

Miles largely dismisses violations cited in Dallas ISD audit

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Dallas ISD Superintendent Mike Miles largely dismissed the numerous violations of district policy cited in a draft of an internal audit as neither illegal nor untoward Tuesday while pressure mounted for him to provide answers.

At least one member of the district's board of trustees and some community members questioned whether Miles should be removed.

"If the internal audit finds that Mr. Miles circumvented policy or procedures in hiring or check disbursement, then he must go," said Michael MacNaughton, chair of the watchdog group Dallas Friends of Public Education. "We do not need a repeat of the financial mismanagement that has plagued DISD in the past."

Trustee Carla Ranger wrote on her blog Tuesday that she wants trustees to discuss whether Miles should continue as the district's leader. "The nature and extent of the violations of established Dallas ISD policies and procedures listed in the audit report are very serious," she wrote.

A Dec. 6 draft of the audit, obtained by *The Dallas Morning News*, found that Miles and other senior managers broke various rules and policies as he drafted a team of administrators to carry out his district improvement plan. The audit portrayed a climate in which some employees who objected and tried to follow district rules were overruled by "senior management."

The violations mostly involved moving expenses and hiring practices as Miles transitioned to Dallas ISD from his former job running a school district in Colorado Springs. He started work under a temporary contract after he was selected by the board of trustees in late April. He officially became DISD superintendent on July 1.

The audit, which covered April 27 through October, is still in draft form, awaiting a response from the administration that is due in the coming days. However, in a news conference Tuesday afternoon, Miles widely discounted and dismissed findings in the report.

Miles has faced constant criticism in his brief tenure, including objections to salaries ranging from \$182,000 to \$220,000 given to cabinet members and concerns about the sudden departure of trusted administrator Alan King. But the findings outlined in the audit threaten a central tenet of Miles' administration — that he would raise the level of accountability in the district, starting with the superintendent.

He attempted to prevent further fallout from the audit, promising that his administration would thoroughly investigate the findings and that he would take responsibility for any wrongdoing.

Miles said an initial review by the district's legal department completed last week showed that no policies were broken and nothing illegal or unethical occurred.

"If any technical or procedural policies or processes were not followed, they were done at my behest and that's my fault," he said. "I wanted people to work with a sense of urgency and told them to focus on getting this district ready for transformation."

Violations cited in the audit include the district paying for house-hunting trips and temporary lodging even though employees submitted unacceptable invoices. Moving expenses for one employee appeared to be fabricated. And three people were hired before their jobs were created or posted, in violation of district policy, according to the audit.

Ranger, who voted against hiring Miles in April, noted on her blog that Miles dictated hiring decisions while he worked part time under an administrative agreement, also a violation raised in the report.

Miles said he oversaw decisions to hire cabinet members before he officially became superintendent. But he said King, who was interim superintendent at the time, signed off on the paperwork, making the hires legal.

King resigned unexpectedly in October and has never stated why, though at the time Miles said King had only planned to stay long enough to help with the transition of the new administration. King's "release agreement" with the district says he will be paid his monthly salary through Jan. 31. He made \$225,000 a year.

King has not returned numerous phone calls seeking comment.

In emails obtained by *The News*, King repeatedly expressed concern to Miles and other executives about staying within the budget with hiring, salary increases and other areas. He warned that they risked losing \$1.2 million earmarked for saving if they continued to hire new employees and grant raises at whim.

When asked Tuesday if he was shifting the blame to King, Miles said: "I don't want to blame Mr. King. I was making those decisions on the cabinet positions."

The findings in the preliminary audit frustrated Dallas ISD watchdogs and community members, who have seen other financial blunders topple superintendents and cripple the district.

DISD parent Marguerite Buccino said the district can't seem to escape administrative problems.

"We've been down this path," Buccino said. "It's the same old thing. Why can't this district obey the rules? What is going on?"

Rene Martinez, a Latino community leader who recently retired from Dallas ISD after serving under seven superintendents, said he and the public wanted to believe that Miles would act differently than his predecessors.

"I was willing to give him the benefit of the doubt, but the honeymoon is over," Martinez said. "It leaves a bad taste in your mouth to see this come up so early in his administration. A lot of people in our community are concerned with the hiring practices and the business-as-usual."

Some trustees were hesitant to discuss the preliminary audit, opting to wait for the district to provide a response and for the report to be finalized.

"These steps have not been completed yet," trustee Dan Micciche, who is on the board's audit committee, said by email. "I am always very concerned about compliance with our policies, procedures and processes."

Former trustee Bruce Parrott, who voted for hiring Miles, said he now has regrets.

"I'm certainly disappointed," Parrott said. "Hindsight is everything. It appears we bought a pig in a poke. We've gone through too much over the last 15 to 20 years. It looks like we're making strides, and we don't need things like this."

The internal auditor works independently of the superintendent and reports to the trustees.

However, interim internal auditor LaNita Ray, who conducted the audit, could return to her old position in the auditor office under Miles if she isn't selected as permanent auditor.

DISD board President Lew Blackburn said he hopes no one tries to retaliate against Ray, who is in a precarious position.

"I expect Mike Miles and all top-level administrators to not retaliate against LaNita Ray,"

Blackburn said. "We still expect her, even as the interim, to do the job."

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