

## QUESTIONNAIRE

### GREEN PARTY OF ALAMEDA COUNTY 2014 ENDORSEMENT DECISION

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1. Motivations -- Why are you running for City Auditor? Please include any comments about the performance of the incumbent that led you to seek to replace her.

Len: Several months ago, I had just posted a link on my personal Facebook page to an SF Chronicle Op-Ed <http://www.sfgate.com/opinion/openforum/article/Oakland-needs-to-hire-an-independent-budget-5295568.php> where I stated that our elected City Auditor was supposed to perform the function that Harvey Rose performs for SF as independent budget analyst. At the time, I knew that the City Charter description of the Auditor's function was very broad. But when I found the Charter section intended the Auditor to proactively advise the Council before they make significant financial decisions.  
[https://library.municode.com/Html/16308/level2/THCHOA\\_ARTIVCIOF.html](https://library.municode.com/Html/16308/level2/THCHOA_ARTIVCIOF.html) :

“6) Preparing impartial financial analyses of proposed major expenditures prior to the approval of such expenditures. These analyses will be for informational purposes only and will include, but not be limited to, proposals, contracts, ventures, programs and construction projects. The proposed major expenditures selected for these financial analyses will be based on requests from Mayor/Council and/or deemed to be prudently advisable in the objective and professional judgment of the City Auditor.”

Performance audits come after that in the list of duties.

You will see the following comment from me on the current City Auditor in the reply section to that article:” The City Auditor should and could be doing what you are asking. Why would a consultant hired and fired by the same combo of Council Members and Mayor would be any more independent minded than an elected City Auditor could be. That is not to say that the last couple of auditors have shown any backbone when it came to evaluating the big fiscal

problems of the City. But neither of them even did a great job of internal auditing of those small potato items that can add up to big \$.

City budget staff actually has done some very good work in the last couple of years showing the disastrous effect of the decisions of the elected officials on our long term finances. Paying a consultant would be equivalent to Council and Mayor's decision to hire Bratton for 200k to rehash the conclusions of prior OPD consultants. Courtney Ruby's gorgeous website: "Your City Auditor is not connected to any other City departments. . This autonomy allows her to remain independent and unbiased in her role as Oakland's full-time watchdog - focused on ensuring that tax dollars and other resources are spent in the public's interest. The City Auditor's job is to analyze the City's operations and programs, as well as to issue reports to the public, elected decision-makers and City administration - detailing her findings, conclusions and recommendations.."

Our past two city auditors tiptoed around the huge fiscal issues that would have gored too many city oxen. They know that City politicians have an unspoken understanding out of mutual political survival not to address the serious fiscal problems. We need a tough, independent minded City Auditor and a Mayor and Council members who are willing to face reality and do some arithmetic."

In response to my Facebook post, several Oakland residents who have followed my op-eds over the years, online postings, and talks before City Council, challenged me to put my body where my mouth and keyboard fingers were: that instead of criticizing from the sidelines, I had to try to get into City Hall to improve it.

I knew how difficult it was to run against an incumbent here, especially for a city wide office where the costs of getting my name recognized and my platform publicized would be at least a \$100k. I didn't have that kind of money and I doubted if I could raise that much for a position as boring as City Auditor. So I put the thought away until it was certain in early August that the incumbent would not run for re-election. I secured endorsements and filed to run several days later.

2. Qualifications -- Please give a brief summary of your background and qualifications for the office of City. If you are a current City Government elected official, what issues can you point to in your time as an elected official that have had a positive impact?

Len: I'm an ex-Price Waterhouse auditor; then thirty years running my own Oakland/Emeryville CPA firm. For the past twenty years I've actively worked on community problems in Temescal and at City Hall so I'm very familiar with the issues facing residents and how they are affected by fiscal decisions. Google my name or go to my website to see op-eds and posts I've written over the years about Oakland fiscal issues. To run an effective City Auditor Department the person in charge, me, has to know the problematic areas to investigate, the background of the issues and personalities, and have a wide network of people who either work for the city or closely observe the City to provide leads and information. You also have to be good at communicating the results of the audit

so you have any chance of fixing the problems. I'm an experienced writer and speaker on Oakland fiscal issues.

Len: See <http://www.lensforchange.com/biography>

3. Endorsements -- Who has endorsed you so far? Who do you expect to endorse you? Who do you endorse in the other City races? Include our #2 and 3 choices for your own race and note that this year the City races are Mayor, Council seats, School Board seats and City Auditor.

Len: For full list of endorsements of me see: <http://www.lensforchange.com/endorsements>. Keep in mind that I've publicly disagreed with both Council members who have endorsed me. They know that. They also know that I understand the fiscal issues very well, respect me for my commitment to making Oakland better for all residents, and for taking positions regardless of popularity.

Len: I'm not going to make any endorsements now that I'm running. But I'll say what I particularly like about these six Mayoral candidates (in alphabetical order): Kaplan's commitment to improving transportation and creating transit oriented development. Parker's combination of competence with compassion. Schaaf's support of the Lift Up minimum wage and Oakland government transparency. Siegel's willingness to speak truth to power with a detailed platform. Quan's tireless work to improve Oakland's image and her efforts to help youth. Tuman's willingness to provide a detailed platform and his transition to emphasizing other solutions to crime besides more police. Because of the way the forums and endorsement interviews have worked out, I have talked with several of the OUSD school board candidates. On the whole, an impressive group.

4. What do you feel needs an audit or re audit during the next term?

Len: In addition to required audits, I'm developing a list that consists of big dollar contracts and departments that either have not been subjected to any kind of audit or have only been audited for traditional internal auditing standard "compliance" with contracts, adequacy of internal controls, and adequacy of expenditure authorization and accounting etc. Some targets might be exempt, might not. E.g. Port of Oakland and OHA. Right now the list includes OPD disability leave claims; OPD use of MY funds (current auditor only just recently said she would be auditing overtime after 8 years of ignoring most of OPD except technology. If she doesn't audit OT, I would.); the performance of the MY anti-violence evaluation firm and the process of selecting that firm; the selection process for MY anti-violence program contractors; Oakland Coliseum contracts with teams and with management firm; Comcast Cable for performance and pricing; Public Works for how the years of sewer taxes collected were expended; performance of the Building Department in processing building permits; reviewing the Building Dept. permit fees for compliance with State law that they only cover direct costs of enforcement; audit of the contractual performance of the single towing company; use of the 900 million of real estate "override" taxes that have been collected for years which were

supposed to have only gone to fund the ancient PFRS retirement obligation; effectiveness of the business tax assessment of underreported rental properties. Spot checks on employee time keeping accuracy. The City's review of Waste Management rate hikes should have audited in years past. I would review future rate hike approvals by the City staff. In addition to monetary type audits, we have to audit compliance with existing and to be developed privacy policies. Considering that City Staff helped a DAC vendor evade our prohibition on doing business with nuclear weapon contractors, we will have to keep a close watch over privacy policy compliance.

5. There have been a string of audits of the practices and policies of the city government. Does that go far enough? Is it the right focus? What would you think the focus should be of the next audits?

Len: Some of them have been excellent. For example the Hiring Performance audit. The technology audit was good but the publicity of the findings was not. The Fox Theatre audit was extraordinarily expensive and late and didn't uncover anything worth the several hundred thousand dollars paid to the outside consultants who performed the audit.

The investigation into alleged violation of the Charter separation of duties between Council and administration/operations was an inappropriate use of audit resources and unnecessarily divisive in the Council and the city. It focused on the only two African American Council members and ignored similar violations by other Council members current and past (but within the statute of limitations for prosecution). If the Auditor believed there was a strong case, it should have been referred to the PEC or the District Attorney. Going forward, I support Kalb's ballot measure for a stronger PEC, which is the appropriate agency for such matters.

Overall, keep in mind that much of effective internal auditing is determined by the selection of the audit target and not by how sophisticated the audit procedures. Execution of the audit design obviously is important but the current staff has been greatly upgraded by the current Auditor.

Selection of the target is only partly determined by objective analysis of the numbers. Much of the selection process involves familiarity with the City government, with past fiscal problems, and winning the trust of City employees and contractors to tell you where the problems lay. Over the years, I've gotten to know quite a few city employees, many who are frustrated with what they see as waste or inefficiency.

Also keep in mind, that audits are not the best way to improve the efficiency of city operations. You could triple the number of auditors running around City Hall but what's really needed to improve performance from City departments is a very competent, stable City Administrator, backed up by a Mayor and Council.

6. What is your opinion of the Measure Y audit and what does the public need to know?

Len: The first problem is that OPD use of funds was never audited. OFD's use of funds should have been audited also. The other problem is that the "performance" audit of the anti-violence programs was an audit of how well the programs performed at preparing a good paper trail and not how well they reduced violence. There is an independent firm, RDA, that is supposed to perform that type of performance audit, but much of their output is based on self-reporting by program clients. Instead of comparing the effectiveness and efficiency of our programs to that of other cities, such as Richmond, RDA only looked at the average cost per client compared to the average cost of arrest, trial, and incarceration. No one has looked at whether favoritism occurred in the selection or termination process for MY grants.

7. Same question for the Hiring Practices audit.

Len: Appears to be well done but follow up seemed weak. Again, the problem starts at the City Administrator level. Audits can't fix that.

8. What is and what should be the relationship between the Auditor and the other branches of City Government? Do you propose any changes in the structure or the practices of the Auditors' Office?

Len: Cordial but distant. Auditor has to be both impartial and forthright. Looking back over the last two auditors it appears they generally avoided digging deeply or at all in areas with strong protectors such as OPOA or politically connected non-profits. Impartial doesn't mean an Auditor shouldn't hold or even express their own policy preferences. But that can't interfere with how the auditor selects audit targets, conducts the audits, or analyses proposed Council financial decisions. An auditor without strong policy positions is an auditor who is not passionate about serving Oakland. But the Auditor was not elected to make policy. Fine for auditor to communicate findings and policy alternative costs and benefits directly to the residents. That even relieves the Council Members of being the ones to ask residents to make hard choices. Auditor shouldn't abuse that by grandstanding.

Instead of expanding the City Auditor staff to prepare more audits of City Department performance, we should seriously consider implementing something like CitiStat. Idea is that if you collect the metrics for City service performance, e.g. OPD response time, or days to process building permits, number of employees on sick leave, etc. the public, the media, and city officials can take steps to fix the performance problems quickly. This is instead of waiting months for the City Auditor's staff or outside consultants to prepare an audit that might already be obsolete by the time of release. And expensive. Some areas involving confidential employee info and evaluating the performance of data that's harder to quantify, such as conformance to City privacy policies, can't be so easily handled by a CitiStat approach. Audits of major contracts and looking for fraud is also better handled by human auditors.

Updating an approach like CitiStat with the approach of Open Oakland is what we have to do to improve City Hall accountability with real time transparency.

Within the confidentiality rules and good audit practice, I'll have an open data and open door policy towards all residents and City Hall people. The issues we face are complex and often involve choosing between unpleasant alternatives. We have many very smart residents who could contribute to both analysis of data and design of policy if the information were made available to them within the confidentiality rules. That's what one OUSD school board candidate called "working with instead working for the residents." Council might consider trying out open budgeting.

The Auditor's approach should be to work with and not just work for the residents. Showing the many smart residents of Oakland how to analyze City data and getting them the data they need is a better approach than simply doing more audits.

9. What is your opinion of the contracts and contract performance of Redevelopment and post Redevelopment projects such as the Oakland Army Base and the Upper Broadway plan? How should Oakland Audit and oversee compliance on this kind of development plan?

Len: We blew thru hundreds of millions of RDA money with remarkably little to show for in affordable and low income housing units built or long term development of decent paying jobs that match needs of all of our residents. I would think that if our auditors had done their job better, at least the residents would have known how elected officials chose to spend RDA monies.

While the Auditor's staff has not been cut, the budget for outside consultants has been slashed. That will make it very difficult to perform the audits requiring specialized skill such as construction project auditing. All the more reason to advocate for cost saving effective alternatives to traditional auditing.

10. Anything Else? -- Is there anything else you would like us to know about you?

Len: The Auditor's Charter mandate is broad enough to allow for an Auditor to speak up on the financial expenditure consideration of Council decisions such as the DAC City wide surveillance or the proposed ballot measure for a totally civilian-run Public Safety Oversight Committee.