



Lawrence F. Alwin, CPA
State Auditor

A Special Investigations Unit Report Regarding The Llano Independent School District

April 19, 2004

Members of the Legislative Audit Committee:

On March 29, 2004, the District Attorney of the 33rd Judicial District in Llano, Texas, obtained a guilty plea for Tampering with Governmental Record from Andrew Jack Patton, former superintendent of the Llano Independent School District (Llano ISD). Mr. Patton was guilty of falsifying annual student attendance records for Llano ISD. Mr. Patton also admitted guilt for 15 unadjudicated offenses, which included making false representations to the Office of the Attorney General (OAG).

The Llano Independent School District is based in Llano, Texas. It is a AAA district with approximately 1,900 students. The district had \$21,243,721 in revenues in the 2002-03 school year.

The State Auditor's Office Special Investigations Unit determined that Mr. Patton falsified information in a letter to the OAG to obtain \$995,000 in Limited Maintenance Tax Notes for Llano ISD. The Texas Education Code allows school districts to issue Limited Maintenance Tax Notes to pay maintenance expenses. Districts secure these notes with liens on any of their available funds. While these notes do not have to be approved by voters and are not guaranteed by the State, the Education Code requires them to be certified by the OAG. The OAG's decision to certify the notes is based solely on the information provided by the school districts. Without accurate information from school districts, the OAG cannot make informed decisions regarding the issuing of Limited Maintenance Tax Notes and may approve bonds or notes that the district does not have the ability to repay or may be forced to repay out of other available funds, which could include state funds. Mr. Patton gave false information regarding Llano ISD's use of the proposed notes and its ability to repay the notes.

The Special Investigations Unit investigates reports of illegal activity involving state agencies and universities.

Texas Government Code §321.022 requires state agencies and universities to report suspected fraud or unlawful conduct to the State Auditor's Office if there are facts that point to fraud or unlawful conduct.

To report suspected illegal activity, call 1-800-TX-AUDIT (1-800-892-8348), send a fax to (512) 936-9400, visit www.sao.state.tx.us, or mail information to the State Auditor's Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.

The offense of Tampering with Governmental Record is a third-degree felony. The 15 unadjudicated offenses, including falsifying information to the OAG, were also considered in determining Mr. Patton's sentence. He was sentenced to five years deferred adjudication and was ordered to pay a \$5,000 fine and court costs. He permanently surrendered all licenses and certifications that allow him to work as superintendent, administrator, or teacher in any public or private school in Texas or any other state.

If you have any questions, please contact Matthew Samuelson, Senior Investigator, or John Weber, Manager, Special Investigations Unit, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

cc: The Honorable Sam Oatman, District Attorney, 33rd Judicial District

SAO Report No. 04-027

