



NJDOE News

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Davy Establishes DOE Office of Fiscal Accountability and Compliance, Appoints State Monitor for Paterson

In a move to increase the Department of Education's capacity to provide better oversight of the expenditure of state education funds, Commissioner Lucille E. Davy today announced the consolidation of DOE's compliance investigation and fiscal auditing units, creating a new Office of Fiscal Accountability and Compliance.

The new unit will be headed by New Jersey State Police Major Robert J. Cicchino, who is retiring from the NJSP to accept this position. He is currently the Commanding Officer of the State Police Office of Professional Standards.

Commissioner Davy also announced that she has appointed Mark S. Kramer, a CPA and former school business administrator in East Orange, to be the State Monitor in the Paterson School District.

"Governor Corzine has made it clear that there must be more accountability in the way that school districts spend public dollars, and the Department of Education needs to lead that effort," Commissioner Davy said.

"We have now appointed state monitors with broad powers to help address the problems in the fiscal operations of four districts, and we will appoint additional monitors in the future. At the same time, we are strengthening the department's own investigative and auditing abilities by bringing all of the department offices that have a role in this function together under one roof," the Commissioner said.

"I expect this unit to work more closely with other state law enforcement agencies to address possible criminal wrongdoing and I am very pleased that Bob Cicchino has agreed to lead this operation. His distinguished law enforcement career includes extensive experience in overseeing investigations and audits and he will bring a new level of expertise and organization to the department's efforts in this area," Commissioner Davy said.

The reorganization will be effective March 1. Cicchino's title will be Special Assistant to the Commissioner for Fiscal Accountability and Compliance.

The new office will consist of auditors from the Division of Finance and the existing Office of Compliance Investigation, which includes an investigations unit, a criminal history review unit, a grants audit unit and an internal audit unit.

During his 29-year career with the State Police, Major Cicchino has served as a detective in the Intelligence Bureau, as a Sergeant in the Management Review Unit and as a Sergeant and Lieutenant in the Emergency Management Section.

He also supervised the Transportation Unit in the Logistics Bureau and was the Bureau Chief of the Narcotics and Organized Crime Bureau and the Executive Officer of the Investigations Section during the three years prior to assuming command of the Office of Professional Standards.

A graduate of Rowan University, he holds a masters degree in education from Seton Hall University and also attended the Northwestern University School of Police Staff and Command. He has attended numerous training seminars and workshops on all aspects of law enforcement and management. He resides in Blairstown.

Under the "School District Accountability Act" signed by Governor Corzine last year, the Commissioner of Education may appoint a state monitor in districts where serious fiscal deficiencies have been identified in the district's annual audit.

Commissioner Davy noted that Paterson's 2006 annual independent audit identified more than ten repeat findings from the previous year and the number of audit findings had increased. Of particular concern were the district's lack of controls over payroll and purchasing, and non-compliance with federal requirements.

In addition, the Paterson KPMG audit released last week identified 101 weaknesses in internal controls, including a lack of written policies and procedures necessary to accurately report payroll and accounts payable transactions, the failure of the staff to properly review or approve financial transactions, a large number of purchase orders that exceeded the purchase order amounts by more than ten percent, numerous questionable costs and serious concerns over payroll processing and inaccurate or missing documentation.

Kramer, the new State Monitor in Paterson, worked at DOE for the past 18 months as part of a governmental employee interchange

agreement. He served as the liaison between the Abbott district school business administrators and the DOE Division of Abbott Implementation, reviewing and negotiating district budgets.

“During the time that he has been with DOE, I have relied on Mark’s intelligence, integrity and understanding of the fiscal operations of urban school districts. He is uniquely equipped to address the problems in Paterson,” Commissioner Davy said.

Kramer has worked in the East Orange School District since 1992. He also worked as an auditor and supervisor at Ernst and Young. He is a graduate of Pace University and is a certified public accountant. He also holds certifications as a school business administrator and qualified purchasing agent.

A resident of Hampton, NJ, he is a member of the Bethlehem Township Board of Education. He is a former president of the Essex County Association of School Business Officials and a member of the Board of Education Subcommittee of the New Jersey Society of Certified Public Accountants.