

Timeline of Triflection Matter with Wolcott Board of Education

The matter involving The Triflection Group, Inc. and the Wolcott Board of Education has garnered much attention and has been the focus of several meetings of the Board. At this time, I wish to release the following timeline which is accurate to the best of my knowledge. Because much of the information in the public arena about this topic has been erroneous or inflammatory, I seek to clarify documented events in this matter so that the residents of Wolcott can have a full understanding of the facts. We have been advised previously to not respond publicly however at this time we are choosing to respond.

Sincerely,
Patricia Najarian
Chairman, Board of Education

2012

- October: WBOE issues a Request for Proposal in an effort to reduce costs for technology services in network management, data support and computer technicians.
- November: The district signs a contract with Triflection Group to provide IT services to Wolcott Public Schools from November 1, 2012 through June 30, 2013 in the amount of \$167,000.00.
- This contract was paid in two installments directly to Triflection: November 15, 2012 and March 4, 2013.
- 1099 forms were completed for these payments.

2013

- ACES submitted a bid \$581,772.00 for technology services.
- Triflection Group submitted a bid for \$250,000.00 for technology services.
- Triflection Group discounted the total cost of its bid \$237,500.00 for full pre-payment of 2013-2014 contract.
- Total Technology savings between Triflection Group Inc. bid and ACES bid was \$344,272.00 for the 2013-2014 year.
- 10/22/12 WBOE Vote: Affirmative/Yes 5:1 Motion by Casagrande, Cordone, DelBuono, Gubitosi & Najarian, Voting No: Kelly, & Abstentions: Lumia, Leonard & Absent: Mancini.
- District signs one-year contract (2013-2014) with Triflection for IT services.
- The above payment was remitted to Mr. Timothy Johnson after the district received a "Notice of Assignment of Claim" from Mr. Dandio. A W9 was on file in the business office and a 1099 form was issued at the end of the calendar year. WBOE members raised a question as to who was Mr. Johnson and WBOE members were informed that he was the financial backer for Triflection Group.

- At this point, Mr. Dandio requests that all present and future payments be sent to Mr. Johnson in California. The Business Manager has Mr. Dandio complete and file necessary Assignment of Payment.
- Triflection fulfilled its contract obligations in 2013-2014 fiscal year without issue as per contract.

2014

- January: Triflection Group Inc. submitted renewal quote for annual technology services in the amount of \$350,000.00 for 2014-2015 fiscal year.
- WBOE members were concerned at the increase in price.
- January: In response to the Superintendent's request for a lower renewal quote, The Triflection Group submitted a new quote of \$320,000.00.
- February at budget workshop WBOE members made a request for further reduction from the Triflection Group Inc.
- February: The Triflection Group submitted reduced quote of \$295,000.00 for the 2014-2015 fiscal year if invoice paid in full as successfully done in previous year.
- February 24th: WBOE votes to approve contract during finance committee, affirmative/yes votes: Motion by Buzzelli, Clair, DelBuono, Gubitosi, Leonard, Lerz, Mancini and Najarian, no votes none and abstentions Lumia.
- April: The district signs one-year contract with Triflection Group Inc. in the amount of \$295,000 for the 2014-2015 school year. During this vote there was no information provided to the WBOE members or correspondence from the Superintendent or Mr. Dandio that there were any financial issues with the Triflection Group Inc.
- November 12: An invoice with this date is issued by Triflection to the district for website and intranet services in the amount of \$20,000.00.
- November 17: After committee meetings the superintendent informs WBOE members of the need for additional intranet & website services. There was no contract provided or an addendum describing those services.
- November 18: The Superintendent sends an email of the contract to the Business Manager, stating *"I want to go forward with it to get this done by January 1st."* The Business Manager asks the Superintendent for further detail on the contract. WBOE members never reviewed a contract.
- November 20: The Superintendent directs the Business Manager to have the \$20,000.00 check ready for the following day.
- The services on this invoice were never rendered by Triflection.
- November 21: Triflection employee, Erich Urban, e-mails Mrs. Tansley and the Superintendent indicating that he had not been paid as expected by Triflection and asks for assistance. WBOE members were not notified of this communication.
- December 15: Triflection employee, Erich Urban comes to the superintendent office stating that he was not paid again this happened in front of WBOE Chair Najarian during her weekly

meeting with the superintendent this was the first time that the any of the WBOE members were made aware of any financial difficulties.

- December 19: The Superintendent sends a letter to Mr. Dandio asking if Triflection would be able to honor its contractual obligations. No response received.
- December 30: Dissolution of The Triflection Group, Inc. letter received from Mr. Dandio notifying the superintendent.
- The WBOE incurs an added expenditure of \$101,200.00 to address IT needs for the remainder of the 2014-2015 school year which is comprised of:
 - Contract with NSI company to provide high-level IT services: \$33,000.00
 - Contract with PowerSchool specialist: \$14,000.00
 - Hire two former Triflection technicians for remainder of year: \$54,200.00 (salary & benefits)
- Thus, the WBOE/district budgeted \$295,000.00 for technology expenses but actually expended \$396,200.00; a difference of \$101,200.00 this was the actual additional cost that the District incurred for the same level of technology services. This shortfall was made up predominantly through savings in the salary line which was trending with a surplus due to unexpected retirements/resignations. These figures do not include the additional \$20,000.00 for the unfulfilled contract/invoice from November 2014.

2015:

- January: WBOE members authorized the Superintendent to "work with legal counsel to file a claim to assert the Board's legal right regarding a technology contract."
- January: The WBOE files breach of contract lawsuit against The Triflection Group, Inc.
- WBOE asked Court to award relief, at its discretion, for The Triflection Group, Inc.'s breach of the 2014-2015 services contract.
- The Court's options for awarding relief to the WBOE included: (a) ordering Triflection to complete its service obligations under the annual services contract, (b) ordering Triflection to refund 50% of the annual fee of \$295,000.00 (\$147,500.00); **OR** (c) ordering Triflection to reimburse WBOE for costs incurred in securing alternate service providers (\$101,200.00). (please note the **OR** it is not **AND** these numbers cannot be added together which has been done by the media & public)
- September: WBOE meets in executive session and considers the significant costs that would be associated with any continued litigation against the dissolved Triflection Group, Inc. and the remote chance of recouping any of the actual replacement costs of \$101,200.00 as we were told there were no assets.
- ACES has spent over \$100,000.00 in litigation against Dandio and has yet to recoup their losses.
- September: At the recommendation of the Superintendent due to significant costs associated with litigation of lawsuit that the WBOE members should consider settling litigation.

- WBOE members came to consensus for counsel to pursue settlement of litigation in an effort to mitigate additional litigation costs to the district.
- October: Legal Counsel continues settlement discussions.
- November: WBOE files Motion for Judgment upon Stipulation. The Triflection Group, Inc. acknowledged its breach of the technology services contract.

Although we experienced unforeseen difficulties with the Triflection Contract it is important to note that we still realized a savings of \$463,494.00 (2013-2014 & 2014-2015 contract years) by not renewing services with ACES. This board of education over the years has practiced aggressive responsible fiscal management of the district while not jeopardizing the quality of education for children of Wolcott.

2013 – 14	344,272.00 (ACES Bid \$581,772.00 - \$237,500.00 Triflection Bid)
2014 - 15	<u>\$286,722.00</u> (ACES 2013 \$581,772.00 - \$295,000.00 Triflection Contract)
Sub Total	\$630,994.00
	-147,500.00 (Loss of services not fulfilled by Triflection 6 mo. \$295,000/2)
	- <u>20,000.00</u> (Non-Fulfillment of Internet & Website Services)
Total Savings	\$463,494.00