

Spending on rodeo tickets reviewed

Texas Education Agency investigates expenses at HISD

By **BILL MURPHY** Copyright 2009 Houston Chronicle

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The Texas Education Agency is investigating whether some HISD principals and administrators wrongly tapped discretionary funds to spend as much as \$100,000 on rodeo gala tickets since 2003.

The principals bought the tickets with profits from school vending machines that go into funds controlled by the school leaders, said George Garver, manager of campus audits in the Houston school district's inspector general's office. Tickets for the annual Black Heritage Western Gala were then given to teachers and administrators.

The discretionary funds are to be used to "promote the general welfare and the educational development and morale of students," the HISD's financial procedures manual says. "Any expenditures directly from this account must benefit the entire student body."

School Superintendent Abelardo Saavedra said principals and administrators had appropriately used the funds because purchasing tickets works to cement a fruitful partnership between HISD

and the rodeo. The rodeo, he said, awards more than \$1 million in college scholarships to HISD students annually.

"I have been reassured by the (HISD) inspector general that there is nothing illegal or unethical about this practice," he said. "It's a relatively small investment when you consider that the return on that is very substantial."

TEA initially conducted an investigation into the ticket purchases last year, but ended it because HISD's inspector general concluded that no wrongful spending had occurred.

TEA re-opened the investigation this year. "Some more information was provided to us, and we are looking a little deeper into this," Rita Chase, TEA director of financial audits, said Tuesday.


Del Murphy, husband of a retired HISD assistant principal, filed complaints with HISD's inspector general and TEA. Money from the discretionary funds, he said, should go to buy school library books or make other school improvements.

"They use this money to go wining and dining. Taking this money and using it in this way is immoral," he said. "You are taking money away from kids and elementary schools that are at minimal resources."






In 2008, HISD spent about \$16,000 on tickets to the gala. Tickets cost \$40, and as many as 400 teachers and administrators received tickets for event.

Most of the money came out of the principals'

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discretionary funds and principals' general revenue discretionary fund, but a small portion of the money came from other school activity funds, Garver said.

HISD was unsure whether some of the nearly \$6,000 spent on tickets in 2008 for elementary teachers may have come from parent-teacher organizations or corporations, said Bob Moore, HISD inspector general.

Tickets to this year's event, held Jan. 17 at Reliant Center, cost \$50. Those attending dined on Western and barbecue cuisine and received two drink tickets. They danced to the music of Joe Carmouche, Brian Jack and the Zydeco Gamblers, and DJ Jammin J.

In June 2008, the HISD inspector general's office wrote the TEA that it viewed the gala as "a professional development event."

Funds help scholarships

Moore said HISD employees do not attend the event to wine and dine, but to take part in honoring guests of honor who have made significant contributions to the area.

The event promotes a legitimate educational purpose — a portion of ticket funds go into college scholarship funds, Moore said. The rodeo, he said, awarded \$1.3 million in scholarships to HISD students in 2007 and \$1.4 million last year.

In a letter sent Tuesday to Saavedra, state Sen. Mario Gallegos addressed another financial

matter between HISD and the rodeo.

The Houston Democrat asked why the rodeo's IRS 990 filings for non-profits show that it cut Warner Ervin, HISD south region superintendent, a check for \$12,312 in 2005 and \$356,946 in 2006.

Leroy Shafer, the rodeo's chief operating officer, said the rodeo has never given a check to Ervin other than reimbursing him for \$200 that went toward rodeo expenses in 2000.

The federal tax filings require the rodeo to list its top officials whose employers receive payments from the rodeo as related parties, Shafer said. Ervin, one of 17 volunteer rodeo vice presidents and a member of its board, is listed on rodeo tax filings because the rodeo makes grant payments to HISD, Shafer said.

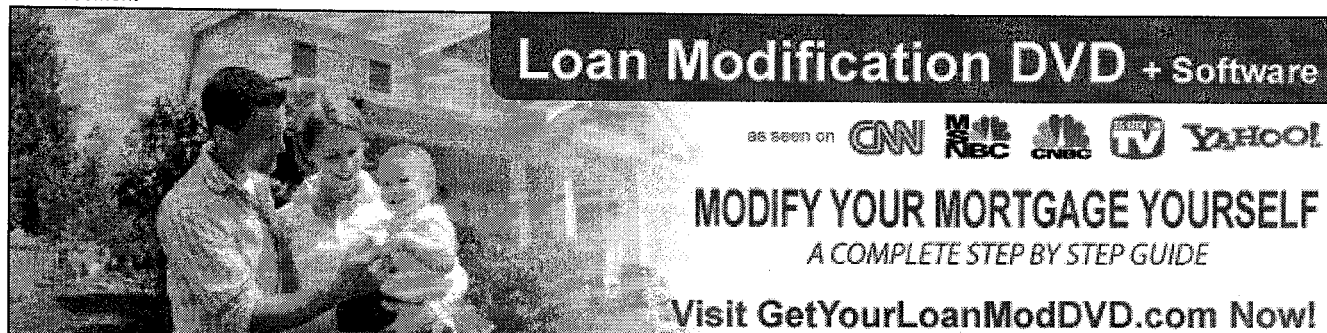
Last month, Gallegos introduced a bill that would require the rodeo to comply with the state open records act, to try to contract with more minority-owned businesses and include minorities on its board.

The Chronicle obtained copies of letters Ervin sent to principals and other HISD employees encouraging them to buy tickets to the Black Western Heritage Gala. Murphy said Ervin's letters amount to coercion because employees are leery of not honoring a boss' request.






Ervin did not return a phone call from the Chronicle.

Chronicle reporter Mike Tolson contributed this

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