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Report Documents \$100 Million in Charter School Fraud in 14 States and D.C.

By [Katie Ash](#) on May 7, 2014 4:15 PM | [4 Comments](#)

An examination of charter schools in 15 charter markets across the United States has exposed nearly \$100 million in losses due to fraud, waste, and abuse, says [a report from Integrity in Education and the Center for Popular Democracy](#).

The report appears to be one of the first shots fired from Integrity in Education, [a newly formed nonprofit](#) that aims to expose corporate interests in public education, and is headed up by Sabrina Stevens, a former teacher and American Federation of Teachers staffer. The organization is decidedly anti-charter, likening [school choice to "a euphemism for school closures"](#) on its website.

The report gathered court cases, media investigations, regulatory findings, audits, and other sources from Arizona, California, Colorado, the District of Columbia, Florida, Illinois, Louisiana, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Texas, and Wisconsin to examine the trends in charter school fraud, waste, and mismanagement.

It found that there were six main categories of fraud, waste, and abuse:

1. Charter operators using public funds for their personal gain.
2. School revenue being used to support other charter operators' businesses.
3. Charter school mismanagement that fails to create a safe environment for students, such as not providing background checks on staff or not properly supervising students.
4. Charters requesting public funds for services they do not provide.
5. Charters inflating their enrollment numbers to boost revenues.
6. Charter operators mismanaging funds and schools.

After examination, the report found that [the most prevalent form of fraud in charters was the first category—charter operators' using public funds for personal use](#).

The report provided several recommendations to help prevent fraud, waste, and abuse from occurring. States should establish an adequately funded office solely dedicated to charter school oversight that has the authority to investigate fraud, waste, and misconduct, the report said. All charters should be independently audited each year, and the schools should be held to the same transparency requirements as regular public schools, the report recommended.

In addition, the charter school's application, contract, financial information, board members and affiliations, vendor contracts over \$25,000, and board-meeting minutes should be made available publicly online, said the report. In addition, relatives of charter school operators should not be allowed to serve on the board, while parents, teachers, and students (in the case of high schools) should be provided representation there, the report recommended.

The report's appendix includes an extensive list of the different charter fraud, waste, and misconduct cases broken down by state with links to media reports about each one.

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