already been happening in the last few years cause of the work environment the downtown offices have made for some of the teachers

You all do deserve more but sadly the only way you all are going to get it is for the tax payers to send a clear message to the board of education and the administration what you are doing is wrong and hold them accountable for their actions or lack of and act accordingly or things are going to get ruff for you all and then they will have more explaining to do.

I take it you work in one of our high schools and my hats off to you. I have a high school student that is straight A student and does very well and as a parent I have made sure they have everything they need to succeed in school and later in life. I also have taught them right from wrong and to hold people accountable as I have held them accountable. So what kind of example is this current board of education and administration sending to our kids??

We also support our local school where our kids attend but will no longer support this board of education and or administration a house cleaning is in order and they are not smart enough to do it.

Report Link

64503 posted at 6:26 am on Mon, May 5, 2014.

Posts: 267

To add you sir might just be one of my students teacher and I do have the utmost respect for you and all of your fellow teachers. And education means the world to our family and the success of our kids depend on that for them later in life. But sadly sir we cannot support funding for a better words crooks to run our schools while they cut budgets and reward administrators with 5000 and more above their contracted salary. Do we proceed down the same path we are on and have been on before they got caught? .
Replace the current admin and a few board members and we will vote yes for every thing again as we have in the past. And teachers need to speak up about things as well not hid so to speak under a rock and let things go on they know is not right.
In the real world if things like this happen there is a set of handcuffs for the people responsible waiting for them.

Report Link

notonyourlife posted at 9:51 am on Mon, May 5, 2014.

Posts: 101

we are talking about far more than the issues of stipends here. we are talking about influence peddling, about interstate fraud, about possible federal racketeering charges. this is not a small deal, and to advocate that fellow teachers use the proper time and place, is to effectively urge fellow teachers not to come forward with their personal knowledge about inequities to the FBI and to the State Auditor. sad that the mantra of FOR THE CHILDREN has so effectively been utilized that teachers would advocate for a vote for more rampant corruption rather than trust that in some circumstances honesty and fortitude are the most important lessons we Can teach our students. and YES I do think that CZ and his band would continue to do whatever they want to do in the face of this. why? because they have faith that the very argument you put forward has been effective, and will continue to be so.

Report Link

PorkChop posted at 4:45 pm on Sun, May 4, 2014.

Posts: 21

I understand how one could believe that the stories are hearsay, but most of them are not. Alonzo Weston and Steve Booher have interviewed the family/friends close to "a key SJSD employee" and the only way any or them would talk is "off the record". Re-read booher's "where's Beau? Column and you'll see what I'm talking about. SJSD will do the exact same thing to those who speak out as Czerwonka did to the teacher who evicted an admins sister. Teachers and their family members must remain anonymous or there will be punishments. I do agree, the FBI and state auditors will have their day to reveal their findings and the public will see how long this fraud has been going on.

Report Link

cherrypickr posted at 6:34 pm on Sun, May 4, 2014.

Posts: 25

John, when is the appropriate time, what place, and exactly what way or how are we suppose to have our voices heard? Sounds like to me you are hoping for a new name plaque in the future for your desk.....

Report Link

J_Dav4283 posted at 11:59 pm on Sun, May 4, 2014.

Posts: 4

By John I assume you are talking to me? If you must know, my desk is currently cluttered with EOC reviews, lesson plans for the next three weeks, homework, tests, and a few quizzes that I really need to get graded tomorrow. I have neither the room nor the need for a plaque.

Report Link

fmike0210 posted at 2:35 pm on Tue, May 6, 2014.

Posts: 2

Very good advice. I've worked for CZ and know him to be a very good person. I do hope the truth comes out whatever it happens to be.

Report -Link [redacted]

J_Dav4283 posted at 12:23 pm on Sun, May 4, 2014.

Posts: 4

I apologize; I meant "hearsay" not heresy.

Report -Link [redacted]

Shirlee_K posted at 1:35 pm on Sun, May 4, 2014.

Posts: 511

Is it just me or does this bit of investigative journalism seem a bit late in coming?

Report -Link [redacted]

dillygent1 posted at 3:29 pm on Sun, May 4, 2014.

Posts: 29

Relating to those who are asking for patience and for their defense of the school district. One, just how much of your property taxes go to the SJSD? A large percentage of mine does and I must admit, I really don't have too much patience with hearing "it's all about nepotism." I think Fred DID come in at an inopportune time, but he apparently made the transition rather well. But back to nepotism, I find myself asking, what were the QUALIFICATIONS that the family members brought in the way of expertise to the school district? I think anyone who has ever been in this district knows one thing and that is secrecy is really treasured. I don't find this to be a good thing when they are dealing with public tax monies. Finally, THE BOARD IS THE BOSS, not Fred, not Dan, not Doug or anybody else who seems to be in charge. To the district defenders or district administration or "wannabes" for that matter. Intelligence does not always require advanced degrees.

Report -Link [redacted]

onemoretime posted at 3:56 pm on Sun, May 4, 2014.

Posts: 3

we do need to wait for facts, but I've heard enough of financial mismanagement that I will not vote for any new funds until this unit is out. I am a believer that not voting for the upcoming levy will help to hasten their departure.

Report -Link [redacted]

kelfferam posted at 4:32 pm on Sun, May 4, 2014.

Posts: 10

It isn't the levy we should against, folks...it's Colgan himself. He's been involved with Saint Joseph's public schools for "way" too long. Come next election, let's get him out of there permanently.

Report -Link [redacted]

socialfingered posted at 6:43 pm on Sun, May 4, 2014.

Posts: 1252

Evidently if they have this much money to waste then why should anyone vote to give them more?

Report -Link [redacted]

PorkChop posted at 12:00 am on Mon, May 5, 2014.

Posts: 21

Colgan will not run again. And this levy needs to fail. Send the message sooner than later. Get them out then by the time it comes around again, if the appropriate changes are met, vote yes for the next levy. This first one won't change much. It will be the one after that will have the largest impact. Get the changes on the BOE and admin downtown then vote for kids and teachers.

Report •Link [redacted]

WakeUpUS posted at 7:19 pm on Sun, May 4, 2014.

Posts: 41

The brass has alot of friends with clout. I wonder if the FBI investigators and MO State Auditors can even be trusted to serve the public interests... Maybe that's why nobody seems to be worried and the SJSD folks are coming off with an air of impunity...

Report •Link [redacted]

notonyourlife posted at 6:44 am on Mon, May 5, 2014.

Posts: 104

nobody seems worried? lets see, czerwonka shook like a leaf at the meeting and was chugging his water . , hartigan changed chairs at least half a dozen times during the meeting, colgan was as red as a beet while cz gave him his out n the insurance deal, haggard was lost in the woods running the meeting and gave the entire thing excepting the calls for first, second and votes (and he even botched that once) sneathen sits there with his head in his hands , the fact that cz apologized for the lateness of the binders he gave to the board because "we have been working on them" when in fact WE is code for his attorney . he used this meeting to read what was nothing but a panacea to the superintendent meant to tell the board to back off, and a simplistic re-examination of audits done on a level of scrutiny that has NO comparison with the state ordered audit.

Report •Link [redacted]

guitarguy posted at 11:29 am on Mon, May 5, 2014.

Posts: 79

"I'm confident I can address these issues that have been raised if given the opportunity, and contrary to rumors circulating, I'm here to stay. Let me repeat that: I'm here to stay," Dr. Czerwonka said in an earlier News-Press story.

Let's call his bluff! Set up a meeting where CZ will have the opportunity to explain his side.

Report •Link [redacted]

Herky posted at 2:41 pm on Mon, May 5, 2014.

Posts: 4

I suggest we let the FBI and the State Auditors do their job and present the facts and then base your opinions on that information rather than judging on rumors and innuendos. And just for informative purposes; when the levy does role around, it is to maintain its current standing, not an increase. Please do not punish the teachers and staff for what is currently going on with the administration. We have had no part in it and do not deserve to suffer the consequences of you choosing to vote against the levy.

Report •Link [redacted]

ratscab posted at 6:35 pm on Mon, May 5, 2014.

Posts: 8

Pitch that back to your administrators. Tell them to get complete compensation salary schedules published and adhered to on their website. The website is already weak and unfriendly to users without lacking public information for years. They are the ones that are going to do you wrong, not the public. Trim their fat. Take a look at TEP (The Equity Project). Teachers got paid more than administrators and the school soared, because the work was compensated.

Report Link

64503 posted at 6:48 pm on Mon, May 5, 2014.

Posts: 267

Here is a article of some of the 3 million dollar cuts they made last year for this years school budget but they still found about a 500,000 to waste on stipends and raises and promotions and for a motivational speaker. You will see in the article they cut teacher positions and technology, library funds and on and on but they had all of this money to do all of the above while our communities children's education budget was cut.

http://www.kctv5.com/story/21614736/st-joseph-cutting-3-million-from-schools

Report Link

ratscab posted at 7:25 pm on Mon, May 5, 2014.

Posts: 8

They will claim that the speaker is PD and has to be 1% of the budget or something like that. They put the 83 page copy of 2010 audit and other info on their site. PD could be paid in stipends to teachers to attend, and pass classes and get licensed for shortage areas to help get kids top-notch instruction. Credentials and service should get stipends and PD money. They stopped sending teachers to conferences, and announced funding through stipends to become a better teacher about the time the instructional coaches appeared on the scene. They are a big waste of money and mainly political appointees in a lot of teachers' opinions. Sounds about 50/50 for CZ back in West Plains. He should have pulled an undercover boss stunt and talked to people out in the schools before going downtown. If he didn't know about the supt council's $17K per person stipends, he might be the fall guy here. I have a feeling he is in the dark about a lot of this institution's history. This period we are going through should allow some great opportunities for true leaders, or better crooks that can cover things up better. It's probably 50/50. Good luck.

Report Link

64503 posted at 8:42 pm on Mon, May 5, 2014.

Posts: 267

http://fox4kc.com/2014/05/04/fbi-investigating-st-joseph-school-district-finances/

Report Link

cherrypickr posted at 9:24 pm on Mon, May 5, 2014.

Posts: 25

http://www.kctv5.com/story/21614736/st-joseph-cutting-3-million-from-schools

Copy and paste the above into you address line.....

Stepping back to last year and the districts cuts! Now we remember the breakdowns....Tell me CZ didnt know this had happened here ! How many admin was the $ divided up between!

Report Link

Coltrain81 posted at 2:35 pm on Tue, May 6, 2014.

Posts: 1

Here is a good video about the flippen group by Fred. I especially like :20 when Fred states "The district had a culture of being cold and standoffish" before implementing the Flippen strategies! https://www.youtube.com/watch?v=pPJsa32_93U

Report -Link [redacted]

64503 posted at 4:13 pm on Tue, May 6, 2014.

Posts: 267

I watched and I think he is flipping alright. Hopefully he is flipping right out of town on his ear.

Report -Link [redacted]

ratscab posted at 5:34 pm on Tue, May 6, 2014.

Posts: 8

Whoa, that's creepy, weird and out-of-touch with reality. IDK what to think now.

Report -Link [redacted]

PorkChop posted at 1:31 am on Wed, May 7, 2014.

Posts: 21

He is right down arrogant! What does he have to measure that the flippen group is the cause for improvement if any? It's his word only. He never explains how the program works. If this is about building relationships with students, I'm sorry to say, but if teachers don't know how to do that in this profession then they may need to rethink their career. Teachers entire career is about build relationships and bonding with their students. You must get to know them and figure out what makes them tick to get the most from them and to continue to motivate and teach them. Not all students make this an easy task but trying is key. Without that connection, you're doomed in many cases. I love my students and all their personalities. They are quirky, fun, innocent, inquisitive and sponges. I love knowing I've made a difference in a child's life and for some a life long connection.

Report -Link [redacted]

cherrypickr posted at 6:28 am on Wed, May 7, 2014.

Posts: 25

So this is what he thought of our district?

The district had a culture of being cold and standoffish" before implementing the Flippen strategies! https://www.youtube.com/watch?v=pPJsa32_93U

What kind of kickback did he get for doing this video?????

The district is NOT very cold now and for sure not standoffish!

Report -Link [redacted]

kurt4045

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Superintendent explains controversial video

Story Comments (19) Video (1) Print Font Size

Sali Serkan Gurbuz | St. Joseph News-Press

Superintendent Fred Czerwonka speaks during a news conference Wednesday at St. Joseph School District about a YouTube video featuring him. Mr. Czerwonka said the video was edited and his full comments were not included.

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Posted Wednesday, May 7, 2014 6:05 pm
Updated 10:29 am Thursday, May 8, 2014

By Alonzo Weston | St. Joseph News-Press | 19 comments

A video that went viral has caused the latest round of problems for St. Joseph's schools superintendent.

A YouTube video posted on social media showed Dr. Fred Czerwonka giving testimony about the Flippen Group's Capturing Kids Heart program, which was adopted by the school district this year as part of its personal development.

In the video, Dr. Czerwonka says he found his teaching staff "very standoffish, very cold" before implementing the Flippen program. The video spread like wildfire on social media, garnering 1,200 views in a few days. The comment section on the video has since been disabled, but not before causing outrage in parts of the St. Joseph community.

Dr. Czerwonka held a news conference Wednesday to explain the context of the video and express support for his staff.

He said the video was filmed last October before he had time to assess the St. Joseph district. He also said it was edited and did not include his full comments.

"The video references my time in a different district. The Capturing Kids Heart program had made a difference at a previous district. Those results are clear," Dr. Czerwonka said to a sparse gathering of school staff and media inside the board conference room.

"The video is edited and my full comments are not included," he added.

Dr. Czerwonka also said he did not receive any compensation for the video.

"In no way would I ever judge the St. Joseph School District community before I had the opportunity to work with them," he said. "I have been visiting numerous schools and staff, and I know you are a compassionate and hardworking staff, which is obvious in a climate such as this."

He said he felt the video was calculated to land during Teacher Appreciation Week. And persons or a group of persons whom he could not identify, used the video to discredit him.

"What this has turned into is an attack on me, trying to say I said this about the St. Joseph School District, their employees, and that is not true at all. I didn't know this existed until last night," Dr. Czerwonka said.

He said his family and his child have also been under attack. However, he did not say whether it was a student or teacher who made the attack on his family.

Flip Flippen, chairman and founder of the Flippen Group in Texas, said Dr. Czerwonka was not talking about the St. Joseph district in the video. He said the video was taped the first week of October, but wasn't posted until last month, along with a number of other, similar videos.

"It gave the impression it was more recent," Mr. Flippen said.

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He said the video was not edited or altered in any way, except to cut out the questions, and that it has not and cannot be edited further.

"I don't know how that can be done, because after the questions are edited out, then the rest of the film is taped over for the next person they are visiting with," Mr. Flippen said.

If anything, Mr. Flippen said he owes an apology for the video being released so long after it was recorded.

"This is something that just gets done as a matter of course," he said. "We hold tons of video, and whenever we get a lot of it, one of our staff posts it.

"But the delay in the posting had nothing to do with any conspiracy or anything. It was a matter of when we got time."

Mr. Flippen said when he visited the St. Joseph district for convocation, he found the teachers to be exceptional.

"You have a phenomenal group of educators there. Your community should be proud of what they're doing," he said.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston

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Posted in Local news, Schools on Wednesday, May 7, 2014 8:05 pm. Updated: 10:29 am

19 comments:

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brock posted at 10:02 pm on Wed, May 7, 2014.

Posts: 13

I still have issues with slamming teachers from any district to benefit a private business. Our occupation has had too many cheap shots taken for individual gain. I feel we need to take a pause on the outside consultants. The Flippin Group is in business to make money, let's let our best teachers guide us, they have been ignored too long as a result a huge disconnect has occurred and we have become far to idealistic.

Report +Link

notonyourlife posted at 8:50 am on Thu, May 8, 2014.

Posts: 104

agreed. didn't flipper already speak at the convocation here when this video was made? so.... we already had a fiduciary relationship with flipper and we Believe that CZ hadn't already realized how much he didn't like or trust our district?

Report +Link

notonyourlife posted at 6:54 am on Thu, May 8, 2014.

Posts: 104

if you read the UNEDITED comments made by CZ at a sjsd BoE meeting. http://www.newspressnow.com/news/local_news/article_32690173-a13b-5eae-afb8-80ea9ac47cd6.html posted by me in the article titled schools may need more specialized teachers you can see by the sheer numbers of the word administration (or pronouns refering to them) as opposed to the word teacher or student

Report +Link

St. Joseph News-Press

Tweets from a list by newspressnow.com

Official Twitter accounts of the St. Joseph News-Press and FOX 26 KNPN staffs

Andrew Gaug 19m
@SJNPGaug
You can now bowl without smoking. SouthSide Family Fun Center has gone smoke-free a month before the indoor smoking ban goes into effect

Alonzo Weston 21m
@SJNPWeston
Dr. Czernanski Exclusive LIVE Interview youtu.be/TPCpa60XOm4 via @YouTube

Food52 1h
@Food52
We've got an asparagus problem. And we're all right with it. ow.ly/wCwFc (via @BuzzFeedFood)
Retweeted by Brooke Wilson

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ONLINE POLL

Should the search continue for the missing Malaysian airliner?

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- Superintendent explains controversial video
- Businessman indicted in federal case
- Traffic to change on I-29

dillygun11 posted at 10:04 pm on Wed, May 7, 2014.

Posts: 24

Does this mean that we can now look forward to the teachers and staff getting stipends? If they are that "phenomenal," I think they should. And if they are that good, it is obvious that the administration doesn't really need to work that hard as the teachers/staff are self motivated. Therefore, we don't need administrative stipends.

Report ↓Link [redacted]

Archer posted at 10:31 pm on Wed, May 7, 2014.

Posts: 4

I don't care if it was SJSD or West Plains he was talking about. I'm sure there were dedicated caring teachers in West Plains that worked hours beyond contract time. How could a leader of a school system even say this out loud of your employees. To plead ignorance that he was unaware of the video existence is laughable. You sat in front of a camera and made these remarks. How in this day and age could you think this interview wouldn't get out. This reveals more about the character of Fred and how he values those that work for him than any hollow comment he makes to the staff or the community during "appreciation" week. This was not posted by Fred's enemies as he claimed in his email to the staff but rather his buddy Flip. Fred stop patronizing us, time to come clean. Accept responsibility.

And now allegations of more stipends coming out. Be prepared for salary freezes, budget cuts, and unending fundraisers to meet basic needs.

Report ↓Link [redacted]

Johnshickman posted at 12:29 am on Thu, May 8, 2014.

Posts: 104

Hmm... They "recorded over the tape." In Oct, 2013 a professional videographer shot a commercial video in a studio - on "tape" - then they immediately edited the "tape" and then magically recorded over the "tape. ."

yep - that story stinks. Think someone should give ol' Flip a heads up the world converted to digital video about 5 years ago? "Recorded over the tape. " CLASSIC - I'd stick with that story. ..

Report ↓Link [redacted]

64503 posted at 8:22 am on Thu, May 8, 2014.

Posts: 167

To bad no like button. But your dead on. Fred is starting to crack and will before it is over.
His time here is just about over I would say. But a few of the board member must join him as well and be removed or step down from the board of education. If not I personally think funding is going to become pretty hard to come by.

Report ↓Link [redacted]

Hawk posted at 5:46 am on Thu, May 8, 2014.

Posts: 12

So now we're to believe that Dr. Czerwonka is under attack and is the victim here. That performance should earn him another raise, another extension and a standing ovation. Pathetic.

Report ↓Link [redacted]

Content posted at 5:52 am on Thu, May 8, 2014.

Posts: 1,542

There is no explaining this away. The man is far to defensive about everything. He says he didn't know about the video - yet he knew he was being taped during the interview. And bringing his family into it in such a vague way for sympathy is wrong. Czerwonka has brought this all on himself with a little help from his friend Dan Colgan. And Doug Flowers is NOT helping in this order!

A search for a new superintendent should begin at once!

Report ↓Link [redacted]

HenryAllison posted at 6:25 am on Thu, May 8, 2014.

Posts: 12

A new superintendent is pointless until we clean out the BOE and the entrenched thug culture at the top of the district administration [Doug Flowers, I'm looking at you!]

Report ↓Link [redacted]

Motorcyclist crashes into police car

St. Joseph woman continues car tradition

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Certified Nursing Assistant (CNA)
[illegible]

Customer Service Representative
[illegible]

Nurse Practitioner (NP)
[illegible]

Housekeeper
[illegible]

Content posted at 8:45 am on Thu, May 8, 2014.

Point taken.

Posts: 7692

Report -Link [redacted]

HenryAllison posted at 6:15 am on Thu, May 8, 2014.

Posts: 12

FC says the video is edited out of context. The Flip says it is all there except some questions. The game of Hose-Your-Buddy is on! The most interesting question is who is going to roll first to get the best deal. I'm taking Beau and giving the points

Report -Link [redacted]

64503 posted at 6:55 am on Thu, May 8, 2014.

Posts: 147

In his interview yesterday he was pretty defensive and on the attack. He is getting ready to break. Time to start looking for a new superintendent now cause this guy is going to get railroaded right out of town. Its only a matter of time. The people of St Joseph are a different and will not let this rest until there are people terminated. For us doesn't matter if he was talking about our districts teachers or his last districts teachers it was very disrespectful toward teachers and is unacceptable.
The current board must not remember the last time the levy failed and two new schools failed. Then only after spending thousands of dollars and hiring outside groups did the levy pass and the news schools get the vote which cost us money it should not have if the board and admin had been trusted.
Lets also remember the levy was passed wit ha sunset that really needs to go away but never will because this is the only way for the tax payers to hold you all accountable.
Now lets look at the Neely school issue. First a contractor gave our past Superintendent a bid to redo it and to bring it up to standards and then the district hid that bid from the community. Then the district said it had to much mold in it to redo the school which would have saved us millions and then turned around and sold it to the very contractor that gave the bid to bring it up to standards which is suppose to make it into housing but

Report -Link [redacted]

read more (about 12 more lines)

smith posted at 8:59 am on Thu, May 8, 2014.

Posts: 217

If you are going to revisit old issues, at least get the facts straight. Steve Foutsch did not give a bid. A bid is a offer which if accept binds the contractor in a construction contract. Foutsch offered an estimate. That estimate did not include dealing with prevailing wage requirements. The estimate did not deal with the obsolescence of the school in general. This bid has become an urban legend.

Report -Link [redacted]

Johnahlekman posted at 10:32 am on Thu, May 8, 2014.

Posts: 154

Ask the Neely parents if they'd rather their children go to Neely or Carden Park .

Report -Link [redacted]

Holdog posted at 8:51 am on Thu, May 8, 2014.

Posts: 4

There are hundreds of teachers in the St Joseph school district and the vast majority are dedicated hard working people who are under payed. It is abundantly clear to a growing majority of citizens that there has to be a house cleaning before any hope starts to develop that ANY kind of levy/bond issue has ANY prayer of ever passing in the future. This "problem" with stipends has existed for years and must now be handled with the approval of the the soon to be elected new school board president(Chris Danford) and new board members(except the 2 recently elected). Drastic times call for drastic measures. Time to "Flip"

Report -Link [redacted]

StJoeMessage posted at 10:04 am on Thu, May 8, 2014.

Posts: 24

Evidently,after the superintendents evaluation was completed it was determined the Flippin Group was necessary for St. Joseph to..Lets hear concrete examples that justify the expense of hiring Flippin for St Joseph. What is the payback incentive for spending this money?

Report -Link [redacted]

smith posted at 10:53 am on Thu, May 8, 2014.

Posts: 212

The idea behind the Flippen Group program is that the staff needs to be taught because they aren't up to snuff. In his press conference CZ says that wasn't the case in SL Joe. So why did SJSD pay Flippen more than $100,000.00?

Report Link [redacted]

SMARTEST IN THE ROOM posted at 10:59 am on Thu, May 8, 2014.

Posts: 1

Good morning !

I'am. And I've been in conference rooms with some of the smartest academics in town!

At the parade this past Sat. (w/ my three school age kids) I overheard two things relevant here . . . When a wanna be public office candidate was asked why one should vote for him a lady in the crowd yelled out "cause he's a SJ boy"

Later as the parade ended a group of SJSD patrons were in agreement about our taxes being impacted by the districts need for attorneys to CYA

There are no "merit" to these comments and little "merit" to the comments posted before mine, this morning!

The school tax base here is shamefully low- especially compared to the property tax rates one needs to pay to drive a new fancy car in MO. Clearly, the return on our school tax investment is far greater than that of-even our real property (lately)

EXAMPLE: My 8th grade son recently wrote an argumentative essay following a matrix that I remember being introduced to in college. I do homework with my 3rd grade

Report Link [redacted]

read more (about 21 more Lines)

kurt4045

Begin typing here

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4. **Be Nice.** No racism, sexism or any sort of -ism that is degrading to another person.
5. **Be Proactive.** Use the 'Report' link on each comment to let us know of abusive posts.
6. **Share with Us.** We'd love to hear eyewitness accounts, the history behind an article.

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/16/2014

[redacted] was interviewed at his request concerning the St. Joseph School District (SJSD). Being aware of the identity of the interviewing agent, [redacted] provided the following information:

b6
b7C
b7D

[redacted]

Investigation on 05/15/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 ~ 42 Date drafted 05/15/2014

by [redacted]

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/16/2014

Title: (U) KQ2 story of Teachers speaking out

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955-43 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) television station KQ2's interview with teachers.

♦♦

KQ2 ST. JOSEPH That's My Station!

stjoechannel.com

Teachers Speak Out on SJSD Controversies

Alan Van Zandt
05/14/2014 10:58 PM
05/15/2014 05:50 AM

(ST. JOSEPH, Mo.) Throughout recent news coming out of the St. Joseph School District regarding stipends, investigations, audits and lawsuits, we've heard from about everyone but teachers.

KQ2 sat down with several teachers, representing more than 50 years of experience. They talked candidly with us on the condition of anonymity.

They say part of the reason they've been laying low is fear.

"What you're told as a teacher is, listen, nod your head and close your door," said one teacher. "We teach our students to ask questions," said another. "But as a teacher we're told, don't ask questions. Asking a question is pure defiance."

"Gotta' stay off of radar," said another. "Don't show up on radar. Don't get anywhere where they can see you. If you show up on radar you're doomed."

Superintendent Fred Czerwonka got off on the wrong foot with many school staff, according to these teachers. He did so by bringing in consultant Flip Flippen to town for convocation.

"We felt so insulted that we had a guy in a business suit who's never been an educator come in and tell us how to capture kids," said an elementary school teacher.

"You take that $165,000 that's been paid on the Flippen group, divide it up among the schools and you can have some real good incentive programs," said another.

The way the district spends money upsets many teachers, especially the educator we talked to who spent $7,000 of her own money last year on items for school.

"I spend it on classroom library books," she said. "I spend it on classroom supplies. I spend it on buying lunch for them."

"When we spend money that we don't have a lot of, like a lot of people in town, and hear about the amounts of money spent on frivolous things, it's very frustrating."

As talk continues on illegal stipends, a state audit, an FBI investigation and now a civil lawsuit against the schools, teachers say administration has tried to reach out more to staff. However, they say it's a hallow gesture.

"The timing of it was not very good, not at all," said a teacher. "I know there is a thought there is a conspiracy out to make them look bad, but it's the actions."

"You can tell when someone's genuine by how they act most days," he continued. "When people are changing all the sudden and they're all the nicest people in the world now that used to never look at you when you passed them in a hallway, it's not genuine."

"He (Czerwonka) wouldn't come to our school the first half of the year," said a teacher. "When he gets in trouble, all the sudden, he's showing up in school. We didn't see him for six months, now, all the sudden, he's showing up at school."

Teachers say they are trying to understand what the administration is trying to accomplish with some of the changes, but it's tough.

"What's best for the kids? Is Opaa best for the kids? Is the Flippen Group best for the kids? Is the stipends best for the kids? Is the hiring of family members best for kids? Those are hard to answer with a yes."

The teachers we talked to stressed not all administrators act so oppressively. However, they added it might not be a bad idea to clean house with most of them.

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/16/2014

[redacted] contacted the offices of the Federal Bureau of Investigation (FBI) with his concerns about the St. Joseph School District (SJSD).

[redacted] owns [redacted] which handles [redacted] on construction sites. [redacted] was awarded the job at the new SJSD elementary school at OAK GROVE. [redacted] explained that he was subcontracted through the company that won the overall construction bid, LAWHON. b6 b7C

[redacted] stated that on the other SJSD elementary school being build at CARDEN PARK, he had not been chosen. That site had been awarded to BRUNNER CONSTRUCTION which used a non-union company out of Springfield, Missouri instead of [redacted] was under the assumption that the SJSD required the builders to use local companies when feasible. b6 b7C

[redacted] had no evidence of wrongdoing but was suspicious that his company had not received work that should have remained local.

Investigation on 05/15/2014 at St. Joseph, Missouri, United States (Phone)

File # 194B-KC-4719955 - 44 Date drafted 05/16/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 05/20/2014

(U//~~FOUO~~) The following investigation was conducted by Staff Operations Specialist [redacted] on May 16, 2014 in Jefferson City, MO: b6 b7C

(U//~~FOUO~~) Bruce V. Drowns Educational Foundation (BVDEF), employer identification number 43-6371635, is a trust, a private, non-operating foundation. The mailing address was listed as c/o UMB Bank, Post Office Box 419692, Kansas City, MO, with telephone 816-860-7711. Charitable donations to BVDEF are tax deductible. BVDEF was restricted to Benton High School, St. Joseph, MO students and graduation who show need.

(U//~~FOUO~~) Online open source information located the IRS Form 990-PF, Return of Private Foundation or Nonexempt Charitable Trust Treated as a Foundation. The 2012 BVDEF Form 990-PF listed the following individuals as Co-Trustees, none of them receiving compensation:

- Michael Musser, 5655 S. 4th St, St. Joseph, MO
- Tammy Talbot, 5655 S. 4th St, St. Joseph, MO
- Jeff Modis, [redacted] St. Joseph, MO b6 b7C
- Jeanette Wes, [redacted] St. Joseph, MO

(U//~~FOUO~~) Attached and made part of this FD-302 is the 2012 (07/01/2012-06/30/2013) Return for BVDEF.

Investigation on 05/16/2014 at Jefferson City, Missouri, United States (, Other (ONLINE))

File # 194B-KC-4719955 - 45 Date drafted 05/16/2014

by [redacted] b6 b7C

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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning 07/01 , 2012, and ending 06/30,2013

Name of foundation
BRUCE V DROWNS EDUCATIONAL FOUND 100279

A Employer identification number
43-6371635

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
UMB BANK, P. O. BOX 415044 M/S 1020307

B Telephone number (see instructions)
816- 238-4531

City or town, state, and ZIP code
KANSAS CITY, MO 64141-6692

C If exemption application is pending, check here . . . . . ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☒ Address change ☐ Name change

D 1 Foreign organizations, check here . ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation . . . . . ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here . ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 1,200,646.

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . ▶ ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	15,250.			
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	28,391.	26,085.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	95,715.			
	b Gross sales price for all assets on line 6a 632,492.				
	7 Capital gain net income (from Part IV, line 2)		95,715.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	161.	161.		
	12 Total Add lines 1 through 11	139,517.	121,961.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 2	800.	NONE	NONE	800.
	c Other professional fees (attach schedule) STMT 3	11,187.	11,187.		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 4	1,070.	205.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 5	2.	2.		
	24 Total operating and administrative expenses. Add lines 13 through 23	13,059.	11,394.	NONE	800.
	25 Contributions, gifts, grants paid	23,650.			23,650.
	26 Total expenses and disbursements Add lines 24 and 25	36,709.	11,394.	NONE	24,450.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	102,808.			
	b Net investment income (if negative, enter -0-)		110,567.		
	c Adjusted net income (if negative, enter -0-)				

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	109,030.	110,164.	110,164.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)			
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)	936,880.	1,038,269.	1,090,482.
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	1,045,910.	1,148,433.	1,200,646.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)		NONE	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ X			
	27 Capital stock, trust principal, or current funds	1,045,910.	1,148,433.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	1,045,910.	1,148,433.	
	31 Total liabilities and net assets/fund balances (see instructions)	1,045,910.	1,148,433.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,045,910.
2	Enter amount from Part I, line 27a	2	102,808.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,148,718.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 6	5	285.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,148,433.

Form 990-PF (2012)

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	PUBLICLY TRADED SECURITIES			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	632,492.		536,777.	95,715.
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a				95,715.
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	95,715.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	16,050.	1,096,408.	0.014639
2010	15,300.	1,085,402.	0.014096
2009	8,550.	997,089.	0.008575
2008	66,482.	945,124.	0.070342
2007	81,600.	1,088,822.	0.074943

2	Total of line 1, column (d)	2	0.182595
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.036519
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,155,252.
5	Multiply line 4 by line 3	5	42,189.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,106.
7	Add lines 5 and 6	7	3,295.
8	Enter qualifying distributions from Part XII, line 4	8	24,450.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	2,211.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	2,211.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5	**Tax based on investment income** Subtract line 4 from line 3 If zero or less, enter -0-	5	2,211.
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 792.		
b	Exempt foreign organizations - tax withheld at source — 6b: NONE		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: NONE		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	792.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	1,419.
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ NONE **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ _____ (2) On foundation managers ▶ $ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MO			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10	X	

Part VII-A Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ UMB BANK, N.A. Telephone no ▶ (816)238-4531

Located at ▶ P O BOX 415044 M/S 1020307, KANSAS CITY, MO ZIP+4 ▶ 64141

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶	16		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies

1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No If "Yes," list the years ▶ _____, _____, _____, _____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ _____, _____, _____, _____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No	
	(3) *Provide a grant to an individual for travel, study, or other similar purposes?*	☒ Yes	☐ No	
	(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes	☒ No	
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No	
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?			5b X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes	☐ No	
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes	☒ No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			6b X
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☒ No	
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?			7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions)

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MICHAEL MUSSER 5655 S 4TH ST , ST JOSEPH, MO 64504	CO-TRUSTEE	-0-	-0-	-0-
TAMMY TALBOT 5655 S 4TH ST , ST JOSEPH, MO 64504	CO-TRUSTEE			
JEFF MODIS 5510 S 38th Terrace, St Joseph, MO 64503	CO-TRUSTEE			
JEANETTE WES 4520 Wilshire Drive South, St Joseph, MO 64506	CO-TRUSTEE			

2 Compensation of five highest-paid employees (other than those included on line 1 - see instructions). If none, enter "NONE"

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		NONE	NONE	NONE
Total number of other employees paid over $50,000 ▶				NONE

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		NONE
Total number of others receiving over $50,000 for professional services ▶		NONE

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions 3 NONE	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	1,102,399.
b	Average of monthly cash balances	1b	70,446.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	1,172,845.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	1,172,845.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	17,593.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,155,252.
6	**Minimum investment return.** Enter 5% of line 5	6	57,763.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6			1	57,763.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	2,211.		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	2,211.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	55,552.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	55,552.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	55,552.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	24,450.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	24,450.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	N/A
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	24,450.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				55,552.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			NONE	
b Total for prior years 20 10 ,20 ,20		NONE		
3 Excess distributions carryover, if any, to 2012				
a From 2007 3,372.				
b From 2008 19,703.				
c From 2009 NONE				
d From 2010 NONE				
e From 2011 NONE				
f Total of lines 3a through e	23,075			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 24,450.				
a Applied to 2011, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2012 distributable amount				24,450.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	23,075			23,075.
6 **Enter the net total of each column as indicated below.**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions			NONE	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				8,027.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	NONE			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	NONE			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2008 NONE				
b Excess from 2009 NONE				
c Excess from 2010 NONE				
d Excess from 2011 NONE				
e Excess from 2012 NONE				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b or c for the alternative test relied upon					
a "Assets" alternative test enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year - see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

SEE STATEMENT 7

b The form in which applications should be submitted and information and materials they should include

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines

SEE ATTACHED STATEMENT FOR LINE 2

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

SEE ATTACHED STATEMENT FOR LINE 2

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
CLAY/DROWNS/KERNER SCHOLARSHIPS SEE ATTACHED LIST MO	NONE	SCHOOLS (P	SCHOLARSHIPS	23,650.
Total ▶ 3a				23,650.
b *Approved for future payment*				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	28,391.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	95,715.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b ACCRETION OF BOND			1	161.	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				124,267.	
13 Total Add line 12, columns (b), (d), and (e)					13 124,267.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
	NOT APPLICABLE

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Michael C Brunen | 11/08/2013 | TRUSTEE

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	WESLEY HIRSCHBERG		11/08/2013		
	Firm's name ▶ THOMSON REUTERS (TAX & ACCOUNTING)			Firm's EIN ▶	
	Firm's address ▶ ONE NORTH DEARBORN ST., 5TH FLOOR CHICAGO, IL 60602			Phone no 312-873-6900	

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2012

Name of the organization

BRUCE V DROWNS EDUCATIONAL FOUND 100279

Employer identification number

43-6371635

Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) $5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not total to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization: BRUCE V DROWNS EDUCATIONAL FOUND 100279

Employer identification number: 43-6371635

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	KEENER SCHOLARSHIP FUND	$ 15,250.	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ACCRETION OF BOND DISCOUNT	161.	161.
TOTALS	161.	161.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEE (NON-ALLOC	800.			800.
TOTALS	800.	NONE	NONE	800.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
CUSTODIAN & MANAGEMENT FEES (A	11,187.	11,187.
TOTALS	11,187.	11,187.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES	62.	62.
FEDERAL TAX PAYMENT - PRIOR YE	73.	
FEDERAL ESTIMATES - INCOME	594.	
FEDERAL ESTIMATES - PRINCIPAL	198.	
FOREIGN TAXES ON QUALIFIED FOR	143.	143.
TOTALS	1,070.	205.

BRUCE V DROWNS EDUCATIONAL FOUND 100279 43-6371635

FORM 990PF, PART I - OTHER EXPENSES

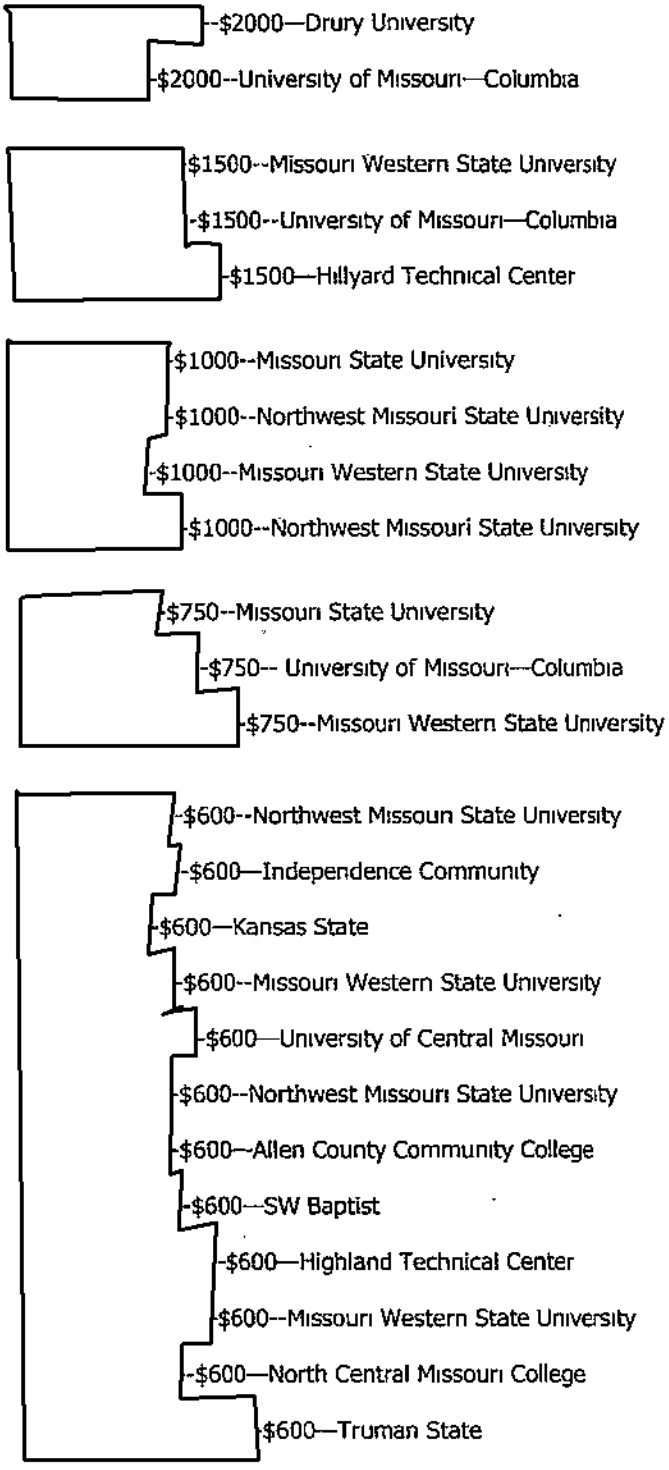
DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
OTHER NON-ALLOCABLE EXPENSE -	2.	2.
TOTALS	2.	2.

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
RETURN OF CAPITAL ADJUSTMENT	284.
ROUNDING	1.
TOTAL	285.

RECIPIENT NAME:
BENTON HIGH SCHOOL
ADDRESS:
5655 S. 4TH STREET
ST. JOSEPH, MO 64505
FORM, INFORMATION AND MATERIALS:
BRUCE DROWNS EDUCATIONAL FOUNDATION
APPLICATION FORM
SUBMISSION DEADLINES:
APRIL 1
RESTRICTIONS OR LIMITATIONS ON AWARDS:
BENTON HIGH SCHOOL STUDENTS AND GRADUATES
WHO SHOW NEED

2012-2013 KEENER SCHOLARSHIP RECEIPIENTS



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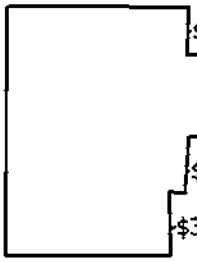

$600--University of Central Missouri

$300--Missouri Western State University

$300-- Truman State

$300—Hillyard Technical Center

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b7C

Statement of Investment Position

Units	Description	Symbol Cusip	Cost Basis Unit	Cost Basis Total	Market Value Unit	Market Value Total	Unrealized Gain / (Loss)	Estimated Annual Income	Yield %
Equity Securities									
Common Stock									
35	3M Corp	MMM 88579Y101	85 45	2,990.85	109.35	3,827.25	836.40	89	2.32
112	ADT Corp	ADT 00101J106	34.68	3,884.10	39 85	4,463.20	579 10	56	1.25
20	Affiliated Managers Group Inc	AMG 008252108	101 46	2,029.29	163.94	3,278.80	1,249.51	0	
60	Allergan Inc	AGN 018490102	76 18	4,571 05	84.24	5,054.40	483.35	12	0.24
50	Anheuser-Busch InBev NV 1 ADR Repsts 1 Ord Shr	BUD 03524A108	68 94	3,446.85	90.26	4,513.00	1,066 15	92	2.05
13	Apple Inc	AAPL 037833100	590.22	7,672.87	396.53	5,154.89	(2,517.98)	159	3.08
310	Applied Materials Inc	AMAT 038222105	15 58	4,830.64	14.92	4,625.20	(205.44)	124	2.68
70	Berkshire Hathaway Inc - Cl B	BRK B 084670702	89.04	6,232 72	111 92	7,834.40	1,601 68	0	
50	Boeing Co	BA 097023105	68.21	3,410.25	102 44	5,122.00	1,711.75	97	1.89
70	Bristol Myers Squibb Co	BMY 110122108	34 62	2,423.49	44 69	3,128.30	704.81	98	3.13
50	Chevron Corp	CVX 166764100	72 31	3,615.32	118 34	5,917 00	2,301.68	200	3 38
70	Citrix Sys Inc	CTXS 177376100	72.36	5,065.51	60.36	4,225.20	(840.31)	0	
135	CME Group Inc	CME 12572Q105	70.95	9,578 75	75.95	10,253.25	674.50	243	2.37
55	Continental Resources Inc	CLR 212015101	80.05	4,402.71	86.06	4,733.30	330.59	0	
55	Costco Wholesale Corp	COST 22160K105	85.50	4,702.41	110.57	6,081.35	1,378.94	68	1.12
90	Covidien PLC	COV G2554F113	52.42	4,717.97	62.84	5,655.60	937.63	94	1.65
130	CVS Caremark Corporation	CVS 126650100	45.76	5,948.96	57.18	7,433.40	1,484.44	117	1.57
105	Danaher Corp Del	DHR 235851102	39.29	4,125.80	63.30	6,646.50	2,520.70	11	0.16
110	Disney Walt Co	DIS 254687106	47.25	5,198 01	63 15	6,946.50	1,748.49	83	1.19

Statement of Investment Position (continued)

Units	Description	Symbol Cusip	Cost Basis Unit	Cost Basis Total	Market Value Unit	Market Value Total	Unrealized Gain / (Loss)	Estimated Annual Income	Yield %
Equity Securities *(continued)*									
Common Stock *(continued)*									
70	ExxonMobil Corp	XOM 30231G102	83.96	5,877.34	90.35	6,324.50	447.16	176	2.79
410	General Electric Co	GE 369604103	22.08	9,053.12	23.19	9,507.90	454.78	312	3.28
130	Gilead Sciences Inc	GILD 375558103	53.84	6,999.81	51.27	6,665.10	(334.71)	0	
12	Google Inc Class A	GOOG 38259P508	650.37	7,804.40	880.37	10,564.44	2,760.04	0	
240	Hartford Financial Services Group Inc	HIG 416515104	22.18	5,323.93	30.92	7,420.80	2,096.87	96	1.29
130	Home Depot Inc	HD 437076102	41.65	5,413.92	77.47	10,071.10	4,657.18	203	2.01
90	InterActiveCorp	IACI 44919P508	45.66	4,109.64	47.58	4,282.20	172.56	86	2.02
20	International Business Machines	IBM 459200101	142.68	2,853.59	191.11	3,822.20	968.61	76	1.99
95	Johnson & Johnson	JNJ 478160104	86.36	8,204.58	85.86	8,156.70	(47.88)	251	3.07
235	JPMorgan Chase & Co	JPM 46625H100	42.47	9,980.59	52.79	12,405.65	2,425.06	357	2.88
175	Lincoln National Corp	LNC 534187109	35.42	6,198.69	36.47	6,382.25	183.56	84	1.32
295	Masco Corp	MAS 574599106	21.10	6,223.51	19.49	5,749.55	(473.96)	89	1.54
12	Mastercard Inc - Class A	MA 57636Q104	517.83	6,213.94	574.50	6,894.00	680.06	29	0.42
210	Mondelez International Inc	MDLZ 609207105	27.35	5,742.93	28.53	5,991.30	248.37	109	1.82
150	News Corp Inc - Class A	NWSA 65248E104	31.62	4,742.40	32.58	4,887.00	144.60	26	0.52
55	O'Reilly Automotive Inc	ORLY 67103H107	82.26	4,524.29	112.62	6,194.10	1,669.81	0	
85	Occidental Petroleum Corp	OXY 674599105	87.63	7,448.83	89.23	7,584.55	135.72	218	2.87
150	Oracle Corp	ORCL 68389X105	23.33	3,499.15	30.71	4,606.50	1,107.35	72	1.56
35	Praxair Inc	PX 74005P104	92.08	3,222.92	115.16	4,030.60	807.68	84	2.08

Statement of Investment Position (continued)

Units	Description	Symbol Cusip	Cost Basis Unit	Cost Basis Total	Market Value Unit	Market Value Total	Unrealized Gain / (Loss)	Estimated Annual Income	Yield %
Equity Securities *(continued)*									
Common Stock *(continued)*									
125	Principal Financial Group Inc	PFG 74251V102	37 77	4,721 11	37.45	4,681.25	(39.86)	115	2 46
120	Salesforce.com Inc	CRM 79466L302	34.79	4,174.82	38.18	4,581 60	406.78	0	
0	Schlumberger Ltd	SLB 806857108	0 00	0.00	0.00	0.00		0	
90	Starbucks Corp	SBUX 855244109	49 99	4,499.28	65.51	5,895.90	1,396.62	76	1.28
100	SunTrust Banks Inc	STI 867914103	28 96	2,896.37	31.57	3,157 00	260.63	40	1.27
85	Thermo Fisher Scientific Inc	TMO 883556102	50 41	4,284.79	84.63	7,193.55	2,908 76	51	0.71
105	TJX Cos Inc	TJX 872540109	49 06	5,151.56	50.06	5,256.30	104.74	61	1.16
145	Tyco International Ltd Ord Sedol B64GC98	TYC H89128104	26 14	3,790.34	32.95	4,777 75	987 41	93	1 94
40	Union Pacific Corp	UNP 907818108	106.30	4,252.14	154.28	6,171.20	1,919 06	110	1.79
60	United Technologies Corp	UTX 913017109	73.23	4,393 87	92.94	5,576.40	1,182 53	128	2.30
85	UnitedHealth Group Inc	UNH 91324P102	49 76	4,229.33	65.48	5,565.80	1,336 47	95	1 71
30	Waters Corp	WAT 941848103	94.28	2,828.43	100.05	3,001 50	173 07	0	
210	Wells Fargo & Co	WFC 949746101	31 16	6,543.87	41.27	8,666.70	2,122.83	252	2 91
125	Whole Foods Market Inc	WFM 966837106	51.89	6,485.92	51.48	6,435 00	(50.92)	50	0.78
165	Zions Bancorporation	ZION 989701107	27 95	4,611.91	28.92	4,771 80	159.89	26	0.55
	Total Common Stock			**265,148.87**		**312,165.73**	**47,016.86**	**4,906**	
	Total Equity Securities			**265,148.87**		**312,165.73**	**47,016.86**	**4,906**	

Statement of Investment Position (continued)

Units	Description	Symbol Cusip	Cost Basis Unit	Cost Basis Total	Market Value Unit	Market Value Total	Unrealized Gain / (Loss)	Estimated Annual Income	Yield %
Equity Funds									
Equity Fund									
4,116.238	American Century Mid Cap Value Inv Class	ACMVX 025076654	14 68	60,432.11	14.92	61,414.27	982 16	922	1.50
1,556 476	Franklin Intl Small Cap Growth Adv	FKSCX 353533888	17 99	28,001.00	18.23	28,374 56	373 56	358	1 26
913 983	LKCM Small Cap Equity Fund Instl. Class	LKSCX 501685107	24 91	22,767 32	25 41	23,224 31	456.99	117	0 50
778 841	Oppenheimer Developing Mkts Cl Y	ODVYX 683974505	32 94	25,655 01	33 56	26,137.90	482.89	194	0 74
2,070.646	Principal Midcap Class I	PCBIX 74253Q747	17 34	35,905 01	17 94	37,147.39	1,242 38	391	1 05
2,563 654	Scout International Fund	UMBWX 81063U503	31 98	81,977 46	33.52	85,933 68	3,956.22	1,656	1 93
	Total Equity Fund			**254,737.91**		**262,232.11**	**7,494.20**	**3,638**	
	Total Equity Funds			**254,737.91**		**262,232.11**	**7,494.20**	**3,638**	
Fixed Income Securities									
Government & Agency Bonds									
25,000	Federal Farm Credit Banks DTD 9/23/2009 2.350% Ser 1 9/23/2013 AA+	31331GS83	1 01	25,203 75	100.50	25,125.75	(78 00)	588	2.13
25,000	Federal Home Loan Bank DTD 11/4/2009 2.750% 12/12/2014 AA+	3133XVNU1	1 01	25,312.25	103 58	25,893 75	581.50	688	2.47
6,398.5308	Govt National Mtg Assn DTD 12/1/2004 5.0000% 12/15/2019 Pool # 536309	36212KYE7	1.03	6,570.50	108 16	6,920 41	349 91	320	4 62
2,874.7122	Govt National Mtg Assn DTD 7/1/2003 5.0000% 7/15/2018 Pool # 604437	36200MPW7	1 03	2,967.70	107 50	3,090 32	122 62	144	4.65
4,840 4972	Govt National Mtg Assn DTD 8/1/2003 5.0000% 8/15/2018 Pool # 612970	36202X6F9	1.03	4,996.32	107.84	5,220 17	223.85	242	4.64
2,403.7173	Govt National Mtg Assn DTD 9/1/2003 5.0000% 9/15/2018 Pool # 603099	36200J7L8	1.02	2,460.07	107.84	2,592.26	132 19	120	4.64

Statement of Investment Position (continued)

Units	Description	Symbol Cusip	Cost Basis Unit	Cost Basis Total	Market Value Unit	Market Value Total	Unrealized Gain / (Loss)	Estimated Annual Income	Yield %
Fixed Income Securities *(continued)*									
Government & Agency Bonds *(continued)*									
3,244.4353	Govt National Mtg Assn DTD 9/1/2003 5.0000% 9/20/2018 Pool # 003439	36202DZC8	1 02	3,317 40	107 89	3,500 44	183 04	162	4 63
65,000	United States Treasury Notes DTD 2/15/2004 4.000% 2/15/2014 AAA	912828CA6	0 96	62,608.21	102.40	66,558.70	3,950.49	2,600	4.50
	Total Government & Agency Bonds			133,436.20		138,901.80	5,465.60	4,863	
	Total Fixed Income Securities			133,436.20		138,901.80	5,465.60	4,863	
Fixed Income Funds									
Fixed Income Funds									
10,309.578	Dodge & Cox Income Fund	DODIX 256210105	13.67	140,961 66	13 48	138,973 11	(1,988.55)	4,371	3 15
4,692	DoubleLine Total Return Bond Fund CL I.	DBLTX 258620103	11.39	53,441 88	11.03	51,752.76	(1,689.12)	2,839	5.49
11,915	Ridgeworth Core Bond Fund Class I	STIGX 76628T876	11 13	132,613.95	10 83	129,039 45	(3,574.50)	2,288	1.77
6,401	Ridgeworth Seix Floating Rate High Inc	SAMBX 76628T678	9.05	57,929 05	8 97	57,416.97	(512.08)	2,688	4.68
	Total Fixed Income Funds			384,946.54		377,182.29	(7,764.25)	12,186	
	Total Fixed Income Funds			384,946.54		377,182.29	(7,764.25)	12,186	
Money Markets and Cash									
Money Market Funds									
104,152.92	Federated Treasury Obligations Fund #68	60934N500	1.00	104,152.92	1.00	104,152.92		10	0.01
	Total Money Market Funds			104,152.92		104,152.92	0.00	10	
Cash									
0	Cash		0.00	0.00	1.00	0.00		0	
	Total Cash			0.00		0.00	0.00	0	
	Total Money Markets and Cash			104,152.92		104,152.92	0.00	10	
	Account Total			1,142,422.44		1,194,634.85	52,212.41	25,604	

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Date of entry 05/20/2014

[redacted] telephonically contacted the Federal Bureau of Investigation (FBI). After being advised of the identity of the interviewing agents, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 05/20/2014 at St. Joseph, Missouri, United States (Phone)

File # 194B-KC-4719955 - 46 Date drafted 05/20/2014

by [redacted] b6 b7C

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Date of entry 05/20/2014

[redacted]

voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agents, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 05/19/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955-47 Date drafted 05/19/2014

by [redacted] b6 b7C

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Date of entry 05/23/2014

[redacted] telephonically contacted the offices of the Federal Bureau of Investigation (FBI). [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 05/19/2014 at St. Joseph, Missouri, United States (Phone)

File # 194B-KC-4719955 - 48 Date drafted 05/22/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/23/2014

Title: (U) SJ NEWS PRESS article "DISTRICT DEFENDS CLOSE MEETINGS"

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 - 49 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph NEWS PRESS article "DISTRICT DEFENDS CLOSE MEETINGS"

Enclosure(s): Enclosed are the following items:
1. (U) Page 2 of article

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Saint Joseph News Press 05/21/2014 Copy Reduced to %d%% from original to fit letter page

District defends closed meetings

CONTINUED FROM Page A1

executive sessions ebb and flow.

It depends on the time of the year, hiring and firings, lawsuits and whatever else might be going on within the district at the time, she said.

"We have to have reason to have them. They have to fall under the Sunshine Law," Ms. Consolver said.

Reasons for closed meetings vary, with one closed meeting reportedly held to consider "scholarship applications." At least three meetings were telephone polls, which are essentially closed sessions.

Many times the school board has people lined up out in the hallway outside the board conference room waiting for the closed session to end before they can attend the open meeting. Most people are accustomed to the open meeting preceding the closed session, which causes some confusion.

But Jean Maneke, an attorney who represents newspapers on Sunshine Law matters, said there are two ways to vote to go into a closed meeting. One way is to start the closed meeting with a quick open session where a motion is made and a vote taken to hold a close meeting. Another way is at some point prior to the date and time of the closed meeting, the board moves and votes to hold a closed meeting at a future date.

"The law says before having a closed meeting you must have a motion and vote to go into closed session. That can be right before or it could be at an earlier meeting if you don't start the closed meeting with an open session," Ms. Maneke said.

Stephen Briggs, the school district attorney, said it is board policy and intent to comply with the Sunshine Law. Mr. Briggs also said he doesn't know of any provision of the Sunshine Law that requires a board to have an open session before the closed session.

"What section 610.022 requires is that the vote to close the meeting must take place by roll call vote in open session. Accordingly, the board can open the public meeting and then vote immediately to close it as long as that vote takes place in the open meeting," Mr. Briggs said.

I have no knowledge of the board ever not voting in open session to close a meeting," he added.

The Sunshine Law makes exceptions for things like personnel issues, lawsuits and buying real estate but not for issues involving pay raises and salary increases. But it never says these things must be discussed in closed session.

In March, board member Chris Danford aired concerns about the district's policy of providing stipends, particularly those that supplement the pay of administrators, principals and assistant principals. She said the board did not approve the stipends or the promotion of five employees. These decisions were made in closed session on Feb. 10 and March 10, both before the open meetings.

Ms. Consolver said all meeting are posted on the school district bulletin board and also on Channel 41. Minutes of closed meeting are posted but votes and motions from those closed meetings are given on request within 72 hours.

"I don't put those on the website. Nobody has ever asked me to do that," Ms. Consolver said.

Mr. Briggs affirmed that if a vote is taken in closed session, the vote shall be made available within 72 hours.

"The term 'shall be made available' means that the vote becomes a public record after that 72-hour period and must be produced if a request is made for it," he said.

Ms. Maneke said when a board posts a notice it's going to have a closed meeting with the time, date and place, it also needs to cite reasons, for example the hiring and firing of an employees, lawsuits or real estate transactions or anything involving the personal information of an employee or student.

"For instance, if they used an exception to talk about hiring someone or firing someone then all you will ever see posted afterward in the way of minutes is information about a vote taken to hire and fire and who voted and how," she said. "They have to attribute the votes but that's all you'll ever get. And if they cite the litigation (exception), then you don't get anything posted afterward until whatever they're discussing is finally resolved and if it is finally resolved, then all the minutes become public. But if it never gets resolved then you'll never get access to those minutes."

She said scholarship awards are never proper for a closed meeting setting unless the board is discussing an individual student's scholastic information.

Ms. Maneke also said the number of closed sessions a board has is never an issue. Some boards meet several times a month in closed sessions and others every time they have an open meeting they have a closed session.

"But there's also boards that every time they meet they claim they are going to have a closed session and then they never do and that's the one that troubles me the greatest," Ms. Maneke said.

The obligation is not for the board to give you information on a closed meeting. It's a person's obligation to ask for it, she added.

"Then they have to respond to your request within 72 hours with either a 'yes come get it' or a 'no we're not going to make it available, it's closed under one of those exceptions' and they have to tell you which exception it is," Ms. Maneke said.

For more ...

Information on the St. Joseph Board of Education meetings can be found at: *http://esbpublic.sjsd.k12.mo.us/*

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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St. Joseph News-Press

FOX 26 | NewsPressNOW.com | ST. JOSEPH, MISSOURI • 170TH YEAR • WEDNESDAY, MAY 21, 2014 • NO. 27 • 75¢

Motorcycle crashes raise safety concerns

RISTIN HOPPA
seph News-Press

wo significant motorcycle accidents earli- his week raised safety concerns about the oming summer driving season for local regional law enforcement.

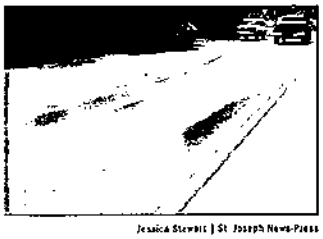
n Monday night, Jennifer Boyer, 24, of ncy, Mo., was killed after she traveled th on Missouri Route FF on a 2002 Harley- idson when she attempted a right hand ve near the South Central Buchanan nty Fire Department's volunteer station. und 8:45 p.m., Mrs. Boyer crossed the cen- line and struck a southbound firetruck, en by 56-year-old volunteer firefighter ny Krumme, of St. Joseph.

Jennifer was just fun-loving and real fam- oriented," said Kevin Hanson, a family nd of Mrs. Boyer's father, Kevin Kendall, was following behind his daughter Mon- night. "When I talked to him last night, aid that he saw the whole thing. He is just astated."

Ir. Hanson said Mr. Kendall and Mrs. Boy- ad been practicing with her new motorcy- n an empty parking lot near Agency. After cticing, Mr. Kendall followed his daughter St. Joseph before the accident.

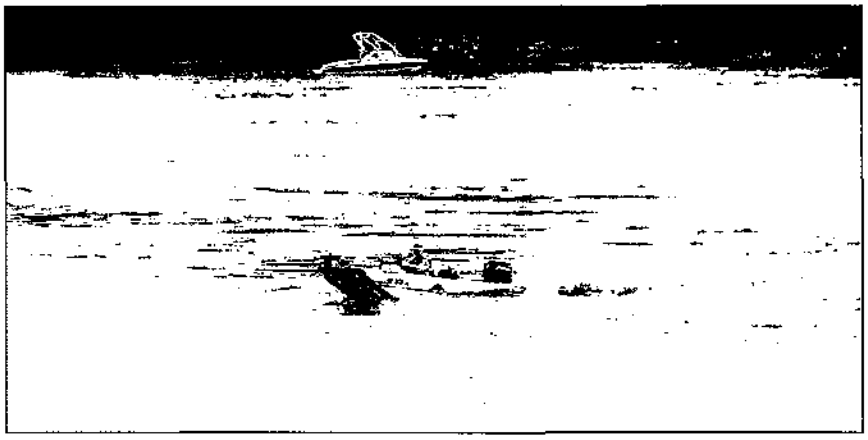
'm sure it's been a trauma to his (Mr. Ken- l's) system," said South Central Buchanan

Please see MOTORCYCLE/Page A3



Jessica Stewart | St. Joseph News-Press

marks and paint on Route FF on Tuesday are visual in- tors of a fatal motorcycle accident involving a Central anan County Fire Department truck. Jennifer Boyer traveling northbound when she crossed the center striking the firetruck. The accident occured Monday.



Jessica Stewart | St. Joseph News-Press

Gary House exits the Missouri River on Tuesday afternoon after a day of fishing. The U.S. House approved a water resources bill Tuesday that would limit reasons the Army Corps of Engineers can obtain land.

House passes water resources legislation

Senate must still consider the measure

By KEN NEWTON
St. Joseph News-Press

The U.S. House overwhelmingly approved a water resources bill Tuesday afternoon that includes, according to North Missouri Congressman Sam Graves, a limitation on reasons the Army Corps of Engineers can acquire land.

The $12 billion-plus Water Resources Reform and Development Act passed the House by a vote of 412 to 4. The House originally passed the bill last October, and Mr. Graves sat on the conference committee that reconciled the differences between the House and Senate versions.

He and fellow Republican lawmaker Blaine Luetkemeyer, from St. Elizabeth, Mo., had advocated the language regarding the corps' reach. It requires that the corps has a "clear, results-oriented strategy" for attaining property.

"One of the key concerns I heard at our field hearing last year in St. Joseph was with the way the corps currently acquires land, often without an expressed purpose for doing so," Mr. Graves said in a statement after the Tuesday vote.

Mr. Graves, whose 6th District spans the top tier of the state, has constituents who live alongside, and financially depend upon, the Missouri and Mississippi rivers.

Please see HOUSE/Page A3

evue entertainers to face charges

ESSICA SHUMAKER
seph News-Press

ity prosecutor Rebec- Spencer said she will charges against four involved in a male ue at a Downtown bar week.

ccording to munici- court records, the men, all dancers with the All-Star Male Revue, are Tanner S. Neal, 34, of Myrtle Beach, S.C.; Timothy E. Shumaker, 42, of Clinton, Ill.; Preston Dane Parrish, 24, and Terry F. Reinitz, 31, both of Indianapolis, Ind.

The men are being accused of doing business without a license for their performance last Thursday night at The Villa, located at 111 N. Fifth St. They were issued citations at the event.

Court records show that law enforcement

Please see REVUE/Page A3

ate senators point to priorities in military bill

Details in MIDLAND

LeBlond pair just misses all-state golf honors

Details in SPORTS

District defends closed meetings

By ALONZO WESTON
St. Joseph News-Press

Considering the frequency in which the St. Joseph Board of Education has held closed executive sessions recently, it might appear its members prefer them over open meetings.

In all of 2013, the board met in closed session 24 times compared to only five times in 2012. In 2014, there were six closed meetings between Feb. 2 and March 24 alone.

To an outsider, that might seem like an unusual amount of closed sessions. But in 24 years as board secretary, Debbie Consolver said she has seen the number of

Please see DISTRICT/Page A5

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 05/23/2014

Title: (U) SJSD news article PANEL PONDERS SCHOOL STIPENDS

Approved By: SSRA [redacted]

Drafted By: [redacted] b6 b7C

Case ID #: 194B-KC-4719955 -50 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph School District news article PANEL PONDERS SCHOOL STIPENDS on 5/22/2014

Enclosure(s): Enclosed are the following items:
1. (U) Page 2 of article

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St. Joseph News-Press

Thursday, May 22, 2014

Stipends for principals discussed

CONTINUED FROM Page A1

soon as the buzzer went off again.

In that hour, members of the group looked at a folder with all the stipends in question highlighted, and took orderly turns asking questions and giving ideas of how to deal with the subject. Superintendent council stipends — for the top-ranking administrators — were not included in the discussion.

Some members of the group offered that the stipends should be included in the base salary. Another solution was to itemize and list all supplemental pay in the contract. All agreed on the urgency of resolving the issue, as school principals were in limbo as to whether they would be approved for raises.

"We still need to take our time and do the right thing," said John McCarthy, committee member.

Howard Harmsen, a former educator on the committee, said the main issue was lack of transparency. He said the way the district structures salaries now is a lot different than when he taught, more than 20 years ago.

"There seems to be a lot more stipends, and stipends for things we didn't used to get stipends for. Now, whether that's appropriate or not, I don't have enough information to judge," he said.

> **"There seems to be a lot more stipends, and stipends for things we didn't used to get stipends for. Now, whether that's appropriate or not, I don't have enough information to judge.**
>
> — HOWARD HARMSEN, former educator on the ad hoc committee discussing stipends in the St. Joseph school district

Mr. Harmsen said contracts should be written with an explanation of the amount paid for each additional service.

"My major concern is that the public has lost faith in the St. Joseph School District," he said.

Mr. Snethen said the matter is urgent, and something the board needs to decide before its June 9 meeting. It would also be difficult to undo the contracts already approved, he said.

"If you want to undo that contract, you've got to have a two-thirds vote to undo it, and you're not going to get it," Mr. Snethen said.

Molly Pierce, another former educator, said the stipends or extra pay should be part of the overall salary.

"Put it all together and make it a salary already, and call it a day," she said.

When asked to vote on approving the stipends, six of the 14 members voted to approve the administrative stipends. The group plans to meet today to make a final recommendation to the board.

Members of the committee are: Jean Bosworth, Todd Brockett, Lori Fordyce, Julie Gaddie, Howard Harmsen, Hamilton Henderson, Kevin Jones, Brad McAnally, John McCarthy, Tim Miller, Molly Pierce, Tyran Sumy, Laney Taylor and Sally Thorp.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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St. Joseph News-Press

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omicide probe centers on missing man

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ıd a homicide inves-
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body was found on
ill last Thursday.
ıed search warrant
s filed in Buchanan
show that police
estigating informa-
ıt Mr. Paige may
ən beaten to death
ɔped over a cliff on
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o comment on the
f the investigation,
an to say detectives
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the park have not
itively identified.
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ɔcame a homicide
ıtion earlier this
Prosecuting Attor-
wight Scroggins

William Howard Paige Jr.

ıe see MISSING/Page A6

LIFE STORY | An ongoing series of articles about noteworthy people from the *News-Press* readership area

Jessica Stewart | St. Joseph News-Press

Helen Russell, a lifelong resident of Plattsburg, Mo., has a passion for history. She served the county for 39 years as circuit clerk and as recorder of deeds. Ms. Russell gives tours of the Riley-Carmack Home and musuem run by the Clinton County Historical Society, of which she is a member.

Woman helps build a history, one obituary at a time

By KEN NEWTON | St. Joseph News-Press

Panel ponders school principals' stipends

By ALONZO WESTON
St. Joseph News-Press

There's still no solution on how to award stipends to principals in the St. Joseph School District.

No solution is what came out of the first meeting Wednesday evening of the ad hoc committee, consisting of 14 current and former educators and community members, formed by the Board of Education to look at the issue of stipends.

School board members Dennis Snethen and Kappy Hodges conducted the meeting in rigid fashion. A clock timer with a buzzer signaled the beginning of the hourlong meeting. The meeting ended as

Please see STIPENDS/Page A6

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Date of entry 05/29/2014

(U//~~FOUO~~) The following research was conducted by Staff Operations Specialist [redacted] on May 21, 2014 in Jefferson City, MO: b6 b7C

[redacted]

Investigation on 05/21/2014 at Jefferson City, Missouri, United States (, Other (Online Search))

File # 194B-KC-4719955 ~51 Date drafted 05/21/2014

by [redacted] b6 b7C

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Date of entry 05/29/2014

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[redacted]

Investigation on 05/09/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 -52 Date drafted 05/16/2014

by [redacted] b6 b7C

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Date of entry 06/02/2014

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[redacted]

Investigation on 05/17/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 -53 Date drafted 05/19/2014

by [redacted] b6 b7C

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Date of entry 06/02/2014

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[redacted]

Investigation on 04/29/2014 at 64506, Missouri, United States (In Person)

File # 194B-KC-4719955 ~54 Date drafted 05/02/2014

by [redacted] b6 b7C

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Date of entry 06/02/2014

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This transcription was made by FBI Staff Operations Specialist [redacted] and then reviewed by [redacted] for accuracy.

Investigation on 05/30/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 - 55 Date drafted 05/30/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Meeting with [redacted] **Date:** 06/02/2014

CC: [redacted]

KC-14 (OST)

b6
b7C

From: KANSAS CITY
KC-14
Contact: [redacted]

Approved By: SSRA [redacted]

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 - 56 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) On 5/28/2014, SA [redacted] and SA [redacted] met with St. Joseph School District Attorneys [redacted]. b6 b7C

Full Investigation Initiated: 04/08/2014

Details:

On 5/28/2014, Special Agent (SA) [redacted] and SA [redacted] met with St. Joseph School District Attorneys [redacted] at their offices located at [redacted], to discuss the possibility of the St. Joseph School District Board Of Education (BOE) waiving their Attorney/Client privilege on four specific Attorney/Client conversations. The four conversations identified were as follows: b6 b7C

Title: (U) Meeting with [redacted] b6 b7C
Re: 194B-KC-4719955, 06/02/2014

1) [redacted]

2) [redacted] b6 b7C b7D

3) [redacted]

4) [redacted]

[redacted] informed that [redacted] were the ongoing legal counsel for the BOE and had been for many years. [redacted] stated that [redacted] was hired by the BOE on a limited basis to work on [redacted] and to work on the FBI investigation; [redacted] were not involved in those two arenas.

[redacted] advised that BOE members had told him that the FBI requested the above waivers of the Attorney/Client privilege. [redacted] had scheduled a closed session meeting with the BOE on Monday June 9, 2014 after their regularly scheduled open meeting, in order to address this request. [redacted] planned on disclosing to the BOE the information he had knowledge about from [redacted]. He would then let the BOE vote on whether to allow him to disclose the information to the FBI.

[redacted] advised that the BOE would only need a majority vote to waive this privilege. A 4-3 vote would be enough to waive the privilege.

Thereafter, [redacted] intended to have the BOE vote on the other three requested conversation separately. [redacted] thought that it might be necessary to have [redacted] present for the BOE meeting so that they could address the BOE themselves in a like manner.

Title: (U) Meeting with [redacted] b6 b7C
Re: 194B-KC-4719955, 06/02/2014

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Date of entry 06/16/2014

[redacted]

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[redacted]

Investigation on 06/11/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 - 57 Date drafted 06/11/2014

by [redacted] b6 b7C

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FD-1036 (Rev. 10-16-2009)

UNCLASSIFIED

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 06/23/2014

Title: (U) News Article about bids for school furniture

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 -58 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press front page article about the bid process for furnishings in the two new schools from 6/23/2014.

Enclosure(s): Enclosed are the following items:
1. (U) Part 2 of the article

♦♦

UNCLASSIFIED

Monday, June 23, 2014 St. Joseph Neu

Firms not happy with schools' bidding process

CONTINUED FROM Page A1

were exclusive manufacturers and they were not available for me to purchase from, so I turned the bid back in," said Ms. Burns. "They made the bid an all-or-nothing bid. You could not bid just certain parts of it. So if you were not able to get those other manufacturers, you would not be able to submit the bid."

Mr. Pitluck said the bid was definitely written to benefit the Kansas City firm.

"You know who got the bid? A guy who used to work for the school district. I suspect he wrote the specs. The stuff that was in there was stuff they carry," he said.

Walt Hanabury, a former district elementary principal, is an SSI sales representative. Mr. Hanabury said he had no inside leverage in the bidding process.

"No. I don't know how else to say it, but no. I did not write any specs, and the specs on that bid did not limit anything to one specific product. There was an option for an alternate there," Mr. Hanabury said.

Rick Hartigan, school district chief operating officer, said the bids weren't tailored to benefit any one provider. With a tight timeline of about 10 days to put furniture in the schools, a single source provider of all the products made sense. There were no proprietary furniture requirements in the bid, he said.

"A single source provider is able to bring in all of the product. They have to pay prevailing wage, they do the installation and they do the classroom and they serve as general contractor," Mr. Hartigan said.

There are no single source providers in St. Joseph, he added. With different vendors running in and out of the buildings instead of one provider, it would create a traffic mess and delay completion of the schools, he said.

"No one goes with multiple vendors. Every one of the vendors are going to have to bring in a labor crew, whereas a single source is going to have a single crew in here," Mr. Hartigan said.

Mr. Pitluck said there is still time to rebid for the furniture. They provided furnishing for Heartland Hospital and Missouri Western State University without any problems. The district could save money by accepting local bids, he said.

Mr. Hartigan said any local vendor could have gotten prices and become their own general contractors for the furniture bids. The work would be time consuming, but there was plenty of time to get the needed vendors and present a bid.

"Steve Pitluck came out to see me and he told me he could save a whole bunch of money by buying individual pieces of furniture. I told him that's not true, and if you make that claim, you need to produce some evidence. I've been waiting for the call," Mr Hartigan said.

He added that the bid was not awarded to benefit a former school district employee, either. The bid met all the legal requirements and criteria.

"Given the nature of competitive bidding, it makes no difference who works where. If this number is lower, that's the nature of competitive bidding," he said.

"It takes out, 'I know you, you're my buddy.' None of that can happen."

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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Firms not happy with schools' bidding process

By ALONZO WESTON
St. Joseph News-Press

When the two new public schools open in August, all the furnishings will have been provided by an out-of-town provider. Two local office furniture suppliers expressed concerns on how the bids were presented.

Barbara Burns of B & J Office Products and Steve Pitluck of Brown Manschreck Business Systems said the bids were structured to benefit a specific provider. It listed specific furniture and manufacturers that neither firm carried.

Only two Kansas City firms, SSI (School Solutions Incorporated) and School Specialty, bid to provide furnishings for the Oak Grove and Carden Park Elementary Schools, which are set to open this August. SSI was awarded the job with a bid of $628,940. School Specialty had a bid of $704,383.

"We did the specs and they were specific furniture and manufacturers that

Please see FIRMS/Page A3

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Date of entry 06/23/2014

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[redacted]

Investigation on 06/17/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 -59 Date drafted 06/17/2014

by [redacted] b6 b7C

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Date of entry 06/24/2014

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[redacted]

Investigation on 06/06/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 - 60 Date drafted 06/09/2014

by [redacted]

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Date of entry 06/24/2014

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[redacted]

Investigation on 06/19/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 06/24/2014

by [redacted] b6 b7C

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Date of entry 06/30/2014

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[redacted]

Investigation on 06/26/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 06/26/2014

by [redacted] b6 b7C

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Date of entry 07/02/2014

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[redacted]

Investigation on 06/23/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 06/24/2014

by [redacted] b6 b7C

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Date of entry 07/03/2014

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Investigation on 01/28/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 06/30/2014

by [redacted]

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Date of entry 07/03/2014

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Investigation on 03/11/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 06/30/2014

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Date of entry 07/03/2014

Attached to this report is a transcription of [redacted] provided a copy of [redacted] to the Federal Bureau of Investigation (FBI) on [redacted]. b6 b7C b7D

This transcription was made by FBI Staff Operations Specialist [redacted] and then reviewed by [redacted] for accuracy.

Investigation on 01/30/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 07/01/2014

by [redacted] b6 b7C

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FD-302 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 07/03/2014

Attached to this report is a transcription of [redacted] provided a copy of [redacted] to the Federal Bureau of Investigation (FBI) on [redacted]. b6 b7C b7D

This transcription was made by FBI Staff Operations Specialist [redacted] and then reviewed by [redacted] for accuracy.

Investigation on 04/01/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 07/01/2014 b6 b7C

by [redacted]

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FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 07/04/2014

Title: (U) News article on the Internet

Approved By: A/SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) In Depth news article from the Internet

♦♦

UNCLASSIFIED

Stipend scandal erupts in St. Joseph, Missouri

From Ballotpedia

June 30, 2014 *Sam Zeff*

When Chris Danford walked into the gym at Bishop LaBlonde High School in St. Joseph, Missouri for a January game against Chillicothe, she thought it was going to be just another night watching basketball. It wasn't. What she gleaned that night as she waited in line to buy snacks would spark a whistle-blower lawsuit, an audit by Missouri state officials and a criminal investigation by the FBI.

"I thought it was a little problem but it turns out it's like an iceberg," says Danford now, five months after a chance encounter that would plunge the 16th-largest school district in Missouri into crisis and change the way she views public education. "It just keeps going, and going, and going. And it's discouraging."

Danford had been on the St. Joseph Board of Education for about 18 months, after a 25-year career as a teacher and counselor in the district, when she heard from a parent at the basketball game that the district was handing out $5,000 bonuses.

This was a district that had just cut $3 million from the budget.

Danford couldn't believe the information she'd just heard was correct.

It turns out the district, at the direction of a new school superintendent, secretly doled out $270,000 to 54 administrators, from associate superintendents down to assistant building principals.

Not only did Superintendent Fred Czerwonka hand out the bonuses, he did so without approval from the Board of Education. This not only violates board policy, Danford says, but might violate Missouri and federal laws.

Since April 10, 2014, the Missouri State Auditor has had a five-person team embedded in the district's headquarters in downtown St. Joseph. Spokesperson Spence Jackson says the team is conducting both a performance audit and a forensic audit and will be there through the early fall.

The U.S. Department of Education is said to be doing its own investigation. Catherine Grant, a spokesperson for the Office of Inspector General, will neither confirm nor deny a probe.

And then there's the Federal Bureau of Investigation, which has already conducted dozens of interviews.

New superintendent nicknamed The Candy Man

St. Joseph is a city of around 80,000 people about 50 miles north of Kansas City. Hard up against the Missouri River, St. Joseph is best-known as the birthplace of the Pony Express and as the town where Jesse James was shot dead.

A once vibrant downtown is now pretty much deserted during the day except for people who have business at the county courthouse or state office building.

The St. Joseph School District has about 11,000 students and is the third-largest employer in the city. It has a reputation for below-average pay and, say those who've been associated with the district for many years, a rocky relationship with teachers.

Dr. Fred Czerwonka took over as superintendent last July. He came from a smaller school district near the Lake of the Ozarks in Southern Missouri where he had risen through the ranks to become superintendent.

Just weeks into his tenure, Czerwonka, according to district officials, got a rebate from the district's insurance company.

Board policy dictates that that money be reported to the board and then deposited. However, according to Danford and others in the district, Czerwonka decided to divvy up the money among administrators.

St. Joseph Superintendent Fred Czerwonka, nicknamed "The Candy Man"

In certain circles around the district, Dr. Czerwonka was now nicknamed "The Candy Man."

But it was his decision not to inform the board about these $5,000 stipends, a decision he admitted to and apologized for in an open meeting, that led to the current investigations and a smoldering disdain among many of the district's teachers and patrons.

"It's not about educating students," says local NEA President Todd Brockett. "It's about bloating administrative salaries."

Brockett teaches middle school history and computer-aided design. He's taught in the St. Joseph School District for 23 years and, like almost everyone connected to this story, is a native who loves his hometown.

Czerwonka is a seasoned school administrator. So why would he do something that clearly violated board policy?

"I think he was buying loyalty," says Danford. "What's a quick way to come into a town where you know nothing, you know no one? People have been in their jobs forever. In fact, some of the people downtown applied for that job. What's the quickest way that you can make everyone happy? Give them more money."

All of this came to light at a Board of Education meeting in March.

A month later, Czerwonka justified it at another board meeting. He admitted he created a "massive mess."
But in a passionate speech during that April board meeting, he argued administrative salaries were low, top administrators were departing and morale was bad.
The district wouldn't make anyone available for an interview, saying administrators were busy doing job interviews and fulfilling document requests for a lawsuit, the State Auditor and the U.S. Attorney.
Czerwonka did issue a statement. "Stipends are given for extra work or duty performed outside the normal work day. Extra work and responsibility were required to be performed, therefore the stipend amount was increased accordingly."

St. Joseph School District headquarters

More stipends come to light

The $5,000 Candy Man stipends, it turns out, brought to light a raft of other stipends the board neither approved nor even knew about.
"You have a system of bloated bureaucracy," says Brockett. "Stipends have become a method to increase salaries."
The top of the salary scale for St. Joseph administrators is $97,700. Administrators are eligible to receive additional stipends for longevity, credits toward graduate degrees and National Board Certification, which results in many of the administrators making around $100,000 per year.
With a median income of $42,248 (below the state average) and a poverty rate of 18.4 percent (above the state average), this made administrators in the St. Joseph School District among the most well-off in the community.
In fact, the district reported administrator salaries to the *St. Joseph News-Press* that were thousands of dollars less than these administrators were actually making.
The board and the public discovered there were lots of extra ways administrators got stipends. They were paid thousands extra for night duty and local travel. If you were on something called the Superintendent's Council, you got an extra $9,000 per year. There was a different group called the Superintendent's Cabinet where members received an extra $2,800 per year. Associate superintendents got an extra 15 percent of their salary.

There was even a stipend simply labeled "additional" that added thousands of dollars per year to some administrators' salaries.
There were also stipends for teachers and other staff whom the board had not approved. Extra money was given for cell phone reimbursements, on-call maintenance and an ROTC coordinator.
And none of this was known to the board or public until The Candy Man stipends were revealed.
"What I didn't know was that there's been this process of essentially hiding lots of compensation of administrators from the board for decades," says former district Chief Financial Officer Beau Musser, who is now suing the district for wrongful termination, retaliation against a whistle-blower, slander and breach of contract.

Former St. Joseph CFO Beau Musser

School board CFO finds problems

Musser is 35 years old. He graduated from Benton High School in South St. Joseph and left the private sector to work in education.
"The day I got this job it was arguably, it was the best day of my life," says Musser while sitting in his Kansas City lawyer's conference room, giving Ballotpedia his first interview to a reporter since the scandal broke back in March.
Musser was the CFO at a heavy construction company when the school district job opened up. While he didn't take a pay cut, he says, leaving the private sector certainly limited his future earnings.
"It really was an opportunity to really make a difference," he says.
But it didn't take long for Musser to find problems, serious problems.
According to the lawsuit, Musser uncovered irregularities on his second day at work.
He discovered the district couldn't account for 4,000 gallons of fuel. That Dr. Czerwonka hired two consultants for a total of $189,000 without getting board approval. And that multiple vehicles and a spa was purchased by a high school without bids and without board approval. All of this violates district policy.
In its response to the lawsuit, the district denied all of these allegations.

Musser says he took his concerns to other administrators but they were ignored.
But what happened in early July, he says, really floored him.
That's when the district's director of human resources, Doug Flowers, walked into his office with a list of people who were to get the now infamous $5,000 Candy Man stipends. Musser's name was on the list.
"I was surprised by it because we didn't have board approval for it. The director of HR said that the superintendent had it within his authority to do these pay raises," Musser says. "They tried to keep this as secret as possible."
The secret would hold for several more months. But when it finally broke, Musser would face something he never imagined.

St. Joseph HR Director Doug Flowers (left)
St. Joseph Board of Education member Dan Colgan (right)

Charges of nepotism

But there was another problem percolating. Relatives of top district officials had big jobs in the district and now they were up for promotions and, in some cases, $15,000 per year raises.
Superintendent Fred Czerwonka's wife, Wendy, was given the job of homeless coordinator when the couple moved to St. Joseph. That job, according to district insiders, was previously handled part-time by another district employee.
The wife of Human Resources Director Doug Flowers, Tammy, was the district's early childhood coordinator. While her job duties didn't change, her title is now technical director and with that she just got a $10,500 per year raise.
The Czerwonka family and the Flowers family together account for about half a million dollars per year in salaries from the St. Joseph School District.
"I was disgusted beyond measure by this," says the NEA's Brockett.
But the promotion that is, perhaps, the most troubling to many involves the son of the former school board president, Dr. Dan Colgan. Colgan is also a former superintendent and he still serves on the Board of Education.

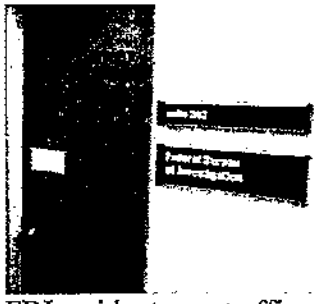
His son, Mark, was the supervisor of the district's warehouse. He was also just given the new title of technical director, which came with a $15,527 raise.
But what many can't figure out is why Mark Colgan doesn't actually work at the warehouse. His office is two and a half miles away.
The district says he works at a different location because that's where the people are with whom he interacts the most.
But there is an even more troubling allegation.
Multiple sources in the district say Dan Colgan would approve the Candy Man stipends when he was board president if, and only if, his son Mark was given a promotion and raise.
Reached by phone Dan Colgan said that is "false" and "absolutely ridiculous. There's a lot of foolish things out there."
Again, in a written statement, Czerwonka denied any nepotism.
"We do not discriminate based on an individual's name, last name, or who they are married to; we hire the best qualified candidate. The Board of Education hires and fires all employees. Board policy was followed accordingly. There are many spouses and relatives that work in the St. Joseph School District, one of the largest employers in the city."

CFO placed on leave; sues school board

All of this, the $5,000 Candy Man stipends, all of those other administrative stipends and the controversial promotions, came to a head at the March 24 Board of Education meeting.
Board member Chris Danford, to the surprise of the administration, told the whole story in public session.
She was angry. "It's not the board's money," says Danford. "It's taxpayers dollars. I don't represent the teachers. I don't represent the administrators. I represent the taxpayers."
As she was spilling the beans, Danford thought she was the only board member who knew about the Candy Man stipends.
But former CFO Musser says he was also fed up and worried that the stipends he paid out were illegal under Missouri law. So ethically, he says, he had to tell the chair of the board's audit committee.
The secret was now out.
For Musser, it was the beginning of the end of his short career with the St. Joseph School District.
Four days later, according to his lawsuit, Musser was called to the superintendent's office and accused of multiple allegations of sexual harassment. The lawsuit also claims that Dr. Czerwonka offered to "drop the allegations of sexual harassment in exchange for Mr. Musser's resignation."
Instead of resigning, Musser sued the school district.
While he remains on paid administrative leave, he says this whole thing has been brutal on his family.
His brother and sister-in-law are teachers in the district. The best man at his wedding, also a teacher, has stopped calling because he's afraid of losing his job, says Musser. "My best friend from kindergarten who's an eighth grade teacher, I haven't heard from him since this whole thing went down. Not one time."

This has also been an emotional ride for Danford. Many of the people at the center of this, she says, are people she's known for 25 years.
"I wasn't a big buck person," she says. "So, I don't know, maybe when you make that kind of money maybe it becomes all about that. I just don't know. A lot of them are mad at me because they think I'm the Candy Man murderer."

St. Joseph Board of Education member Chris Danford


FBI resident agent office in St. Joseph

More financial problems loom

So now the district is up to its ears in investigators. Probably the most troubling investigation is the one by the FBI. A grand jury sitting in Kansas City has also issued a subpoena for documents. As if a possible federal indictment, a probable scathing report from the State Auditor and defending the Musser lawsuit aren't enough problems for the district, it has a couple more. The *St. Joseph News-Press* reports that two local office furniture suppliers are concerned that bidding for furnishings at the two new public schools opening in August was structured to fit out-of-town firms. One firm that won a bid was Kansas City-based School Solutions Incorporated. Walt Hanabury, a former district elementary principal, is an SSI sales representative. Mr. Hanabury told the News-Press he had no inside leverage in the bidding process.

One more looming problem for the St. Joseph School District: Its property tax levy sunsets next year unless voters renew it. St. Joseph school officials were hoping to increase the levy to raise more money. However, voters could reject it and, in fact, there's a chance the property tax rate could drop, leaving the district with less funding.

"The rage is palpable in the community and they're not going to pass this levy with the current administration," says Brockett.

Danford says this is a total collapse of district leadership. "I've been in conferences as a school counselor where we reamed kids, where we expelled kids from school for less. We have higher expectations of our students than we do for our leadership. That drives me crazy."

Journalist Sam Zeff

Sam Zeff is a freelance journalist in Kansas City, Missouri. He's won a National News Emmy for investigative reporting, four National Headliner Awards and four Edward R. Murrow awards. Zeff has managed newsrooms in Minneapolis, St. Louis and Kansas City. He was educated at the University of Kansas.

FD-302 (Rev. 5-8-10)

OFFICIAL RECORD

UNCLASSIFIED//~~FOUO~~

FEDERAL BUREAU OF INVESTIGATION

Date of entry 07/04/2014

(U//~~FOUO~~) The following investigation was conducted by Staff Operations Specialist [redacted] on June 18, 2014, in [redacted], MO: b6 b7C

[redacted]

UNCLASSIFIED//~~FOUO~~

Investigation on 06/18/2014 at [redacted], MO, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 06/23/2014

by [redacted] b6 b7C

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FD-1057 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U//FOUO) SERVICE OF SUBPOENA **Date:** 07/08/2014

CC: [redacted]
KC-14 (OST)
[redacted]

b6
b7C

From: KANSAS CITY
KC-20
Contact: [redacted]

Approved By: SIA [redacted]
SSRA

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U//~~FOUO~~) Subpoena served on [redacted]

b3

Full Investigation Initiated: 04/08/2014

Enclosure(s): Enclosed are the following items:
1. (U//~~FOUO~~) Subpoena KC-2014R00406-06

Details:

(U//~~FOUO~~) On 07/07/2014, Staff Operations Specialist [redacted]

b6
b7C

served United States District Court, Western District of Missouri,

UNCLASSIFIED//~~FOUO~~

Title: (U//~~FOUO~~) SERVICE OF SUBPOENA
Re: 194B-KC-4719955, 07/08/2014

subpoena KC-2014R00406-06, on [redacted] was specifically advised if he had any questions to contact Case Agent [redacted] was further provided contact information for SOS [redacted] in the event [redacted]

b3
b6
b7C

(U//~~FOUO~~) On 07/07/2014, the original subpoena, marked with service information, was returned to the St. Joseph Resident Agency for return to the Grand Jury.

(U//~~FOUO~~) Attached is a service copy of subpoena KC-2014R00406-06.

♦♦

FD-1036 (Rev. 10-16-2009)

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OFFICIAL RECORD
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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 07/31/2014

Title: (U) News article SJNP 7/31/2014

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) News article from page B1 of the St. Joseph News Press on 7/31/2014 about people hiring criminal defense attorneys at the SJSD.

Enclosure(s): Enclosed are the following items:
1. (U) page 2

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UNCLASSIFIED

School officials mum on 'lawyering up'

CONTINUED FROM Page B1

dollars with state and local revenue in the last five internal audits and that school Superintendent Dr. Fred Czerwonka had the authority to issue the $5,000 stipends paid to administrators.

The school district's trouble began in March when concerns were raised about unreported stipends being paid to administrators without board approval.

Mr. Musser was placed on paid administrative leave shortly thereafter and subsequently filed a lawsuit against the district.

An FBI investigation began following the series of events and the school district has received two subpoenas from a federal grand jury. A state audit is also being currently conducted on district finances.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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St. Joseph News-Press

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(Mornings, 5 p.m. a
FOX 2

Officials mum on 'lawyering up'

Websites claim that some school officials have hired their own attorneys

By ALONZO WESTON
St. Joseph News-Press

Reports that some St. Joseph school district administrators or board members are "lawyering up" can't be confirmed.

Information on some social media sites claim that former school board president Dan Colgan has hired Brian Gaddy, a criminal lawyer from Kansas City. It also was reported that someone outside the school district has hired attorney Todd Graves in regard to the ongoing FBI investigation at the school district.

The information could not be confirmed after phone calls to both attorneys.

Burton Taylor, spokesperson for Mr Graves' office, said they could not confirm or deny the information.

"We have no comment," he said.

Mr. Gaddy's office did not return calls.

When asked if he hired an attorney, Dr. Colgan said he would not respond to any comments or statements posted on social media. He said he would be happy to respond when the FBI investigation is completed.

"I don't know where you heard that, but I'm not responding to absolutely anything, because the school district is under litigation. It's very good to stay in touch with social media. They have lots of good information I'm sure, but again, I'm not going to get involved in that nonsense that's being discussed," Dr. Colgan said.

Thomas Mickes, of Mickes Goldman O'Toole LLC, said he is representing the district in a personnel lawsuit. He said he was unaware of anyone hiring additional legal advice.

Mr. Mickes said his firm is only representing the district in a lawsuit filed by former district chief financial officer Beau Musser over claims of wrongful termination.

"That's not the scope of our services. If they've done that, I wouldn't necessarily know that nor would it be inappropriate," Mr. Mickes said.

However, in May Mr. Mickes gave a review of the FBI investigation and the state audit to members of the board. In that report, Mr. Mickes said there was no co-mingling of federal education

Please see SCHOOL/Page B2

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FD-1036 (Rev. 10-16-2009)

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UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 08/08/2014

Title: (U) News Article - MICKES RESIGNS

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) News article from 8/7/2014 - Attorney Mickes resigned from defending SJSD

♦♦

Mickes withdraws as school district attorney

St. Joseph News-Press | Posted: Thursday, August 7, 2014 8:09 am

The law firm hired by the St. Joseph School District is withdrawing its services, citing a potential conflict of interest.

The move was announced in a St. Joseph School District news release Wednesday afternoon.

After the FBI began investigating allegations of financial improprieties and nepotism in April, the district announced that it had retained St. Louis-based Mickes, Goldman, O'Toole, LLC in general and attorney Thomas Mickes in particular.

The district's other attorney, Stephen Briggs, was also retained. Administrators said at the time that it isn't unusual for a school district to seek "specialized" counsel.

Then, former CFO Beau Musser filed a wrongful termination lawsuit.

Mr. Musser's lawsuit, filed in April, contended he discovered certain financial irregularities in district spending, which included paying stipends to administrators without board approval and hiring high-priced consultants, again without board approval.

After attempts to inform superintendent Dr. Fred Czerwonka, human resources director Doug Flowers and some board members, Mr. Musser said he was wrongfully accused of sexual harassment and placed on administrative leave. The district has not renewed his contract for the 2014-15 year.

That suit specifically named Dr. Czerwonka, Mr. Flowers and school board member Dennis Snethen in that suit.

In June, Mr. Mickes filed a response on behalf of the school district, maintaining that Mr. Musser's lawsuit had no merit and the district would make a motion to dismiss it.

Wednesday's news release said the district will seek new counsel in the matter. There is no word yet on whether the change of counsel will delay the suit.

FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: INTELNOTE **Date:** 08/12/2014

Title: (U/~~FOUO~~) ST. JOSEPH SCHOOL DISTRICT

Approved By: SSRA [redacted]
CDC [redacted]
SIA

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER
SENSITIVE INVESTIGATIVE MATTER
[redacted]

b7A
b7E

Synopsis: (U//~~FOUO~~) To document the production of an Intelligence Note on the captioned matter.

♦♦

FD-1036 (Rev. 10-16-2009)

OFFICIAL RECORD
Document particulars have digitally signed. All signatures have been verified by a certified FBI information system.

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 08/15/2014

Title: (U) [redacted] b7D

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Source provided information concerning possible public corruption.

♦♦

FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 08/15/2014

Title: (U) [redacted] b7D

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Reported on possible PC.

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UNCLASSIFIED

FD-1036 (Rev. 10-16-2009)

OFFICIAL RECORD

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 08/15/2014

Title: (U) [redacted] b7D

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Provided information regarding possible public corruption.

♦♦

FD-1036 (Rev. 10-16-2009)

OFFICIAL RECORD

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 08/15/2014

Title: (U) [redacted] b7D

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS reported on potential public corruption at SJSD.

♦♦

FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

OFFICIAL RECORD

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Meeting with AUSA Becker **Date:** 09/02/2014

CC:
KC-14 (OST)

b6
b7C

From: KANSAS CITY
KC-14
Contact:

Approved By: SSRA

Drafted By:

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Meeting with AUSA Becker

Full Investigation Initiated: 04/08/2014

Enclosure(s): Enclosed are the following items:
1. (U) Slide concerning investigative issues

Details:

On August 28, 2014, AUSA Paul Becker, WDM, traveled to the St. Joseph RA to meet with SA and SA concerning captioned matter.

b6
b7C

The attached powerpoint slide was utilized in a briefing of AUSA Becker as to the status of the investigation. AUSA Becker concurred

FD-1057 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) 8/25/2014 Board of Education Meeting **Date:** 09/02/2014

CC:

KC-14 (OST)

b6
b7C

From: KANSAS CITY
KC-14
Contact:

Approved By: SSRA

Drafted By:

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) 8/25/2014 Board of Education Meeting

Full Investigation Initiated: 04/08/2014

Details:

On 8/25/2014, Special Agents (SA) and attended the monthly public meeting of the St. Joseph School District (SJSD) Board of Education.

b6
b7C

This meeting included the passage of the annual school levy assessment by the Board.

It was noted that the Insurance carrier renewal rate was presented to the Board by . The increase in rate was approved but

Title: (U) 8/25/2014 Board of Education Meeting
Re: 194B-KC-4719955, 09/02/2014

during the discussion the annual insurance rebate was discussed and [redacted] disclosed that the rebates ranged annually from $200,000 to $500,000 for the SJSD. b6 b7C

At the conclusion of this public meeting, the Board adjourned into Executive Sessions which is not open to the public.

♦♦

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) 9/8/2014 Board of Education Meeting **Date:** 09/15/2014

CC: [redacted]
KC-14 (OST)

From: KANSAS CITY
KC-14
Contact: [redacted]

b6
b7C

Approved By: SSRA [redacted]

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) 9/8/2014 Board of Education Meeting

Full Investigation Initiated: 04/08/2014

Details:

On 9/8/2014, Special Agents (SA) [redacted] and [redacted] attended the monthly public meeting of the St. Joseph School District (SJSD) Board of Education.

b6
b7C

[redacted] was present on an unrelated school matter and did address the Board about that unrelated matter.

At the conclusion of this public meeting, the Board adjourned into

Title: (U) 9/8/2014 Board of Education Meeting
Re: 194B-KC-4719955, 09/15/2014

Executive Sessions which is not open to the public.

♦♦

FD-1036 (Rev. 10-16-2009)

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OFFICIAL RECORD

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 09/15/2014

Title: (U) St Joe Post article on Musser

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joe Post article on Musser from 9-15-2014

♦♦

St. Joe Post September 15, 2014

SJSD Reconciling With Fired CFO?

It's News To Beau Musser!

Posted 59 mins ago

By John P Tretbar

Beau Musser

The St Joseph News Press published a column on Monday indicating that Beau Musser, the Chief Financial Officer who was placed on leave by the St Joseph School District, will be restored to his job.
If true, it's news to Musser.

Mr Musser was placed on leave when he unearthed hundreds of thousands of dollars worth of administrative stipends and payments to consultants that had not been approved by the Board of Education. Some of those expenditures were approved after the fact by the board.

When he reported the stipends to a pair of school board members, Musser says the district retaliated. He was accused of sexual harassment and creating a hostile work environment and then placed on administrative leave.

Musser filed a wrongful termination lawsuit against the district, Superintendent Dr. Fred Czerwonka, Human Resources Director Doug Flowers, and board member Dennis Snethen. The lawyer handpicked to defend the lawsuit recently withdrew from the case, citing a conflict of interests.

Off the record sources confirm the board voted last week to reinstate Musser, but so far there has been no public acknowledgement of the secret vote, which would appear to be a violation of Missouri's Sunshine Law.

In his lawsuit, Musser demands that he be given his job back. He says he would still like to return to work for the St Joseph School District. He has not been contacted by the board or the district.

"I'd still like to return to work for the district," Musser says in an interview, "but no one from the district has contacted me."

St Joseph News Press columnist writes in Monday's edition that the first step in the settlement of Musser's lawsuit "...would be to reverse the wrongful termination and give Mr. Musser his job back."

There is lingering doubt in the minds of many people we contacted about whether that's even possible, given the bad blood generated by the termination and the lawsuit. Musser would not comment on that aspect of his relationship with the district, but insisted that he'd like to return to work there.

FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 09/15/2014

Title: (U) St Joe News Press Editorial

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St Joseph News Press Editorial on 9-15-2014

♦♦

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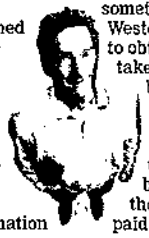
The improbable appears to be imminent



Common Thoughts, Common Sense
by Steve Booher

The improbable appears about to happen. It's looking like former St. Joseph School District Chief Financial Officer Beau Musser will be restored to his job.

During the past week, unnamed sources have indicated that the school board, during a closed session last Monday evening, voted unanimously to return Mr. Musser to his post. The vote was actually 6-0; Martin Rucker did not attend the meeting.

During the week, the *News-Press* tried to verify this information but to no avail.

I guess when you're dealing with an FBI probe, grand jury investigation and state audit, a little thing like the Missouri Sunshine Law seems insignificant. Public trust and transparency seems to take a backseat to keeping things contained.

According to the Sunshine Law, any votes taken during a closed meeting must be made public within 72 hours. That should have made this vote public sometime Thursday. Reporter Alonzo Weston filed an open records request to obtain the results of any votes taken during that meeting but has been met with resistance and obfuscation.

If you remember, Mr. Musser was placed on paid administrative leave last spring after he blew the whistle on hundreds of thousands of dollars in stipends paid to administrators without board approval and the district hiring high-priced consultants, again without board approval.

A few days after the stipends came to light, Mr. Musser was accused of sexual harassment by Superintendent Dr. Fred Czerwonka and human resources director Doug Flowers and escorted from his office.

A few weeks later, Mr. Musser filed a wrongful termination suit against the school district.

I'm told the trigger that sent the school board down the reconciliation path was a report by an outside law firm that the school district hired to investigate the charges against Mr. Musser, which began as sexual harassment then softened into creating a hostile work environment.

The public paid $11,000 for this investigation and, to date, no findings have been released. Of course, it's possible there is nothing to report. And, if there's nothing to report, Mr. Musser's lawsuit looks pretty strong and the school district's insurance carrier would be well advised to settle quietly and stay out of court.

The first step in this settlement would be to reverse the wrongful termination and give Mr. Musser his job back.

But it probably isn't that easy. Details would need to be worked out.

For instance, could Mr. Musser really return to his office and work alongside Dr. Czerwonka and Mr. Flowers? That situation might actually meet the legal definition of a hostile work environment.

And don't forget that Mr. Musser's lawsuit did name board member Dennis Snethen. And there's probably at least one other board member who wouldn't welcome Mr. Musser's return.

I guess the important thing here is that now people can believe that Mr. Musser really didn't harass anybody or create a hostile work environment. His name and reputation have been effectively cleared.

It's a start.

Of course, it does beg the question: How does the board feel about administrators who would do such a thing?

Stay tuned, I guess.

Steve Booher can be reached at steve.booher@newspressnow.com.

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FD-302 (Rev. 5-8-10)

OFFICIAL RECORD

FEDERAL BUREAU OF INVESTIGATION

Date of entry 09/18/2014

[redacted] voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. Also present was [redacted]. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 08/22/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 08/25/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 09/18/2014

[redacted] voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. Also present during the interview was [redacted]. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 09/05/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 09/08/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 09/18/2014

[redacted], voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7C
b7D

[redacted]

Investigation on 06/26/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 06/30/2014

by [redacted]

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 09/22/2014

[redacted] telephonically contacted the interviewing agent and provided the following information: b6 b7C

[redacted]

Investigation on 09/08/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 09/08/2014

by [redacted] b6 b7C

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FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 09/22/2014

Title: (U) St Joe Post News article - Musser gets Award

Approved By: SSRA [redacted]

Drafted By: [redacted] b6 b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St Joe Post News article - Musser gets Award

♦♦

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St. Joe Post (KQ2 TV)

SJSD's Embattled Beau Musser Speaks Out About Time Since Suspension

Alan Van Zandt

09/18/2014 10:48 PM
09/18/2014 11:24 PM

The Chief Financial Officer's actions as a whistle blower against the St. Joseph School District last spring led to an FBI investigation and state audit. He spoke to KQ2 Thursday evening about the last six months.
(ST. JOSEPH, Mo.) Speaking to a group of teachers Thursday, St. Joseph School District Chief Financial Officer says it's been a difficult last six months.

"There's those in life who do what they want, those in life who do what they're told, Musser told a local group of NEA membership. "I do take pride in doing what's right."
Musser was at an NEA social function to accept the **NEA Integrity and Courage Award**.
"For the sake of the taxpayer, for the sake of teachers, for the sake of students, we felt it was a good move to make to give Beau this award tonight," said Todd Brockett, St. Joseph NEA President.
Speaking exclusively to KQTV, Musser said he's buoyed by the support he's received throughout the community since raising red flags about school district spending and hiring practices.

"To have the NEA, a wonderful, national organization give me that award, it's great," he said.
Musser has been on paid administrative leave since March, though the school district never officially said why.
Musser later sued the district, claiming administrators trumped up sexual harassment charges against him. The lawsuit says the allegations were made up as retribution for Musser speaking out over what he found through audits of district books after being hired last year.
Musser's discovery led to an FBI investigation and a state audit, both of which are ongoing.
"As I've gone out in the community, I've noticed a huge groundswell, an enormous groundswell of support for Beau," said Brockett.
Musser wouldn't comment on the lawsuit or rumors that the Board of Education is about to reinstate him to his job.
However, if the NEA had any say in the matter, they know what should be done.
"We want to see him sit as CFO for the sake of the taxpayers. Evidently, he stood up for what was right," Brockett said.

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FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 09/23/2014

Title: (U) SJNP Sunday front page article about MUSSER

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press front page article from Sunday 9/21/2014 about Beau Musser

Enclosure(s): Enclosed are the following items:
1. (U) Page 2 of article

♦♦

Sunday, September 21, 2014

School official may be back on the job

CONTINUED FROM Page A1

Sunshine Law open records request just said members approved the executive session minutes of five closed meetings between June 9 and Aug. 25. The letter further stated that any additional documentation was a closed record.

Board members Dan Colgan, Kappy Hodges, Brad Haggard and Chris Danford responded to e-mails requesting verification. Board members Martin Rucker, Dennis Snethen and Lori Prussman did not respond to requests.

Those who responded shared concerns about legal and board policy issues.

Mr. Musser was placed on paid administrative leave March 26 after revealing that hundreds of thousands of dollars in stipends were paid to administrators without board approval. A few days later, Mr. Musser was accused of sexual harassment by Superintendent Dr. Fred Czerwonka and human resources director Doug Flowers and put on administrative leave. He currently has a wrongful termination suit pending against the school district.

Mr. Haggard, board president, said Mr. Musser's attorneys had been informed of their client's employment status with the district. He said the board was not in a position to discuss personnel decisions involving a current employee of the district.

"Mr. Musser is an employee of the district. The fact that Mr. Musser has pursued litigation against the district does not absolve us of our obligation to treat information about his employment as confidential," Mr. Haggard said.

He added that any inquiries regarding Mr. Musser's employment status should be directed to Mr. Musser.

"As he is free to discuss his employment with the media if he so chooses," Mr. Haggard said. "If Mr. Musser does not share such information, it is our expectation that he intends for such information to remain confidential."

Mr. Musser confirmed that his attorney had been contacted by the district. He said the board did vote to reinstate him to his post.

"I think now they're trying to figure out when exactly I'm going to come back," Mr. Musser said. "My name has been slandered, my name has been defamed for the last six months, there's been an all out character assassination against me, but I'm still standing with my head held high."

According to the Sunshine Law, any votes taken during a closed meeting must be made public within 72 hours. As a result of the delay, the board may be in violation said Jean Maneke, an attorney who represents newspapers on Sunshine Law matters.

"Only a judge can say that," she said. "I would have some concerns about the position the school district is taking on this."

Ms. Maneke said any time a school district takes a vote on employment issues the Sunshine Law is clear that that vote and the motion on which it was made has to be made available to the public. The board also has the obligation to show how members voted on the matter.

Even if there is a violation of Sunshine Law, there is no clear way to enforce a violation.

"That's part of the problem with the Sunshine Law. Until somebody files a lawsuit, there is no teeth in the law," Ms. Maneke said. "There is no way to force the public body to do what they are required by law to do. I think it would be a good idea for the public body to take a real hard look at that case law."

Board member Ms. Danford admitted there was a vote taken in closed session on Sept. 8. Ms. Danford said she was concerned about being in violation of the Sunshine Law by keeping the vote from the public.

"I'm surprised — no, perplexed — as to why when we have this opportunity to be transparent that we don't use it," she said.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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losed wind farm site will change

aced criticism from Missouri artment of Conservation

LAYTON
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r has announced the location of osed to be Mis- wind farm after nning because it y feasible.

Scott Zeimetz, project manager for the developer, said they had planned to build between 84 and 118 wind turbines in Holt County that would produce 200 megawatts of electricity.

The company also had leased 30,000 acres of private land between Squaw Creek National Wildlife Refuge and seven conservation areas for the project since 2010.

However, the proposed location of the wind farm faced criticism by the Missouri Department of Conservation and birding groups due to concerns the project could impact birds and bats in the area.

Holt County commissioner Mark Sitherwood stated he has been contacted by Element and that the project had recently been canceled. Landowners also received a written 30-day notice of a lease termination that stated Element would be moving the project to another location.

In the letter, Element stated certain measures could have been taken to minimize impacts to wildlife, such as shutting down operation during heavy migration periods or incorporating monitors on site that would shut down turbines if certain species flew near.

Please see WIND/Page A5

Beau Musser

School official may be back on job

By ALONZO WESTON
St. Joseph News-Press

No one knows, not even Beau.

A school district official who was placed on administrative leave a few months ago could soon return to his job, but no one will verify when or if St. Joseph School District chief financial officer Beau Musser will be reinstated in his position.

During a closed session Sept. 8, St. Joseph school board members voted unanimously to return Mr. Musser to his position, sources with the school district and outside have told the *News-Press*. The vote was 6-0, with board member Martin Rucker not present, the sources said.

The board's written response to a Missouri

Please see SCHOOL/Page A5

guson highlights ness of court fees

l collects about llion annually

IAKER
s

versations of race and po- have emerged from recent ison, Mo., another on the s and fees issued by courts vel is beginning to take

ek, Missouri Auditor Tom nced plans to investigate municipal courts to see ave improperly used the city revenue.

city of St. Joseph collected on between the fines and t fees. Nearly half that fig- o of municipal fines, which city's general fund, while s are earmarked for uses Officer's Training Fund or violence shelter.

anticipate an increase of t in revenue by year end,

Moving violation fines to increase Nov. 1

By KIM NORVELL
St. Joseph News-Press

In a little over a month, those who commit moving violations in St. Joseph will be charged a higher fee.

Municipal Judge John Boeh has elected to raise the fine by $25, effective Nov. 1. Fines will go from $53.50 to $78.50.

The judge said these particular fines have not been changed since he took office in 2001.

insidetoday

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 10/03/2014

Title: (U) St Joesph News article from 9-30-2014

Approved By: SSRA [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St Joesph News article from 9-30-2014 concerning Sunshine Law request

Enclosure(s): Enclosed are the following items:
1. (U) Page 2 of article

♦♦

UNCLASSIFIED

News-Press

Tuesday, September 30, 2014

School district keeps records sealed

CONTINUED FROM Page B1

financial officer who was placed on paid administrative leave March 26 after questioning hundreds of thousands of dollars in stipends that were paid to administrators without board approval. A few days later, Mr. Musser was accused of sexual harassment by Superintendent Dr. Fred Czerwonka and human resources director Doug Flowers and put on leave. He currently has a wrongful termination suit pending against the school district.

Sources, including some with the school district, have told the *News-Press* that during a closed session Sept. 8, school board members voted unanimously to return Mr. Musser to his position. The vote was 6-0, with board member Martin Rucker not present, the sources said.

According to the Sunshine Law, any votes taken during a closed meeting must be made public within 72 hours.

The most recent Missouri Sunshine request was made at 8:28 a.m. Wednesday, Sept 24. When a *St. Joseph News-Press* reporter went to hand deliver the request to Debbie Consolver, custodian of records, an office receptionist said Ms. Consolver was in a meeting. However, upon leaving the district offices, the reporter hand delivered the request to Ms. Consolver after seeing her leave her vehicle and head in to work.

The 72 hours were up at 8:28 a.m. Monday, but the *News-Press* did not receive the response until 4:18 p.m. Monday.

Jean Maneke, a Sunshine Law attorney, said the the requested information needs to be made available as soon as possible.

"The law does say they must make a response no later than the end of the third business day after the day they received the request, but it also says 'shall make it available as soon as possible,'" she said.

Board member Chris Danford recently made a Sunshine request to the district requesting information on seven different items. Ms. Danford was charged $146 for the request.

"The school district has instructed me to advise you that you will be charged for this request," Mr. Briggs said in an e-mail response to Ms. Danford.

Ms. Danford said she is unaware of any board member ever being billed for a Sunshine Law request.

"It's not that I mind the payment there; it's inconsistent policy and it kind of seems retaliatory," she said.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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School district keeps records sealed

By ALONZO WESTON
St. Joseph News-Press

The St. Joseph School District has declined to deliver records in response to a Missouri Sunshine Law request regarding the minutes of five closed meetings held in recent months.

A previous response to an open records request said the Board of Education unanimously approved the minutes of five meetings dating back to June 9. The most recent request sought minutes of those meetings.

School board attorney Stephen Briggs responded with a written response that stated: "The School District considers the records you have requested to be closed pursuant to Sections 610.02(1), (13) RSMo. Therefore the School District does not have any documents responsive to your request."

Those sections refer to legal action and identifiable personnel records.

Sources said those meetings involved the employment status of Beau Musser, the district chief

Please see SCHOOL/Page B2

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FD-1036 (Rev. 10-16-2009)

OFFICIAL RECORD

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 10/03/2014

Title: (U) St Joseph News Press article from 10-1-14 (Wendy Czerwonka)

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix, St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St Joseph News Press article from 10-1-14 about Wendy Czerwonka

Enclosure(s): Enclosed are the following items:
1. (U) page 2 of article

♦♦

Grant to support homeless students

CONTINUED FROM Page A1

The federal grant is for any district that has a minimum of 350 homeless students

"It's a competitive grant, not everybody gets it, but we have received it every year for the last 12 to years, it was only one year we didn't receive it," said Jean West, school district homeless social worker and trauma consultant.

Wendy Czerwonka, McKinney-Vento homeless coordinator for the district, said district officials were notified of the grant in July. This also is the first year that the grant becomes a two-year grant. The district will receive $150,000 for each of the two years of the grant.

"That's the maximum a grant can be and there's about eight to 10 school districts in the state that get the grant," Mrs. Czerwonka said. "If the feds fund it we are guaranteed to get it."

The McKinney-Vento application includes six objectives:

- Raise awareness and knowledge of McKinney-Vento and services provided by the district's Homeless Program, including training for school administration and different groups within the school and in the community.
- Close the achievement gap between homeless students and non-homeless students in reading and math.
- Increase average daily attendance, provide school supplies, basic clothing, basic essentials and reading for pleasure books as well as provide academic fees, test fees and study supplies.
- Help families understand their McKinney-Vento rights and develop skills to support their children's education.
- Increase social, emotional, mental and physical well-being of homeless children and youth.
- Increase capacity, communication and networking through expansion of the McKinney-Vento program through community collaboration.

The McKinney-Vento Act defines homeless children and youth as those who "lack a fixed, regular, and adequate nighttime residence."

According to numbers released by the Department of Education, a record number of homeless students were enrolled in U.S. public schools last year. Mrs. Czerwonka said the district expect to see an increase in its student homeless population.

"We served 626 students last year, by this trend it looks like we will serve 100 more students this year than we did last year," she said.

Mrs. Czerwonka said she also makes it a priority to spend the money for clothing, shoes and supplies in St. Joseph.

"I haven't spent any money out of St. Joseph yet," she said.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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Grant to support homeless students

By ALONZO WESTON
St. Joseph News-Press

Youthful volunteers were busy stocking shelves with shoes, school supplies and other items Tuesday at the St. Joseph School District warehouse. The items were purchased from a grant the school district received to help its homeless student population.

Part of the $150,000 McKinney-Vento Grant the district received for the 2014-2015 school year goes toward serving its more than 620 homeless students.

Please see GRANT/Page A5

Jessica Stewart | St. Joseph News-Press

Faith Scheerer, 10, left, and Layla Scheerer, 8, volunteer Tuesday morning at the St. Joseph School District Homeless Program. The sisters, who are home-schooled, along with other family members sorted items like clothing, shoes and school supplies. The program recently received the McKinney Vento Grant.

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FD-302 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 10/06/2014

[redacted] voluntarily appeared at the Law Enforcement Center, 501 Faraon Street, St. Joseph, Missouri, 64501. Also present during the interview was St. Joseph Police Detective Captain [redacted]. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information: b6 b7C b7D

[redacted]

Investigation on 07/09/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 07/10/2014

by [redacted] b6 b7C

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Date of entry 10/06/2014

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[redacted]

Investigation on 10/03/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 10/03/2014 b6 b7C

by [redacted]

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Date of entry 10/08/2014

[redacted] was contacted at [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information: b6 b7C

[redacted]

Investigation on 10/06/2014 at [redacted] Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 10/07/2014 b6 b7C

by [redacted]

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Date of entry 10/09/2014

[redacted] (Protect Identity), [redacted]

[redacted] voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information:

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b7D

[redacted]

Investigation on 10/07/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 10/07/2014

by [redacted]

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Date of entry 10/10/2014

[redacted] (Protect Identity), [redacted], voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information: b6 b7C b7D

[redacted]

Investigation on 10/08/2014 at St. Joseph, Missouri, United States (In Person)

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Date of entry 10/14/2014

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[redacted]

Investigation on 10/09/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 10/10/2014

by [redacted] b6 b7C

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FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

OFFICIAL RECORD

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) 10/13/2014 Board of Education Meeting **Date:** 10/14/2014

CC:

KC-14 (OST)

b6
b7C

From: KANSAS CITY
KC-14
Contact:

Approved By: SSRA

Drafted By:

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) 10/13/2014 Board of Education Meeting

Full Investigation Initiated: 04/08/2014

Details:

On 10/13/2014, Special Agents (SA) and attended the monthly public meeting of the St. Joseph School District (SJSD) Board of Education.

b6
b7C

Board members notably heavily questioned the bid process concerning cleaning machines for the two new schools. Specifically they questioned why the bid package had been changed and re-bid after the first bids had already been opened. was questioned by the board

stating that he changed the bid to be more specific. HILLYARD was awarded the new bid and the change caused CLAYTON PAPER to forgo attempting to bid a second time. The Board did not approve this bid but rather tabled the matter for further discussion.

[redacted]

b6
b7C

At the conclusion of this public meeting, the Board adjourned into Executive Sessions which is not open to the public.

♦♦

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Date of entry 10/21/2014

[redacted], voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information:

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b7C
b7D

[redacted]

Investigation on 10/10/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 10/10/2014

by [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 10/21/2014

Title: (U) St. Joseph News Press Article article 10/17/2014 - STIPENDS

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press Article article 10/17/2014 concerning STIPENDS

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

♦♦

District denies report of insurance payout

CONTINUED FROM Page A1

Education meeting that board member Chris Danford pointed out the numbers on the 2014-2015 salary schedule included stipends that did not get board approval.

Mrs. Danford said Dr. Czerwonka gave all administrators, principals and assistant principals a $5,000 stipend at the beginning of the school year. The stipends totaled more than $250,000.

Mr. Flowers said the district was able to save about $900,000 in its overall budget from over-budgeting for insurance costs.

"We had budgeted as we always do, a certain percent for insurance," Mr. Flowers said. "Last year's renewal bid, we were very fortunate that we came in well under what we had budgeted and so there's opportunity at that point in time to reallocate those dollars to be used elsewhere."

Mr. Flowers said the extra duty pay came from the personnel expenses coming under budget.

"It's not accurate for people to say the district got back a check for $250,000 or $300,000 from the insurance company and the district and Dr. Czerwonka chopped that much up and gave it to administrators," he said. "That is not true, absolutely not true, because what happened was we were under budget and so we didn't have to spend out as much money as what we had budgeted for."

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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Details in *ST. JOE LIVE*

Joseph News-Press

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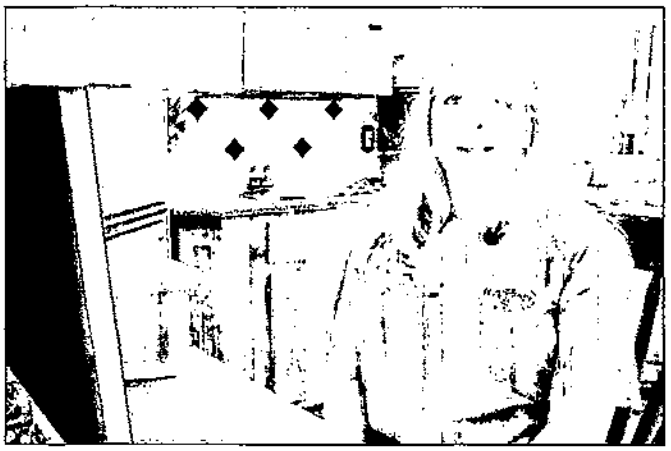

Meredith Albair | FOX 26 KNPN

Kansas City Royals fan Kappy Hodges has been looking for tickets for her husband and son for the 2014 World Series.

World Series tickets going for 'small fortune'

By MEREDITH ALBAIR
FOX26 KNPN

Some St. Joseph residents are now searching far and wide for that golden ticket, a chance to see a World Series game.

This is something that Royals fans haven't experienced in 29 years.

Kappy Hodges, a St. Joseph resident, has been on the hunt for two tickets for her 15-year-old son, Baker, and husband, Ted.

"My husband has wanted to take our son to the World Series and also the Super Bowl since he was so little, that you know, he wouldn't even know what was going on at the game," she said. "So he was waiting and waiting for the perfect time and here the Royals are going to the World Series. It's very exciting of course for everybody, but my husband just really wants to take our son and have that experience."

Please see WORLD/Page A3

District denies report of insurance payout

By ALONZO WESTON
St. Joseph News-Press

A district official is refuting a statement made on a media website that claimed the St. Joseph School District paid $270,000 in stipends to administrators from an insurance rebate.

Not true, said Doug Flowers, district human resources director.

"What they portrayed was the district last August or September received a check from the insurance company and we used that money for stipends; that is not accurate," Mr. Flowers said.

The rebuttal is in reference to a July *Ballotpedia.org* article saying Superintendent Dr. Fred Czerwonka used a $270,000 insurance rebate to give stipends to administrators without board approval.

The *St. Joseph News-Press* reported in March during a St. Joseph Board of

Please see DISTRICT/Page A3

Flood lawsuit continue to grow

236 additional claima join government challe

By MARSHALL WHITE
St. Joseph News-Press

More farmers, home owners and bu are joining a large lawsuit challenging ernment's Missouri River managemen es earlier in this century.

Wednesday, lawyers filed an amended in federal court adding 236 additiona ants, said Dan Boulware, the lead attor Boulware is a partner in the Polsinelli l

Lawyers are believed to be seeking an in excess of $250 million for the illegal t the claimants' property.

The complaint added claimants fror Dakota, two Native American tribes fi braska and lots of other parties, Mr. B said. And flooding continued in 2014

Please see FLOOI

MWSU STUDENTS TAKE BACK THE NIGHT

Details in MIDLAND

Jess
St. Josep

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Public Corruption Information Report **Date:** 10/28/2014

CC: [redacted]
D6-PCIU
D6-PCU
[redacted]

b6
b7C

From: KANSAS CITY
KC-14
Contact: [redacted]

Approved By: SSRA [redacted]
CDC STUART ROBERT L
SIA [redacted]
A/ASAC [redacted]

b6
b7C

Drafted By: [redacted]

Case ID #: [redacted]

b7A
b7E

194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U//~~FOUO~~) Use of St. Joseph School District credit card by [redacted]

b6
b7C
b7D
b7E

Reference: [redacted]

UNCLASSIFIED//~~FOUO~~

Title: (U) Public Corruption Information Report
Re: [redacted] 10/28/2014

b7A
b7E

Administrative Notes: (U/~~FOUO~~) This is a raw information report, not finally evaluated intelligence. It is being shared for informational purposes, but has not been fully evaluated, integrated with other information, interpreted, or analyzed.

Details:

[redacted]

b6
b7C
b7D

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Title: (U) Public Corruption Information Report
Re: [redacted], 10/28/2014 b7A b7E

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(U//~~FOUO~~) Government Level: Local

(U//~~FOUO~~) Government Branch: Executive

(U//~~FOUO~~) Selection Method: Appointed

(U//~~FOUO~~) Official's Title/Role: [redacted] b6 b7C

(U//~~FOUO~~) Collection Requirements: USA-PC-PO-CID-SR-0225-14.I.C.1a

(U//~~FOUO~~) [redacted] b7E

(U//~~FOUO~~)

(U//~~FOUO~~) Date of Information: [redacted]

(U//~~FOUO~~) Date of Acquisition: [redacted] b7D b7E

(U//~~FOUO~~) Information derived from: [redacted]

(U//~~FOUO~~) This information was reviewed and approved for dissemination by SA [redacted], SA [redacted], SSRA [redacted], Kansas City CDC, SIA [redacted], and ASAC [redacted]. b6 b7C

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Title: (U) Public Corruption Information Report
Re: [redacted] 10/28/2014

b7A
b7E

(U//~~FOUO~~) Motivation: [redacted]

(U//~~FOUO~~) Access to Source of Information: [redacted]

b7D
b7E

(U//~~FOUO~~) Timeliness to Source of Information: [redacted]

(U//~~FOUO~~) Corroboration of Information: [redacted]

(U//~~FOUO~~) History of association with the FBI: [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Public Corruption Information Report **Date:** 10/30/2014

CC:

b6
b7C

From: KANSAS CITY
KC-14
Contact:

Approved By: SSRA
CDC STUART ROBERT L
SIA
ASAC

b6
b7C

Drafted By:

Case ID #:

b7A
b7E

194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U//~~FOUO~~) St. Joseph School District employees work on

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b6
b7C
b7D
b7E

Reference:

Administrative Notes: (U//~~FOUO~~) This is a raw information report, not

Title: (U) Public Corruption Information Report
Re: [redacted] 10/30/2014

b7A
b7E

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Details:

[redacted]

b6
b7C
b7D

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Title: (U) Public Corruption Information Report
Re: [redacted], 10/30/2014 b7A b7E

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(U//~~FOUO~~) Government Level: Local

(U//~~FOUO~~) Government Branch: Executive

(U//~~FOUO~~) Selection Method: Appointed

(U//~~FOUO~~) Official's Title/Role: [redacted] b6 b7C

(U//~~FOUO~~) Collection Requirements: USA-PC-PO-CID-SR-0225-14.I.C.1a

(U//~~FOUO~~) [redacted] b7E

(U//~~FOUO~~)

(U//~~FOUO~~) Date of Information: [redacted] b7D b7E

(U//~~FOUO~~) Date of Acquisition: [redacted]

(U//~~FOUO~~) Information derived from: [redacted]

(U//~~FOUO~~) This information was reviewed and approved for dissemination by SA [redacted], SA [redacted], SSRA [redacted], Kansas City CDC, SIA [redacted], and ASAC [redacted] b6 b7C

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Title: (U) Public Corruption Information Report
Re: [redacted], 10/30/2014

b7A
b7E

(U//~~FOUO~~) Source Number: [redacted] Available for re-contact: [redacted]

(U//~~FOUO~~) Motivation: [redacted]

(U//~~FOUO~~) Access to Source of Information: [redacted]

b7D
b7E

(U//~~FOUO~~) Timeliness to Source of Information: [redacted]

(U//~~FOUO~~) Corroboration of Information: [redacted]

(U//~~FOUO~~) History of association with the FBI: [redacted]

♦♦

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Public Corruption Information Report **Date:** 10/30/2014

CC: [redacted] b6 b7C

From: KANSAS CITY
Contact: [redacted]

Approved By: SSRA [redacted] b6 b7C
CDC STUART ROBERT L
SIA
ASAC [redacted]

Drafted By: [redacted]

Case ID #: [redacted] b7A b7E

194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U//~~FOUO~~) St. Joseph School District employees work on [redacted] b6 b7C b7D b7E

Reference: [redacted]

Administrative Notes: (U//~~FOUO~~) This is a raw information report, not finally evaluated intelligence. It is being shared for informational purposes, but has not been fully evaluated, integrated with other

Title: (U) Public Corruption Information Report
Re: [redacted], 10/30/2014

b7A
b7E

information, interpreted, or analyzed.

Details:

[redacted]

b6
b7C
b7D

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(U//~~FOUO~~) Government Level: Local

(U//~~FOUO~~) Government Branch: Executive

UNCLASSIFIED//~~FOUO~~

Title: (U) Public Corruption Information Report
Re: [redacted], 10/30/2014 b7A b7E

(U//~~FOUO~~) Selection Method: Appointed

(U//~~FOUO~~) Official's Title/Role: [redacted] b6 b7C

(U//~~FOUO~~) Collection Requirements: USA-PC-PO-CID-SR-0225-14.I.C.1a

(U//~~FOUO~~) [redacted] b7E

(U//~~FOUO~~)

(U//~~FOUO~~) Date of Information: [redacted]

(U//~~FOUO~~) Date of Acquisition: [redacted] b7D b7E

(U//~~FOUO~~) Information derived from: [redacted]

(U//~~FOUO~~) This information was reviewed and approved for dissemination by SA [redacted], SA [redacted], SSRA [redacted], Kansas City CDC, SIA [redacted], and ASAC [redacted]. b6 b7C

---- SOURCE INFORMATION - PROTECT IDENTITY ----

(U//FOUO) This section contains sensitive source information that cannot be released in whole or in part to FBI personnel without a need-to-know or persons or agencies outside the FBI.

(U//~~FOUO~~) Source Number: [redacted] Available for re-contact: [redacted]

(U//~~FOUO~~) Motivation: [redacted]

(U//~~FOUO~~) Access to Source of Information: [redacted] b7D b7E

[redacted]

(U//~~FOUO~~) Timeliness to Source of Information: [redacted]

[redacted]

[redacted]

UNCLASSIFIED//~~FOUO~~

UNCLASSIFIED//~~FOUO~~

Title: (U) Public Corruption Information Report
Re: [redacted], 10/30/2014

b7A
b7E

(U//~~FOUO~~) Corroboration of Information: [redacted]

b7D
b7E

(U//~~FOUO~~) History of association with the FBI: [redacted]

♦♦

FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 11/10/2014

Title: (U) [redacted] b7D

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS advised that [redacted] b6 b7C b7D

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Import Form

Form Type: FD-1023 **Date:** 11/10/2014

Title: (U) [redacted] b7D

Approved By: [redacted]

Drafted By: [redacted] b6 b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS advised that [redacted] b6 b7C b7D

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 11/12/2014

Title: (U) [redacted] b7D

Approved By: [redacted]

Drafted By: [redacted] b6 b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS provided information on [redacted] b7D

[redacted]

♦♦

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Import Form

Form Type: FD-1023 **Date:** 11/12/2014

Title: (U) [redacted] b7D

Approved By: [redacted]

Drafted By: [redacted] b6 b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS provided information regarding [redacted] b6 b7C b7D

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Import Form

Form Type: FD-1023 **Date:** 11/12/2014

Title: (U) [redacted] b7D

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS provided information regarding [redacted] b7D

[redacted]

♦♦

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FD-1057 (Rev. 5-8-10)

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FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) 11/10/2014 Board of Education Meeting **Date:** 11/17/2014

CC:

KC-14 (OST)

b6
b7C

From: KANSAS CITY
KC-14
Contact:

Approved By: SSRA

Drafted By:

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) 11/10/2014 Board of Education Meeting

Full Investigation Initiated: 04/08/2014

Details:

On 11/10/2014, Special Agents (SA) and attended the monthly public meeting of the St. Joseph School District (SJSD) Board of Education.

b6
b7C
b7D

Board of Education (BOE) elected Member approached the writer and requested

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UNCLASSIFIED

Title: (U) 11/10/2014 Board of Education Meeting
Re: 194B-KC-4719955, 11/17/2014

b6
b7C
b7D

At the conclusion of this public meeting, the Board adjourned.

◆◆

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: FD-1023 **Date:** 11/21/2014

Title: (U) [redacted] b7D

Approved By: [redacted]

Drafted By: [redacted] b6 b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS advised that [redacted] b6 b7C b7D

♦♦

FD-302 (Rev. 5-8-10)

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certified FBI information system.

FEDERAL BUREAU OF INVESTIGATION

Date of entry 11/21/2014

[redacted], telephonically contacted the interviewing agent and provided the following information: b6 b7C b7D

[redacted]

Investigation on 11/18/2014 at St. Joseph, Missouri, United States (Phone)

File # 194B-KC-4719955 Date drafted 11/18/2014

by [redacted] b6 b7C

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 11/21/2014

Title: (U) St Joseph News Press Front page article dated 11-21-2014

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St Joseph News Press Front page article dated 11-21-2014 titled, " SJSD GETS ANOTHER SUBPOENA".

Enclosure(s): Enclosed are the following items:
1. (U) 2nd page of article

♦♦

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SJSD gets another subpoena

CONTINUED FROM Page A1

to resolve this shortly so we can get back to our number one focus, which is to educate kids."

The St. Joseph School District came under federal scrutiny in the spring after questions surfaced about stipends being awarded to top administrators without board approval, as well as promotions and large pay raises.

A federal grand jury opened an investigation into the school district in April. The FBI began investigating the school district in March and conducted interviews with Superintendent Dr. Fred Czerwonka and human resources director Doug Flowers.

The district has received two other federal subpoenas to provide documents for the grand jury probe.

The state launched its own audit of the St. Joseph School District in April. All of those investigations are still pending.

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St. Joseph News-Press

FOX 26 | News-PressNOW.com | ST. JOSEPH, MISSOURI • 170TH YEAR • FRIDAY, NOVEMBER 21, 2014

SJSD gets another subpoena

St. Joseph News-Press

The St. Joseph School District has received another subpoena to produce records for the attorney general's office.

On Thursday, the district superintendent's office received a subpoena to produce information pertaining to personnel records, tuition reimbursement program documents, teacher certification reimbursement program documents and other documents to the U.S. District Court for the Western District of Missouri.

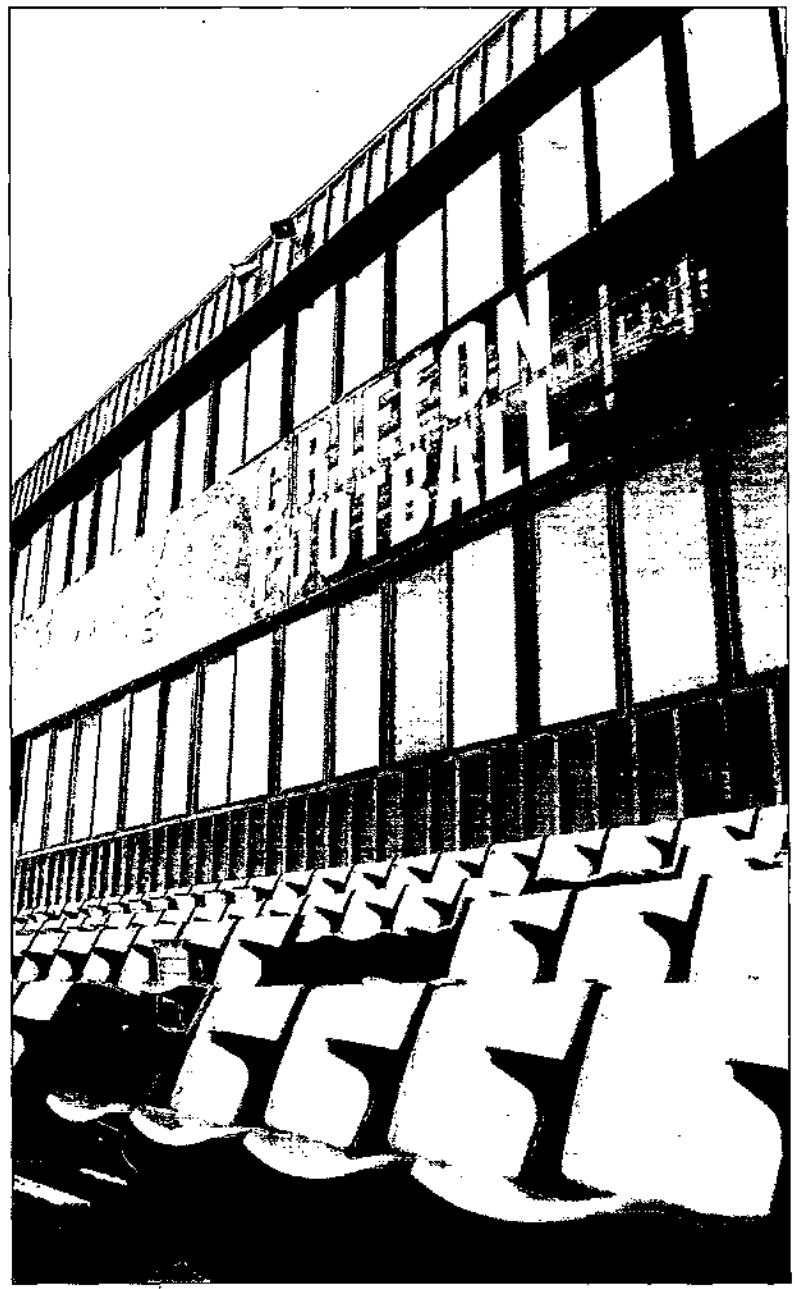
Don Ledford, spokesperson for the U.S. Attorney's office, said they aren't in a position to make any comments about the particulars of the subpoena.

"We are restricted from making any comments about or providing any information about confidential grand jury proceedings," Mr. Ledford said.

"I know the community is aware of the federal investigation but beyond that I'm just not able to make any comments," he added.

In an official statement, the St. Joseph School District said it "continues to fully cooperate with the investigation. We hope

Please see SJSD/Page A3



Jessica Stewart | St. Joseph News-Press

Spratt Stadium could see $7.8 million in renovations. Western's Board of Governors will discuss the project and vote today on a resolution to proceed. Renovations to the 35-year-old stadium include moving the field, upgrading general seating, installing a new video board and more.

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 11/21/2014

Title: (U) Internet published News Articles by Joe Zeff

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

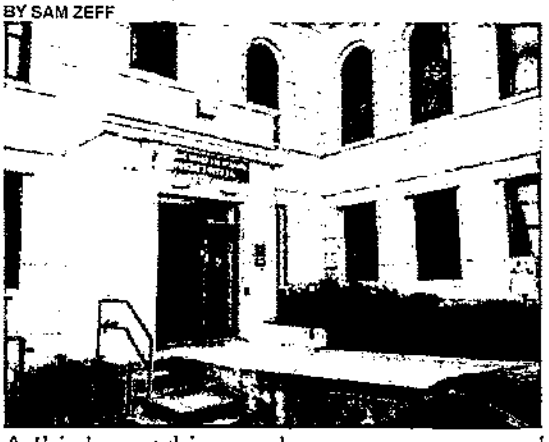
Synopsis: (U) Internet published News Articles by Joe Zeff. One concerning the return of BEAU MUSSER to the SJSD and the other about a 3rd Subpoena served on the SJSD.

♦♦

Federal Investigation of St. Joseph School District Narrows

November 21, 2014

BY SAM ZEFF



A third grand jury subpoena was served at the St. Joseph, Mo. School District headquarters.

Credit Sam Zeff / KCUR

The federal investigation into the St. Joseph School District is becoming more focused.

A third grand jury subpoena was served on the district late Thursday.

This latest subpoena for documents asks for some very specific information.

In a news release, the district says the grand jury sitting in Kansas City, Mo. wants to know about the district's tuition reimbursement and teacher certificate reimbursement programs.

The problem, sources say, is the district has in the past selectively paid for some administrators graduate degrees and paid for them without board approval or knowledge.

The grand jury also asked for personnel records.

Sources say the FBI has interviewed dozens of people inside and outside the district, regularly attends school board meetings and has checked the bank records of some district employees.

The last round of subpoenas, issued over the summer, narrowed the focus of the federal investigation to 14 top St. Joseph School administrators, according to a source who has seen the subpoena.

At least one board member has retained a prominent Kansas City white collar criminal lawyer.

The board has retained its own criminal counsel.

The district said in a statement that it continues to fully cooperate with the investigation.

St. Joseph school board rescinds CFO suspension

November 18, 2014
By Sam Zeff

The ongoing financial investigation of the school district in St. Joseph, Missouri, took an unusual turn on November 17, 2014, when former Chief Financial Officer Beau Musser returned to his post after seven months on paid administrative leave for accusations of sexual misconduct and creating a hostile workplace.

The personnel move coincided with a third grand jury subpoena against the St. Joseph School District, which requested the district's personnel records and information on its tuition and teacher certificate reimbursement programs. According to some sources, the cause for the new subpoena is that only a select number of administrators have received reimbursements for their pursuance of graduate degrees, and that these reimbursements were given "without board approval or knowledge."[1]

Musser was placed on leave and accused of misconduct, according to a lawsuit he filed against the district, after he helped bring to light $270,000 in improper stipends the district paid to 54 administrators, from associate superintendents to assistant principals.

Superintendent Dr. Fred Czerwonka, according to some in the district, handed out those stipends soon after he was hired. He quickly picked up a nickname for those generous payments: "The Candy Man."

CFO claimed innocence all along

St. Joseph CFO Beau Musser

At the time of the suspension, Musser told Ballotpedia, "So my efforts were to protect taxpayer dollars and do what was right, and I was punished for it."

Musser had also uncovered other improprieties, including 4,000 gallons of missing gasoline, cars purchased without board approval and a sloppy system for approving contracts with employees. "Nobody over the years, until I got there, basically stood up and said wait a second, you know, this is wrong," Musser said.

The St. Joseph School District, which oversees 11,000 students, would not make anyone available for an interview after Musser restarted his job as CFO.

Czerwonka offered this statement: "We welcome back Mr. Musser to the St. Joseph School District. The focus of the St. Joseph School District remains the same: to educate each child for success. It is important for our leadership team to move forward together to continue the work of this district."

Investigations continue

St. Joseph Superintendent Fred Czerwonka, nicknamed "The Candy Man"

The Musser saga is not over. Even though he's returned to work, his lawsuit against the district charging wrongful termination, breach of contract and slander remains active.

School board member Chris Danford, who also blew the whistle on the alleged improper stipends, says she's worried about how much Musser's lawsuit could cost the district. "Was Beau Musser's reputation hurt in the seven months he was on leave?" asks Danford. "All you have to do is Google his name and see what comes up." Danford says the board voted in executive session two weeks ago to ask Musser to return to work. That decision followed an outside investigation that cost the district $12,000, and showed allegations of sexual misconduct leveled against Musser by Czerwonka and Human Resources Director Doug Flowers were untrue.

The district is also paying an outside HR firm to help transition Musser back into the district and paying another law firm to investigate whether Czerwonka and Flowers acted within district rules when they put Musser on administrative leave.

"There's no accountability for the superintendent and his HR director," says Danford, who believes another outside investigation is necessary. The district is already in the middle of major outside investigations related to questions about finances. The Federal Bureau of Investigation and a grand jury in Kansas City have ongoing probes. Dozens of people have been interviewed and, according to a source, the district just finished fulfilling a subpoena for records from the grand jury.

The district is also waiting for a forensic audit from the Missouri State Auditor. Some in the district believe it will be scathing.

Part of the district's local property tax assessment will sunset next year, and if voters lose confidence in the school board and don't approve a new levy, the district stands to lose $6.5 million in revenue. A date for that levy election hasn't been set, but the earliest vote could come in April 2015.

FD-1036 (Rev. 10-16-2009)

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 11/25/2014

Title: (U) SJNP Front Page article about the SJSD Insurance carrier suing the district

Approved By: SSRA [redacted]

Drafted By: [redacted] b6 b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Front Page article from 11-22-2104 about the SJSD Insurance carrier suing the district.

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

♦♦

UNCLASSIFIED

Saturday, November 22, 2014

SJSD's insurer wants to back out

CONTINUED FROM Page A1

the school district. The suit also asks the company to be released from paying for the school district's attorney fees.

One of the exclusions said the policy doesn't apply to any claims that include "fraudulent, dishonest, malicious, criminal or intentional wrongful act or omission" by the school district.

Another policy exclusion cited in the lawsuit is "any insured who intentionally causes the injury giving rise to the employment practices claim."

The suit also listed several additional exclusions including:

- Any insured intentionally causing mental anguish, humiliation, injury to reputation, emotional distress ...;
- Any written or oral publication material, including electronic publication if committed by or at the direction of the insured with knowledge of its falsity.

Documents included in the filing show that the district's annual premium for the policy, dated for the period of Dec. 31, 2013, to Dec. 31 of this year, is listed as $27,927. The policy has a $1 million limit of liability per claim and a $25,000 deductible.

Officials from the district did not immediately have a comment about the motion. District attorney Stephen Briggs declined to comment, saying he had not had a chance to review the filing.

Board Vice President Martin Rucker said he had not been made aware of the filing.

"This is the first I heard of it," he said. "The name Catlin, as far as our insurance provider, is not a name I'm familiar with."

Mr. Musser was placed on paid administrative leave in March after making claims that the district awarded stipends and pay raises to administrators totaling $375,000 without board approval.

He was accused of sexual harassment by district officials and subsequently filed a wrongful termination suit against the school district, claiming he was punished for pointing out financial irregularities.

The St. Joseph Board of Education cleared the way for him to return to work this week, with his lawsuit still pending.

Catlin is asking for a judgment finding that it is not obligated to defend the district or cover claims related to the Musser lawsuit.

Jessica Shumaker can be reached at jessica.shumaker@newspressnow.com. Follow her on Twitter: @SJNPShumaker.

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St. Joseph News-Press

FOX 25 | NewsPressNOW.com | ST. JOSEPH, MISSOURI · 170TH YEAR · SATURDAY, NOVEMBER 22, 2014 · NO. 212 · 75¢

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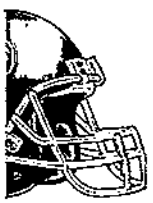

CHANGES TO COME AT MWSU

Jeremy Lyons | FOX 25 KRPN

Missouri Western athletic director Kurt McGuffin talks about planned upgrades to Spratt Stadium on Friday.

Spratt Stadium to see dramatic face-lift

By CODY THORN
St. Joseph News-Press

A trip to Topeka, Kan., earlier this fall provided just a glimpse of life in the MIAA for Jerry Partridge.

The Missouri Western football coach was basking in the glow of a road win but shortly after heard about the plans for Washburn to build an indoor practice facility in the upcoming years.

That is just part of an arms race in athletic director Kurt McGuffin announced plans Friday to forge ahead with a $7.8 million renovation of Spratt Stadium that includes $5.5 million in bonds that the school hopes to pay off in five years.

"It includes a new experience for everybody that walks through the door at Spratt Stadium," Mr. McGuffin said during a press conference Friday in the KCP&L Theatre Room inside the Griffon Indoor Sports Complex (GISC).

SJSD's insurer wants out

Musser suit cited as reason

By JESSICA SHUMAKER
St. Joseph News-Press

The St. Joseph School District's liability insurer has filed a motion in federal court asking to be removed from claims related to the wrongful termination lawsuit filed by chief financial officer Beau Musser.

Catlin Indemnity Co., an insurance carrier based in Atlanta, filed the action Friday in the Western District Court of Missouri in Kansas City. Defendants named in the suit are the St. Joseph School District, Superintendent Dr. Fred Czerwonka, human resources director Doug Flowers, board of education member Dennis Snethen and Mr. Musser.

The company's filing asserts that its policy issued to the St. Joseph School District contains exclusions that release it from having to pay for any damages awarded against

Please see SJSD'S/Page A3

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Import Form

Form Type: OTHER **Date:** 11/25/2014

Title: (U) SJNP Editorial on 11-24-2014 about FBI investigation

Approved By: SSRA [redacted]

b6
b7C

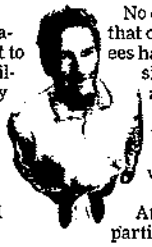
Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press Editorial on 11-24-2014 about FBI investigation.

♦♦

School probe looks into living rooms and basements



Common Thoughts, Common Sense
by Steve Booher

Over this past year, we discovered just how the St. Joseph School District operates. And, we're still learning its secrets.

Another grand jury subpoena was delivered to school district offices on Thursday. Then on Friday, the school district's insurance company filed a request in federal court to remove them from the responsibility to pay for damages or attorney fees in the Beau Musser wrongful termination.

The two moves are a double whammy. It's never a good thing when your insurance company thinks you've intentionally acted wrongly and doesn't want to pay.

This latest subpoena indicates that the feds' investigation has moved beyond stipends and high-priced consultants.

One thrust of the investigation involves work being done by school district employees at the private residences of district administrators.

And this might be the secret that school administrators can't afford to divulge.

Although district personnel can't reveal the nature of FBI interviews or details of the questions asked, it is a fact that the feds have talked to several workers in the school district's maintenance department.

No doubt, the feds have discovered that over the years, district employees have been regularly and consistently ordered to do work in administrators' homes.

And they were ordered to do the work on school time.

And they were told to do the work or they would be fired.

Here's how it worked.

An administrator would need a particular job done. Something like fixing a furnace or an air conditioner. Or installing expensive electronic equipment such as big-screen televisions or home theater systems. Or doing carpentry, painting or hanging drywall.

Rather than call a repairman or handyman and pay an expensive repair bill, administrators would call the maintenance department and pretty much order a supervisor to dispatch a worker, or workers, to a private residence during school district hours to perform the work.

And it was clearly understood by the employees that they were expected to drop whatever they were doing and leave immediately.

Another thing the FBI is checking on is who paid for all the high-end electronics and construction supplies. My guess is they'll find that taxpayers footed the bill for at least part of it.

For years, I've heard specific details about this practice. Stories like an administrator who redecorated his office and purchased, with taxpayer funds, a $1,500 painting to hang on the wall. Or an administrator who ordered a 46-inch television, then decided it was too small. So he purchased a 50-incher and had the smaller one quietly delivered to his house.

One teacher told me that they had to wait three days for a new bulb to be installed into a projector because maintenance workers were installing a surround-sound audio system in an administrator's home.

Several sources have told me that the practice of coercing district employees to repair and renovate administrators' private residences has been going on for years and predates the current school district administration.

Of course, when the FBI started asking questions, the practice stopped. But the cat may already by out of the bag and here's the problem this creates.

An argument can be made that paying huge stipends or hiring high-priced consultants is just discretionary spending. And since the St. Joseph Board of Education bailed out the administration by retroactively approving these expenditures, it's possible that everyone could avoid prosecution.

Of course, you need to keep all this out of the public's eye and that's why the residents and school district patrons are incensed at the things they've discovered this past year.

However, sending school district workers to a private residence to install a high-definition TV antenna or completely remodel an administrator's basement?

It's no secret, that's just plain stealing.

Steve Booher can be reached at steve.booher@newspressnow.com.

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FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 11/25/2014

Title: (U) St Joseph News Press Front page article dated 11-25-2014

Approved By: SSRA [redacted]

Drafted By: [redacted]

b6
b7C

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St Joseph News Press Front page article dated 11-25-2014 titled, " School District Board Mum".

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

♦♦

School district, board mum on motion

CONTINUED FROM Page A1

executive session so the board could get together and discuss the latest findings," said Chris Danford, board member.

School district attorney Stephen Briggs said they have yet to be served with the lawsuit.

"As with any potential litigation we need to take time to review their pleadings and their claim, determine what the appropriate response should be for the district. And with respect, as this just came to light on Friday, it's just too early to give any other details until we had that opportunity," he said.

The latest is that Catlin Indemnity Co., an Atlanta-based insurance carrier, filed a motion Friday in the Western District Court of Missouri in Kansas City to be removed from having to pay damages and the attorney fees for respondents named in the suit.

They are the St. Joseph School District, Superintendent Dr. Fred Czerwonka, human resources director Doug Flowers, board member Dennis Snethen and Mr. Musser.

The suit is based on the grounds that the policy doesn't apply to any claims that include "fraudulent, dishonest, malicious, criminal or intentional wrongful acts or omission" by the school district.

Another exclusion cited in the lawsuit is "any insured who intentionally causes the injury giving rise to the employment practices claim."

Mrs. Danford said she was told by counsel that the district will have to respond to the lawsuit in court by hiring yet another attorney. The job of that attorney will be to make a case to the judge on why the insurance carrier should not be removed from paying damages and the district's legal fees.

"And if they don't, I'm assuming the district is liable for those costs unless we pass those costs onto those individuals," she said. "We will have to incur the costs of four attorney fees up until this point, if the court allows the insurance carrier to be removed."

In August, the district's liability insurance provider, Wright Insurance, named new representation for the district in the Musser lawsuit after Thomas Mickes, attorney for the St. Louis-based Mickes, Goldman, O'Toole, LLC, was granted a request to withdraw as counsel for the district. The reason given was a conflict of interest.

Shellie L. Guin, of Guin, Mundorf, LLC was named to represent the St. Joseph School District. Christopher S. Gahagan, of Gahagan & King LLC was named to represent Dr. Fred Czerwonka.

Mr. Flowers was named to be represented by Ryan T. Fry of Oswald, Roam Rew & Fry LLC. Mr. Snethen will be represented by Travis A. Wymore , Withers, Brant, Igoe and Mullennix, PC.

Mrs. Danford said she wants to know what information Catlin Indemnity Co. has that led to the motion.

"Sounds like they're saying there's wrongdoing here and that's what it sounds like to me when I read the lawsuit that they don't want to cover because there has been wrongdoing on the district's part. But here we sit Monday and still no meeting of the board," Mrs. Danford said.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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School district, board mum on insurance motion

By ALONZO WESTON
St. Joseph News-Press

The St. Joseph School District has yet to respond to a motion filed Friday in federal court by its liability insurance provider asking to be removed from claims related to a wrongful termination lawsuit filed by Beau Musser, chief financial officer.

As of Monday afternoon, neither the school district nor the board had issued an official statement regarding the issue.

"I sent an e-mail to our president and vice president, Brad Haggard and Martin Rucker, asking them to convene an

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PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) CHS stated that [redacted]. b6 b7C b7D

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Import Form

Form Type: OTHER **Date:** 12/10/2014

Title: (U) Second article in St. Joseph News Press on 12-6-2014

Approved By: SSRA [redacted]

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Drafted By: [redacted]

Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
FRED LOUIS CZERWONKA;
DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Second article in St. Joseph News Press on 12-6-2014

♦♦

Kim Mulvaney.

District retains law firm

On Friday, the St. Joseph School Board unanimously adopted a resolution authorizing Wyrsch, Hobbs & Mirakian to continue to respond to requests by the U.S. Attorney's Office for the Western District of Missouri to provide information, documents and records including information made known to any of the board's legal counsel, by any representative of the St. Joseph School District.

The board also unanimously voted to retain Wyrsch, Hobbs & Mirakian to represent the district, Dr. Fred Czerwonka, Doug Flowers and Dennis Snethen in a declaratory judgement action filed by Catlin Indemnity Co. as to the legal question concerning insurance coverage.

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Date of entry 12/10/2014

[redacted]

voluntarily appeared at the St. Joseph Resident Agency Office of the Federal Bureau of Investigation, 4305 Frederick Avenue, Suite 303, St. Joseph, Missouri, 64506. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information: b6 b7C b7D

[redacted]

Investigation on 12/03/2014 at St. Joseph, Missouri, United States (In Person)

File # 194B-KC-4719955 Date drafted 12/05/2014

by [redacted] b6 b7C

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Form Type: OTHER **Date:** 12/10/2014

Title: (U) St. Joseph News Press Article dated 12-5-2014

Approved By: SSRA [redacted]

Drafted By: [redacted]

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Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
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DENNIS LEROY SNETHEN;
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PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press Article dated 12-5-2014

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

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UNCLASSIFIED

Questions remain on school district salaries, stipends

CONTINUED FROM Page A9

would include that 2 percent raise," Mr. Flowers said Thursday. "I don't want to get out in front of conversations I'm going to have with the board of education."

The ad hoc committee formed earlier this year to address the stipend issues met Tuesday and plans to make a recommendation to the board as well. Mrs. Hodges, chairperson for that committee, said the recommendation will be to do a market analysis as well as an efficiency study before making a decision on salaries.

"I personally don't think it's very fiscally responsible to approve it right now even if I thought it was terrific and I love it 100 percent," she said. "I have a couple of reservations."

Those reservation, she said, are uncertainties about state funding, passage of the 63-cent operating levy, health care costs and other issues.

"Lastly, there is this whole lawsuit thing where the insurance company wants to pull back so we may end up paying, so I don't think we can approve anybody's salaries until some of these issues are settled," she said.

Last month, the district's liability insurer filed a motion in federal court asking to be removed from claims related to the wrongful termination lawsuit filed by Chief Financial Officer Beau Musser.

The board personnel committee meeting will be held today at 2 p.m. in the school board conference room at 925 Felix St.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

Readers' guide

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Questions remain on school district salaries, stipends

By ALONZO WESTON
St. Joseph News-Press

The St. Joseph Board of Education could vote on new salary increases for teachers and administrators during its upcoming Monday night meeting.

But first, the board personnel committee will meet today to discuss and decide whether to recommend the 2015-16 Teacher and Administrative salary schedule to the full board.

"We don't want to see administrators overpaid and the teachers underpaid or maybe something else," said Kappy Hodges, school board and personnel committee member.

Last month, the board approved a Meet and Confer Committee recommendation to give each teacher in the district $250 to buy classroom supplies for the 2015-16 school year. The measure will cost the district about $250,000.

What was tabled for further discussion during the November meeting was the rest of the salary schedule that would have given teachers and administrators a 2 percent wage increase. The committee also could decide whether to roll stipends for extra duties into both teacher and administrator base salaries.

Doug Flowers, district human resources director, would not confirm whether stipends would be part of the committee discussion on salaries.

"What will be presented to the board tomorrow is a teacher index and an administrative index that

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DOUGLAS WAYNE FLOWERS;
DENNIS LEROY SNETHEN;
ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) St. Joseph News Press Front Page Article dated 12-6-2014

Enclosure(s): Enclosed are the following items:
1. (U) page 2

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UNCLASSIFIED

School board delays pay raise decision

CONTINUED FROM Page A1

Mrs. Hodges said the ad hoc committee, comprised of some members from the community, recommended a market study be conducted before making a salary decision. The cost of the market study, which could be anywhere from $15,000 to $30,000, would be paid for by private donations.

Dan Colgan, another board member, said the district planned to deficit spend for the 2015-16 budget. He said the district could lose quality teachers if it's decided to not give them a wage increase.

"My concern is we will lose lose some very wonderful teachers and administrators to other school districts because we take too much time before settling these salary issues," Dr. Colgan said. "We (have) been discussing all of this since last March."

Last month, the board approved a Meet and Confer Committee recommendation to give each teacher in the district $250 to buy classroom supplies for the 2015-16 school year at a cost of about $250,000 to the district.

What was tabled for further discussion during the November meeting was the rest of the salary schedule that would have given teachers and administrators a 2 percent wage increase. The committee also could decide whether to roll stipends for extra duties into both teacher and administrator base salaries.

During Friday's meeting, some members of the personnel committee expressed concern that dealing with lawsuits, a state audit and an FBI investigation could have an effect on budget dollars. That those issues could hinder the ability to give and maintain the raises was a concern of board member Lori Prussman.

"I believe as a board we should do our due diligence to make sure we aren't setting up people and then ripping the carpet out from under them," she said. "That's not fair at all."

Beau Musser, the district's chief financial officer, said the board could afford a 2 percent wage increase this year. It could draw from the more than $40 million in reserves to cover the raises.

"However, when we give raises, those raises are there permanently, so you can't deficit spend forever. You have to raise your revenue and really the only way to raise revenue as taxpayers here in Buchanan county is to raise your property taxes," Mr Musser said. "So, yes, the answer is we could afford it in the short term, but in the long term or even over the next two to three years, we have to raise taxes. We haven't raised taxes for many years now."

Mr. Musser said the 63 cent operating levy voters approved will not be enough. That number has not increased in 10 years and possibly another 90 cents to $1 would have to be added to that number.

"Let's assume for a second we don't lose the 63 cents. We have a $6 million dollar budget deficit this year if our budget comes through," he said. "And with those proposed increases we're talking about for all employees with 2 percent raises considering all the other inflationary pressures that are going to drive up utilities and health insurance, we're going to see an additional $3.5 million dollar in expense for next year. You can't deficit spend forever."

The St. Joseph School District is one of several districts in the state that will experience cuts in state reimbursement for summer school programs. The district faces the potential of losing $2 million. The reason for the cuts comes from no fault of the St. Joseph School District, but that the state will no longer pay reimbursement for certain summer school activities.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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School board delays pay raise decision

By ALONZO WESTON
St. Joseph News-Press

The St. Joseph Board of Education will not vote on new salary increases for teachers and administrators during its Monday night board meeting.

After much discussion during the board personnel committee meeting Friday afternoon, where all seven board members were present, the committee decided to not bring the issue to a vote until the January board meeting. The committee tasked the school district administration with getting a market analysis before taking a recommendation to the board.

"We recommend we have a market analysis to make sure what we're paying our administrators and our teachers is appropriate for the market," said Kappy Hodges, board member and ad hoc stipend committee chairperson.

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PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) Third article in St. Joseph News Press on 12-6-2014

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Local briefs

Musser named school board treasurer

The St. Joseph School District Board of Education unanimously voted Beau Musser as the new treasurer to the Board of Education.

Mr. Musser was approved in a closed board meeting session Friday, Dec. 5.

He replaces Dr. Jake Long, who assumed treasurer duties on Monday. Dr. Long acted as temporary treasurer for the Board of Education after the departure of former treasurer Kim Mulvaney.

District

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PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) SJNP Front Page article on 12-9-2014

Enclosure(s): Enclosed are the following items:
1. (U) Page 2

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UNCLASSIFIED

Board hears audit report

CONTINUED FROM Page A1

The audit also showed concerns regarding the future financial challenges when the district's property tax operating levy revenue expires in August 2015.

When asked if Westbrook & Associates looks for instances of fraud, Ms. Closterman said that isn't necessarily the intent of their audit.

"If we do come across fraud we report on it," she said.

Brad Haggard, school board president, said he was pleased with the audit report and said there was always room for improvement. He said the recommendation that the district have an internal audit position was one the board will discuss in the future.

"I was pleased with it. We just received the audit booklet last week so we really haven't had lots of time to pore through it. We will be doing that and I'm sure there will be follow-up questions," Mr. Haggard said.

Mr. Haggard said he wasn't sure when the state audit would be completed. He thought it still might be completed by the end of the year.

"Basically the process will be they will meet with the board and accept any comments from the board, take those back to the state auditor, he will finalize the report and report it out in an open board meeting, I think the first part of the year," he said.

Last April the Missouri auditor's office contacted the school district about conducting an audit on its budget.

The state launched its audit shortly after concerns about administrative stipends and other financial matters first became public. At the time, district officials said findings from the Missouri Auditor's Office could "clear the air" about financial practices in the school system.

Alonzo Weston can be reached at alonzo.weston@newspressnow.com. Follow him on Twitter: @SJNPWeston.

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Board hears audit report

By ALONZO WESTON
St. Joseph News-Press

The St. Joseph Board of Education heard the results of an external audit report during its Monday night board meeting.

It wasn't the state audit but an audit report from Westbrook & Associates, regarding the financial health of the St. Joseph School District for the period of 2013-14. The external audit is an annual occurrence for the district.

Diana Closterman, spokesperson for Westbrook & Associates, gave the district a good assessment on its financial management for the 2013-14 school year.

"All in all I really enjoy working here ... I think your district does a beautiful job," she said.

No material findings were reported, but there were a few concerns and recommendations. One concern was the amount the district had in reserves.

"Your fund balance was good. Right now your reserves are at 22 percent, which is really knocking on the door of my 24 percent guideline," Ms. Closterman said.

The district has more than $40 million in reserves combining money from both general reserve and capital improvement funds.

Please see BOARD/Page A10

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Electronic Communication

Title: (U) 12/8/2014 Board of Education Meeting **Date:** 12/10/2014

CC: [redacted]
KC-14 (OST)

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From: KANSAS CITY
KC-14
Contact: [redacted]

Approved By: SSRA [redacted]

Drafted By: [redacted]

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ST. JOSEPH SCHOOL DISTRICT - VICTIM,
925 Felix,
St. Joseph, Missouri, 64501;
PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) 12/8/2014 Board of Education Meeting

Full Investigation Initiated: 04/08/2014

Details:

On 12/8/2014, Special Agents (SA) [redacted] and [redacted] attended the monthly public meeting of the St. Joseph School District (SJSD) Board of Education.

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Prior to the meeting, [redacted]

At the conclusion of this public meeting, the Board adjourned.

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Title: (U) 12/8/2014 Board of Education Meeting
Re: 194B-KC-4719955, 12/10/2014

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Case ID #: 194B-KC-4719955 (U) DANNY LEE COLGAN;
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PUBLIC CORRUPTION - STATE AND LOCAL
SENSITIVE INVESTIGATIVE MATTER

Synopsis: (U) FACEBOOK post [redacted]

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