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# Missing Bond Fund Accounts

Posted by [Libi Uremovic](#), October 02, 2013 at 05:20 AM

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The Bond Fund Accounts are the Bank Accounts listed on the Bonds and held by the Bond Trustee – which is Union Bank in L.A.

    
  

The Trustee sets up the bond fund accounts for each bond to ensure the funds are distributed legally. This audit focuses on the last six bonds received by the City of Beaumont.

The bond fund accounts are set up with 10-digit account numbers. The 1st four digits on all the bonds are the same: '6711'. The next three digits identify the individual bonds and the last three digits identify the individual account. The bond fund accounts I've received from the City all make numerous references to money transfers to 'xx07' accounts, but the City has not disclosed these accounts. The following is an audit of selected bond fund accounts in the last six bonds received by the City.

**December 2011 Bond Area 17B \$12,145,000:** This bond is broken into two section for Series A and Series B, so it has two xx07 accounts – 6711966807 and 6711966907.

**6711966801** = 2011 Revenue Bond Fund Account. In February, 2012 this account was used to funnel \$144,000 from 6771966807 to 6771966802. In August, 2012 \$375,768.76 was transferred into this account from the 6807 account. **In September, 2012 \$375,740 was transferred to account 6802 and in February, 2013 another \$375,000 was transferred from 6807 to 6802 through this account.**

**6711966802** = 2011 Bond Interest Account. This account is started with \$749,273.88 transferred from account 6807 and \$109,052.12 from the City. February does show a transfer of \$144,000 from the 6801 account, but the

**\$375,740.39 transfer from 6801 in September, 2012 AND the \$375,749.33 transferred in February 2013 are NOT recorded on the 6802 fund account.** This leaves a discrepancy of **\$751,489.72.**

**6771966905** = 2011 Bond Construction Fund Series A. This account received \$25,735.21 from the 6807 account in December, 2011. In January, 2013 \$24,736.21 was transferred to 'PNC Bank Pittsburgh' with the memo 'Payment Tournament Hills'. In June, 2012 \$1,237.74 was transferred in from 6808 and \$1,500 was transferred out to the 6907 fund account.

**6711966906** = 2011 Bond Construction Fund Series B. The Bond states this fund should have \$2,563,861.31 in its account to be used for construction. In December, 2011 \$2,092,110.83 was transferred from the 6807 account and transferred to 'PNC Bank Pittsburgh' with the memo: 'Tournament Hills'. In June, 2012 \$5,489.12 was transferred in from 6808 and \$3,010 was transferred in from 6908.

In November, 2012 \$2,365,875.44 was transferred from fund account 6911. \$1,182,937.72 was transferred to 'PNC Bank' with the memo 'Pardee Homes San Timateo Sewer-Desert Lawn Drive' and \$147, 555 was paid to Urban Logic in three separate transactions.

Urban Logic is paid every month through the 6906 account: December 2012 = \$396,418; January 2013 = \$112,126; February 2013 = \$91,951; March 2013 = \$83,350; April 2013 = \$44,163; May = \$75,366; June 2013 = 143,165. Urban Logic was paid over \$1 Million through this account. Balance of 2011 Bond Construction Fund Account as of August 2013 = \$66.75.

**6711966911** = Special Escrow Fund Account. This account should have \$5,510,000 and that amount was transferred in from the 6807 account in December 2011. In November 2012 \$2,365,875.44 was transferred to the 6906 account. There is no other activity in the account. Page 38 (46/286) states the use of the Special Escrow Fund.

### **March 2012 Bond Area 8C \$5,650,000:**

**6711978601** = Revenue Bond Fund Account. August 2012 \$136,190 transferred in from 8607 account. September 2012 \$136,182 transferred to 8602 account. February 2013 \$161,270 transferred from 8607 account to 8602 account.

**6711978706** = Construction Fund Account. March 2012 \$1,459,817 transferred in from 8607 account. May 2012 \$1,127,827 transferred to 'PNC

Bank' with memo 'Highland Springs Ave Acquisition: Pardee Homes' and \$287,894 to CitiBank with memo 'Wastewater Headworks Upgrades: City of Beaumont'.

August 2012 \$44,058 paid to Urban Logic. August 2012 lists \$9,544 transferred in from 8608 and \$2,635 transferred in from 8707.

#### **April 2012 Bond Area 20 \$3,265,000:**

**67119799901** = Revenue Fund Account. August 2012 \$67,878 transferred in from 9907 account. September 2012 \$62,874 transferred to 9902 account. February 2013 \$91,000 funneled from 9907 to 9902 account.

**6711980002** = Interest Account. April 2012 \$207,301 transferred in from 9907. August 2012 \$62,878 transferred to 9907. February 2013 \$91,333 transferred to 9907.

**6711980007** = Special Escrow Fund: April 2012 \$1,665,000 transferred from 9907. November 2012 \$650,390 transferred to 0005. July 2013 \$1,014,609 transferred to 0005

#### **June 2012 Bond Area 7C \$3,655,000:**

**6711988401** = Revenue Bond Fund. August 2012 \$41,915 transferred in from 8407 account. September 2012 \$41,915 transferred to 8402. February 2013 \$31,687 from 8407, \$15,378 from 8409, \$14,500 from 8410, \$28,253 from 8411 and \$89,810 transferred to 8402. As of June 2013 the 8402 account balance was \$8.74.

**6711988505** = Interest Account. June 2012 \$51,956 transferred in from 8407 account. August 2012 \$41,915 transferred to 8407 account. February 2013 \$32,703 transferred from 8504 account. \$14,500 transferred to 8410 and \$26,253 to 8411.

**6711988509** = Construction Fund Account. June 2012 \$350,451 transferred from 8407 account. **\$54,200 transferred to Urban Logic and \$296,249 to City with memo: 'Transportation Facilities'**. December 2012 \$1,825 transferred from 8508, \$9,825 from 8507, and \$2,383 from 8408 fund account.

**6711988513** = Series F Construction Fund. June 2012 **\$759,788 from 8407 account to City with memo 'Potrero Blvd'**. December 2012 \$1,825 from 8512, \$8,964 from 8511, and \$4,585 from 8408.

#### **January 2013 Bond Area 19C \$8,810,000:**

**6712022310** = Expense Fund Account. February 2013 \$56,025 to McFarlin & Anderson, \$59,050 to Ron Gunn, \$28,000 To Fulbright, \$1,202 to Samuel Norber, \$3,749 to Financial Printing, \$3,750 to Trustee. April 2013 \$30,000 to City for 'Authority Administrative Expense'. This amount has its own account – 2408.

**6712022408** = Administrative Expense Fund. Page 16 (24/136) lists the amount of this fund at \$30,000. February 2013 **\$35,000 paid to Urban Logic**, \$25,000 paid for 'Administrative Expense', and **\$25,000 to 'Special Tax Administrative Services'**.

**6712022409** = Cost of Issuance Fund. January 2013 \$40,500 transferred in from 2308. February 2013 \$15,000 paid to McFarlin, \$15,000 to Ron Gunn, \$7,500 to Fulbright, and \$375 to Trustee.

#### **April 2013 Bond Area 17A \$10,875,000**

**6712027011** = Expense Fund Account. April 2013 \$4,250 to Trustee Fees, \$87,187 to Ron Gunn, \$58,687 to McFarlin, \$28,593 to Fulbright, \$1,267 to Sam Norber, and \$4,258 to Printing.

**6712027108** = Administrative Expense Fund. April 2013 \$85,000 transferred in from 7009 account. May 2013 \$50,000 to City for 'Special Tax Administration' and \$35,000 to Urban Logic.

**6712027109** = Cost of Issuance Fund Account. April 2013 \$45,500 transferred in from 7009 and \$375 paid to Trustee, \$15,000 to Ron Gunn, \$15,000 to McFarlin, and \$7,500 to Fulbright.

Records Request: Bond Fund Account Monthly Statements for Accounts:

6711966807 and 6711966907 from December 2011 to Present.

6711978607 from March 2012 to Present.

6711979907 from April 2012 to Present.

6711988407, 6711988409, 6711988410, and 677988411 from June 2012 to Present.

6712022307, 66712022308, & 712022310 from January 2013 to Present.

6712027007 & 6712027009 from April 2013 to Present.

This is not a new records request as this information was requested over a month ago. The total amount for copies is under \$95.00.

Produce the Records.

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**Libi Uremovic** October 01, 2013 at 12:10 PM

'...6711988513 = Series F Construction Fund. June 2012 \$759,788 from 8407 account to City with memo 'Potrero Blvd'. ..'

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**Libi Uremovic** October 01, 2013 at 12:11 PM

'... Urban Logic was paid over \$1 Million through this account...' can anyone explain to me the obsession with funneling millions of dollars to urban logic....???

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**Libi Uremovic** October 01, 2013 at 12:14 PM

'...\$375,740.39 transfer from 6801 in September, 2012 AND the \$375,749.33 transferred in February 2013 are NOT recorded on the 6802 fund account. This leaves a discrepancy of \$751,489.72....' mike boughton - the vp of union bank is the one that's been handling these accounts...yes, the sec is a slow boat, but he broke state laws - and that's the fast track to indictments....

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**Ken** October 02, 2013 at 02:37 AM

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