INDEPENDENT INVESTIGATIVE REPORT CONCERNING
COMMUNICATION FROM ELMHURST COLLEGE TO
COLLEGE OF DUPAGE IN REGARD TO POTENTIAL
CRIMINAL CONDUCT BY JOHN VALENTA

Prepared for the College of DuPage
Board of Trustees by:

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OVERVIEW:

In December 2013, the College of DuPage ("COD") uncovered and acted on a scheme to defraud the college by John Valenta, employed by the college as an engineer at its radio station WDBC (FM90.9). The scheme involved the use of false invoices issued by Valenta's company, Broadcast Technologies, Inc. In January 2015, news reports reflected that Valenta had been investigated in 2011 for a similar scheme at Elmhurst College, and that Elmhurst College may have made COD aware of its investigation at the time. This independent investigation, therefore, was undertaken to investigate possible prior contacts from Elmhurst College to COD regarding potential criminal conduct by John Valenta.

EXECUTIVE SUMMARY:

At the outset, it is important to note that an employee defrauding his or her employer will naturally go to lengths to keep the fraud hidden from view and dissuade investigation. Therefore, even with hindsight, a degree of speculation is required to suggest that a different response could have resulted in a different outcome. Also, noteworthy in evaluating whether COD -- and at what level -- was made aware in 2011 of a fraud by Valenta at Elmhurst College, is the administration's prompt response to its own internal discovery of apparent fraud by Valenta.

This investigation concludes that credible and verifiable information exists to establish that Caroline Krause, Assistant Director Campus Security at Elmhurst College, made phone contact with REDACTED of the College of DuPage Police Department on January 31, 2011 and February 1, 2011. The purpose was to alert COD that Elmhurst College had discovered a scheme by Valenta in which he submitted false invoices to Elmhurst College, including invoices issued by Valenta's company, Broadcast Technologies, Inc. The calls were made days before the matter was reported to the Elmhurst Police.

REDACTED however, has no recollection of the calls. He also failed to follow the policy and practice of the COD Police Department and make a record of the contacts in the department's Computer Aided Dispatch System (CADS). It appears most likely that in response to the Elmhurst College contact RED, contacted Scott Wager, the WDCB station manager at the time. It further appears most likely that Wager reassured any concerns by telling RED that the college's internal controls would not allow such a fraud to take place at COD. RED then appears to have reported this response to Elmhurst College.
There is also credible information that in March 2011, REDACTED
REDACTED at WDCB, informed Wager that she saw a *Daily Herald* report of an investigation concerning Valenta at Elmhurst College, REDACTED, reports that within days she saw Wager and Valenta meet behind closed doors in Wager's office. Wager was not available for interview. However, he has given conflicting accounts of whether he was made aware of Valenta having issues at Elmhurst College and whether he advised his superior, Chuck Currier. There is no evidence that Wager advised Currier concerning Valenta and Currier credibly denies that such a contact was ever made. There is also no evidence of any senior COD administration official being made aware of a fraud or investigation concerning Valenta at Elmhurst College. Indeed, the administration's prompt response to the discovery of irregularities concerning Valenta in December 2013 is strong support for this conclusion.

**INVESTIGATION BACKGROUND:**

Following retention in February 2015, Michael C. Bruck of Williams Montgomery & John, Ltd. undertook the requested independent investigation. This included the obtaining and review of over 2000 pages of records and the interviews of the following persons:

Daniel Bindert – Personal Interview, March 10, 2015
WDCB Station Manager
College of DuPage

Dr. Chuck Currier – Personal Interview, March 10, 2015
VP of Information Technology
College of DuPage

Thomas Glaser – Personal Interview, March 10, 2015
Senior VP – Administration and Treasurer
College of DuPage

REDACTED – Personal Interview, March 10, 2015
REDACTED
College of DuPage

Jeff Kedrowski – Personal Interview, April 10, 2015
Executive Director, Security and Emergency Management
Elmhurst College

REDACTED – Phone Interview, April 13, 2015
REDACTED Campus Police

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Caroline A. Krause – Personal Interview, April 10, 2015
Assistant Director Campus Security
Elmhurst College

James Martner – Personal Interview, March 10, 2015
Campus Auditor
College of DuPage

Joe Moore – Personal Interview, March 10, 2015
Vice-President of Marketing and Communications
College of DuPage

REDACTED – Personal Interview, March 10, 2015
Chief of Campus Police
College of DuPage

Linda Sands-Vankerk – Personal Interview, March 10, 2015
Vice President – Human Resources
College of DuPage

KEY FACTUAL FINDINGS:

Background

The College of DuPage ("COD") is an Illinois community college. Among its functions, COD operates WDCB (FM 90.9), an acclaimed jazz radio station. WDCB's funding is primarily from donations and sponsorships, with COD providing a subsidy to cover any shortfalls. Prior to 2012, WDCB was in the college's Information Technology Department.

Scott Wager was station manager at WDCB from 1981 to July 31, 2013. Wager was in charge of the WDCB staff that included on-air talent, production and programming. John Valenta was employed by COD as a station engineer at WDCB from 1979 to 2014.

Valenta was under the supervision of Wager. As station engineer, Valenta was responsible for keeping station equipment in good working order and keeping the station on the air. This included maintenance of the station's transmission tower. Critical to the operation of the radio station is staying on the air. In the years prior to Valenta's retirement in 2014, the station experienced frequent outages that caused it to go off the air. Apparently coinciding with
outages would be a request from Valenta to purchase parts and/or equipment purportedly damaged from the outages.

COD uses a purchase order system for the purchase of outside parts and equipment. An internal audit of WDCB in 2003 concluded that, while there were no internal control issues at the station, certain improvements could be made. Broadcast Technologies was a recurring vendor to WDCB where purchase orders were not used. Jim Martner, Director of Internal Audit, addressed this at the time with Scott Wager. Wager informed Martner that Broadcast Technologies was a sideline business for someone he had known for years and he felt it provided a better price than other suppliers. He also said it was not realistic to get a purchase order approved in the middle of the night when a new part was needed. As a result, purchasing worked with Wager to establish a “blanket purchase order” for Broadcast Technologies. Each payment to Broadcast Technologies, however, continued to be approved by Valenta, the station engineer, and Wager, the station manager.

Because outages and concomitant parts or equipment purchases was a recurring and costly problem, in about 2007 Chuck Currier, VP of Information Technology, commenced studies to determine the source of the outages. Those studies and Commonwealth Edison reportedly showed little or no power surge activity. Nevertheless, Valenta continued to maintain that power supply issues continued to affect station equipment and cause outages. And, seemingly with each outage, he claimed equipment would be damaged that necessitated purchases of parts and/or equipment.

In 2012, management responsibility for WDCB was moved from the COD’s Information Technology Department to its Marketing and Communications Department, then headed by Joe Moore. Moore’s immediate charge from President Breuder was to improve the performance of the radio station on a number of measures; most particularly to reduce the subsidy provided by the college to the station. At the time, the subsidy was approximately $700,000 to $800,000 per year and it is now approximately $300,000 per year.

After taking over, Moore set performance goals for the station manager, Scott Wager. Overall, Wager, who had previously received generally acceptable performance reviews, was not able to meet Moore’s performance demands. Likely facing termination for lack of performance, Wager retired from COD effective July 31, 2013.

For a short period following Wager’s retirement, Valenta reported directly to Moore. Valenta continued to report service interruptions and the resulting need for parts and equipment purchased through Broadcast Technologies. Moore, then relying on Valenta’s expertise, approved the purchases. However, suspicions in Moore’s mind began to arise about Valenta. An item of particular concern was Valenta’s frequent charging of overtime.

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A search for a new station manager culminated in the hiring of Daniel Bindert on October 28, 2013. Bindert’s immediate charge from President Breuder and Moore was to boost station revenue and cut expenses. Along these lines, Moore expressed to Bindert his concerns about Valenta’s use of overtime.

After Bindert’s hiring, claimed service interruptions continued. On one memorable occasion shortly after being hired, Bindert reports he was driving to work when the station went off the air. He immediately called Valenta who texted him back that he was “on it” and then service was restored. In retrospect, it is incredible to Bindert that there could have been a failure and that Valenta could have responded to it so quickly.

In December 2013, Bindert was meeting with an engineer from another radio station. That engineer warned Binderdt to take a “close look” at Valenta because he had had problems at Elmhurst College and elsewhere. Bindert promptly performed a Google search and found a newspaper report on Valenta’s indictment as a result of theft at Elmhurst College. He also pulled billings and inquired of station staff concerning Broadcast Technologies. Staff informed him that “Ed” runs Broadcast Technologies. They, however, had no phone number for Ed. Bindert then performed a Google search of Broadcast Technologies in Wheaton, Illinois and it showed Valenta’s address. Further searches showed Valenta as an officer of Broadcast Technologies.

Bindert also called an engineer he previously worked with concerning the frequent outages of the COD’s transmitter, manufactured by Harris Technologies. He learned that a Harris transmitter is known as “bullet proof” and rarely breaks down. He also called Harris Technologies and learned that it had no record of purchases by Broadcast Technologies.

Within 24 hours of being warned of Valenta’s prior problems, Bindert brought his findings to Joe Moore. Shortly thereafter, senior college management, including President Breuder, Bindert, Moore, Chief Mullin, Jim Martner and Linda Sands-Vanker, were assembled to address and investigate Valenta’s apparent fraud. While the investigation was proceeding and following his suspension, Valenta resigned from the college on February 7, 2014. Valenta is currently under indictment in DuPage County, Illinois involving his work at COD.

2011 Contacts

On January 15, 2015, the Chicago Tribune reported that officials at Elmhurst College had warned COD about Valenta’s business dealings after his March 2011 arrest, yet COD continued to employ Valenta for nearly two years after his felony conviction. The report raised questions about the college’s financial oversight and whether school officials heeded warnings about Valenta after his March 2011 arrest.
This investigation determined that, on January 28, 2011, Jeff Kedrowski and Caroline Krause of Elmhurst College Campus Security first determined Broadcast Technologies was Valenta’s company, the equipment supposedly purchased by Elmhurst College from Broadcast Technologies did not exist in the Elmhurst College radio station, and that crews were not present on the days Valenta claimed crews were performing services. On January 31, 2011, Kedrowski and Krause, aware that Valenta worked at both COD and North Central College, believed it appropriate to share with the colleges what they had learned about Valenta. They decided Kedrowski would call North Central and Krause would call COD.

Krause reports that she called the COD police department on January 31, 2011, and was first connected with dispatch. She gave an overview of the reason for her call and was transferred to REDACTED. She states that she advised REDACTED about the three companies that Valenta used to invoice Elmhurst College that appeared to be fraudulent, including Broadcast Technologies. She did not know at the time whether or not Valenta was going to be charged criminally in respect to thefts from Elmhurst College, but the intent was that their investigation would be turned over to the Elmhurst Police and that a prosecution could have possibly included combined charges if the fraud included COD and/or North Central.

According to Krause, on February 1, 2011, REDACTED called her back and advised her that he “looked into” the matter. He informed her that COD has tight “checks and balances” and that “it is not happening here.” Krause reiterated to REDACTED that if there are invoices from Broadcast Technologies they are not legitimate. REDACTED said “we have a purchase order system” and, according to Krause’s recollection, REDACTED thanked her and was dismissive of her concerns. On the same day Kedrowski called Michael Kelly, the then security director at North Central College. According to Kedrowski, their business office reported that it did not believe there was anything out of order at North Central with respect to Valenta.

COD phone records corroborate Krause’s account. They reflect a three minute incoming call from a general Elmhurst College extension to COD extension REDACTED at approximately 3:40 p.m. on January 31, 2011. Extension REDACTED was shared by REDACTED and REDACTED. COD phone records also show two outgoing calls from COD extension REDACTED on February 1, 2011 to Krause’s direct line, 630-617-3291. The first is at 7:13 a.m. and lasts 26 seconds. The second call is at 8:36 a.m. and lasts for 6:34 minutes. There are no phone records of COD intercampus calls for this period of time to know if REDACTED called others within COD between the calls with Elmhurst College.

Krause’s handwritten phone log for February 1, 2011 also corroborates her account. It reflects a voicemail message from REDACTED and REDACTED and REDACTED and REDACTED.

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REDACTED has no recollection of calls with Elmhurst College and/or concerning Valenta. Other than the phone records, COD has no record of the calls.

It is the policy and practice of the COD Police Department to enter any contact into their Computer Aided Dispatch System (CADS). There are no CADS entries for contacts from Elmhurst College in and around the January and February 2011 time period.

REDACTED works as an REDACTED at WDCB and has been with COD since 1991. She reports that at or around the time of publication in March 2011, she saw a Daily Herald report of an investigation concerning Valenta at Elmhurst College. She brought the matter to the attention of her supervisor, Scott Wager. She said Wager "looked like a ghost" when she showed him the news article. Wager said he would address it. Within a day or two of this report REDACTED saw Wager and Valenta go behind closed doors in Wager’s office. REDACTED assumed the matter had been handled and did not raise it again until December 2013 when she mentioned it to Daniel Bindert. By that time, Bindert had already learned of Valenta’s history and begun his investigation. An online search reflects the Daily Herald reported on Valenta’s indictment in an article dated, March 24, 2011. The article mentioned that Valenta was an independent contractor at Elmhurst College, but does not mention a connection with their radio station.

Other Facts

John Valenta is currently under indictment and was not contacted for this investigation. We attempted to contact Scott Wager but his phone line is reported as disconnected. Both Valenta and Wager have given conflicting statements concerning Valenta’s fraudulent use of Broadcast Technologies. For instance, Valenta first denied any impropriety but then admitted the use of false invoices. Wager has also reported not being made aware of Valenta’s problems at Elmhurst College and that, had he been aware, he would have “gotten rid” of Valenta. However, he also claimed he was made aware of Valenta’s problems at Elmhurst College and reported it to Chuck Currier. Currier denies ever being informed by Wager of issues at Elmhurst College or that Valenta was using a company that Valenta had an interest in. He added that, had he been made aware that Valenta was using a company that Valenta had an interest in, Currier would have sought to terminate Valenta. He further notes that in a prior job he terminated an individual under similar circumstances.

Invoices paid to Broadcast Technologies from 2006 to 2013 total $326,108. In addition to Valenta’s criminal prosecution, COD has turned the matter over to its insurance carrier for recovery.
ANALYSIS AND CONCLUSIONS:

Caroline Krause of Elmhurst College is credible in her report of contact with COD. An employee defalcation is not an everyday event and Krause was particularly proud of and thought it “neighborly” to share her discovery with a police department at another area college. Also, what she describes as a “dismissive” response from REDACTED stands out in her mind. Jeff Kedrowski of Elmhurst College also recalls Krause’s report of REDACTED “dismissive” response. Further, Krause’s contact with COD is corroborated with COD phone records that show the calls on January 31, 2011 and February 1, 2011. Finally, Krause’s hand written phone logs identify REDACTED badge number and phone number. Therefore, it appears that Elmhurst College made contact with COD on January 31, 2011 and February 1, 2011 to report that it had discovered irregularities with Valenta’s use of Broadcast Technologies and two other companies.

However, Elmhurst College did not report Valenta to the Elmhurst Police Department until February 3, 2011. Therefore, at the time of the contact with COD, Valenta was under investigation by Elmhurst College, but he had not been arrested or indicted.

Other than its phone records, COD has no record of Krause’s contacts with COD on January 31, 2011 and February 1, 2011. While it appears certain that Krause contacted REDACTED has absolutely no recollection or record of the contact. REDACTED. Failure to document the contact thus appears to be a failure by him to follow practice and procedure to record every contact with the department in their CAD system. Because he has no recollection of the event, RED. could not speculate on why he did not record the contact.

That said, REDACTED response to Krause’s contact suggests he made contact with some person at COD because it referenced “checks and balances” and informed her COD did not have the same issues. RED. , by all accounts, a good and responsible police officer and it therefore appears unlikely he would have made this response on his own and without looking into the matter. If a contact was made by Krause as she related, RED. believes he would have most likely contacted Scott Wager as station manager.

REDACTED works as an REDACTED at WDCB and has been with COD since 1991. She reports that at or around the time of publication in March 2011, she saw a Daily Herald report of an investigation concerning Valenta at Elmhurst College. She brought the matter to the attention of her supervisor, Scott Wager. She said Wager “looked like a ghost.

Wager was unavailable for interview and he made no record of a contact from RED. in 2011. In a recent interview, Wager denied knowing that Valenta was behind Broadcast Technologies. Instead he believed a person named “Ed,” who Valenta was familiar with, ran the company. Wager was also apparently inconsistent regarding whether he had prior knowledge of Valenta’s problems at Elmhurst College. He claimed that he would have “gotten rid” of Valenta
had he been aware of the problems at Elmhurst College. However, he also said he had been made aware - he does not recall how or by whom - that Valenta was accused of wrongdoing at a radio station in Elmhurst. REDACTED confirmed that she advised Wager March 2011 of an investigation concerning Valenta at Elmhurst College. Wager also claimed that his boss at the time, Chuck Currier, told Wager to bring Valenta in to discuss, and that Valenta claimed it was a misunderstanding and that it was “taken care of.”

Chuck Currier denies being informed prior to 2013 that Broadcast Technologies was associated with Valenta or that Elmhurst College reported an investigation into Valenta there. Currier is more credible. Wager’s accounts are inconsistent, and his management of WDCD was reportedly lax. Currier, on the other hand, is certain and his past history shows he would not have tolerated the use of a vendor under the control of a college employee.

Moreover, there is no evidence that senior management at COD were made aware of contacts from Elmhurst College in 2011 or that Valenta was using Broadcast Technologies to defraud the college. Rather, it appears most likely that Scott Wager was made aware of the Elmhurst College investigation and quieted the matter but failing to notify his superiors and preventing a police investigation from opening. Indeed, when senior management was made aware of Valenta’s use of Broadcast Technologies in December 2013, the administration responded immediately and proactively.

Respectfully Submitted,

/s/ Michael C. Bruck
Michael C. Bruck

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