

EXCLUSIVE: New York charter school audits reveal \$28 million in questionable expenses

Investigators uncovered probable financial mismanagement in 95% of the schools they examined. It is estimated wasteful spending at charters could cost taxpayers more than \$50 million per year.

BY BEN CHAPMAN

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A 2012 audit found Brooklyn Excelsior Charter School was paying \$800,000 in excess annual fees to the management company that holds its building's lease.

charter schools have made more than \$28 million in questionable expenditures since 2002, according to a new review of previous audits of the publicly funded, privately run schools.

The Center for Popular Democracy's analysis charter school audits found investigators uncovered probable financial mismanagement in 95% of the schools they examined.

Kyle Serrette, education director for the progressive group, said the review of previously published audits showed the schools need greater oversight.

“We can’t afford to have a system that fails to cull the fraudulent charter operators from the honest ones,” said Serrette, whose group compiled the report with the non-profit Alliance for Quality Education. “Establishing a charter school oversight system that prevents fraud, waste and mismanagement will attack the root cause of the problem.”

The state controller’s office and state Education Department have audited 62 of New York’s 248 charter schools, according to Serrette’s report. All told, Serrette’s group estimates wasteful spending at charters could cost taxpayers more than \$50 million per year.

Eighteen audits targeted charters in New York City, representing about 9% of the 197 charters in the five boroughs. Each audit found issues.

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A 2012 audit of Williamsburg Charter High School revealed school officials overbilled the city for operations and paid contractors for \$200,800 in services that should have been provided by the school’s network.

A 2007 audit of the Carl C. Icahn Charter School determined the Bronx school spent more than \$1,288 on alcohol for staff parties and failed to account for another \$102,857 in expenses.

The city spends more than \$1.29 billion on charters annually.

State Education Department officials and a spokesman for the state controller’s office declined to comment on Serrette’s report.

Northeast Charter School Network CEO Kyle Rosenkrans said the schools already get plenty of oversight because they are subject to audits and must have their charters renewed at least every five years.

“Charter schools are the most accountable public schools there are,” the charter advocate said. “If we don’t perform or we mismanage our finances, we get shut down.”