

Judge tells charter-school company to open books

White Hat must reveal how public funds are used

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A Franklin County judge ordered major GOP donor and charter-school operator David L. Brennan to turn over a detailed accounting of how his for-profit management company spends the millions of tax dollars it receives each year.

Common Pleas **Judge John F. Bender ruled that White Hat Management Co. is required to disclose the financial information under Ohio law.**

State law “clearly and unambiguously requires operators of community schools to provide their governing authorities with a detailed accounting of how public funds are spent,” Bender wrote in a 12-page decision on a request by several charter schools in their ongoing lawsuit against White Hat.

For years, the company has refused to open its books, claiming such information was secret.

The decision is good news for the nine schools suing White Hat and others who for years have tried unsuccessfully to learn what portion of the tax dollars the company receives is spent on teacher salaries, school supplies and other expenses, and how much it pocketed.

“We are pleased that the court has ruled that the accounting information we seek is both relevant and discoverable,” said Karen S. Hockstad, attorney for the charter schools that filed the lawsuit.

“For charter-school governing authorities, having knowledge and input on how taxpayer dollars are spent to education Ohio’s children is critical to the success of the schools.”

Brennan's attorney, Charles R. Saxbe, could not be reached for comment yesterday.

One of the nation's largest charter-school operators, White Hat runs more than 30 charter schools across Ohio. The schools are funded by the state like traditional public schools but are privately operated.

Last year, schools in the Akron and Cleveland areas sued to terminate or renegotiate contracts with White Hat, saying their input was ignored and White Hat ran the schools "as they deem fit regardless of many legitimate objections, questions and challenges that the (community schools) have raised."

Under contracts with the schools, White Hat receives 96 percent of the state aid they receive.

Bender's decision means White Hat must turn over a broad range of financial data including: how much is spent on teacher salaries, computers, textbooks and other classroom equipment; an inventory of personal property for each school; how much is spent on lobbying state lawmakers or making political contributions; and funds paid for security.

Brennan is the second-biggest Republican campaign donor over the past decade. His lobbyists wrote many of the proposals governing charter schools in the House's proposed state budget this year, although most were removed by the Senate.

The judge said the accounting is limited to amounts paid from public funds and does not apply to personal expenditures by Brennan or his employees.

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