

## **The Charter School Business in Ohio and Across the Nation is Fraught with Corruption**

The Electronic Classroom of Tomorrow (ECOT) in Ohio may be in the top 10 charter frauds in the nation. At least ECOT is a poster child for corruption in Charterville.

But Ohio is not alone in the Charterville scam. The attached article shows how one family ripped off students and taxpayers in North Carolina.

It is mind boggling that state and federal officials continue to abuse taxpayers and students by refusing to adequately regulate the charter industry.

### **Audits show lucrative family venture at soon-to-be shuttered charter school**

By Greg Childress - 3/14/2022

Managing Raleigh's Torchlight Academy was a lucrative family venture for Don McQueen. The school paid McQueen nearly \$3 million in management fees between 2016 and 2020, financial audits submitted by the school show.

The Raleigh businessman ran the K-8 charter school with a reported 600 students (state officials could only confirm 489 during a recent on-site headcount) through his educational management organization (EMO), Torchlight Academy Schools, LLC. He created the firm in 2015, along with his business partner and wife, Cynthia McQueen.

Don McQueen is also the school's executive director, and Cynthia McQueen is Torchlight Academy's principal. Each was paid \$160,000 during the 2020-21 school year, a \$60,000 increase over the \$100,000 each reportedly received the year before. Those hefty salaries are in addition to the hundreds of thousands of dollars they are paid to manage the school. The arrangement raised conflict of interest concerns among Charter School Advisory Board members, which recommended to the State Board of Education that the school be closed. Last week, the state board followed that recommendation, citing McQueen's "self-dealing" and "conflicts of interest" and missteps in the school's special education program.

The school has appealed the decision and the state board will establish a panel to hear the appeal.

### **A family affair**

Don and Cynthia McQueen were the two highest-paid staffers at Torchlight Academy, followed by principal Adonis Blue who made \$70,000. The McQueens' daughter Shawntrice Andrews was the fourth-highest paid with an annual salary of \$65,000 a year.

The McQueens also bought the building in which the school is housed. They collect rent from the charter holder, Northeast Raleigh Charter, which does business as Torchlight Academy.

Torchlight's audits show the McQueens received \$1.8 million in management fees in 2016 and 2017, which were by far the two most profitable years. The fee dropped dramatically in subsequent years to \$340,000 in 2018, \$357,000 in 2019, \$347,125 in 2020, and \$365,922 in 2021.

The management fee is essentially net income, which the management firm gets to keep. It's the difference between all revenues received by the school, less operating expenses.

The board of Three Rivers Academy, a small charter school in Bertie County managed by McQueen, has also appealed the state board's recent order to close it after a Department of Public Instruction (DPI) investigation found serious financial and management problems. Three Rivers is also a low-performing school.

The McQueen's daughter Shawntrice Andrews benefited from her parents' leadership roles at Torchlight Academy. Andrews was paid an annual salary of \$65,000 to lead the school's special education program, even though some state charter board members have expressed the concern that she was not qualified for the management-level position.

State law requires charter school boards of directors to adopt conflict of interest and anti-nepotism policies. Before an immediate family member of a board of directors member or employee with supervisory authority is hired, the relationship must be disclosed to the board. It must also be voted on in an open session meeting. There is no evidence that the school's board approved the Andrews hire or voted on it in an open meeting. Andrews' employment contract was signed by Don and Cynthia McQueen.

Don McQueen did send a letter to the state charter board in January saying that the school reviews a standard conflict of interest statement at each meeting and has a conflict of interest of policy in place.

"The [Torchlight] Board is and has been aware for years, that Mr. Don McQueen, Dr. Cynthia McQueen, Ms. Shawntrice Andrews, are related to each other," Don McQueen wrote.

As Policy Watch reported previously, Andrews altered students' Individualized Education Program (IEP) documents in a student data management system monitored by the state, which is a violation of federal law. An IEP ensures students with disabilities receive specialized instruction and related services.

Andrews' husband, Aaron Andrews, also appears to have reaped rewards from being related to the McQueens. DPI records show that the McQueens paid their son-in-law \$20,000 a month to

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clean a portion of the school being used by the federally funded 21st Century Community Learning Center program. Such centers provide children in high-poverty, low-performing schools academic help during non-school hours.

Aaron Andrews' custodial firm, Luv Lee Sanitation, was responsible for cleaning the six classrooms and common areas used exclusively by the program. The contract was signed by Cynthia McQueen.

Aaron Andrews also shows up on the school's teacher roll as a "Co-Teacher" for the 2019-2020 school year. He was paid \$32,000 in that role.

### **A swift and stunning fall from grace**

Torchlight's charter was revoked as the result of:

Violations of laws and regulations, including special education laws and federal conflict of interest and self-dealing regulations;

Violation of the charter agreement, including failure to produce requested documents, failure to provide adequate oversight and management of the school;

Failure to meet generally accepted standards of fiscal management, failure to provide the Department of Public Instruction with required documentation of expenditures of state and federal money and comply with other fiscal requirements; and

Allowing the ongoing self-dealing and conflicts of interest by the EMO, Torchlight Academy Schools, LLC.

"A thorough investigation from multiple investigators within the [state] Department of Public Instruction, presented information to the CSAB and this board, and the recommendation will be that we terminate the charter agreement between us and the Northeast Raleigh Academy doing business as Torchlight Academy," Amy White, chair of the state board's Education Innovation and Charter Schools Committee, said last week.

Under questioning by the Charter School Advisory Board, Torchlight's board chairwoman Pamela Banks Lee admitted to knowing little about the school's finances or how an EMO operates.

As explained by Don McQueen, Lee said, the arrangement between the EMO and Torchlight would allow the school to operate debt-free.

"For us, for several years we had been in debt, come out at the end of the year and we would have to get a loan, then figure out how we were going to pay that debt," Lee explained. "For us,

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it was about what are we going to do to not end up in debt at the end of the year, still provide the same level of education for our kids, and still keep the school moving forward and doing what we could do for our community.”

An NC ACCESS subgrant application shows just how quickly McQueen’s fortunes have taken a turn for the worse.

In June 2020, DPI approved Torchlight for a \$500,000 NC ACCESS grant, which, though less than half of the \$1.25 million the school requested, was endorsed by officials with the highest rating; “Pass with Priority.”

The NC ACCESS \$500,000 grant was part of a \$36.6 million Public Charter Schools Program grant DPI received from the U.S. Department of Education. The state planned to use its share of the money to increase the number of “educationally disadvantaged” students attending “high quality” charter schools and to develop a cohort of charter leaders to develop and demonstrate best practices serving educationally disadvantaged students.

Under the leadership of Cynthia McQueen, Torchlight was viewed for a time as a state leader when it came to educating children from low-income communities. In recent years, the school routinely met academic growth goals.

“The plan indicates a history of success with the educationally disadvantaged population and details the professional development, support services, and curriculum used to achieve these results,” wrote the DPI team that evaluated the grant application.

The application oozed with ambition.

McQueen projected that the school would enroll nearly 1,300 students by the 2024-2025 school year. That’s more than 800 more than the 489 state monitors could confirm during a recent on-site visit and 700 more than the 600 Torchlight claims to enroll.

The evaluators also noted as strengths the school’s plan to increase the educationally disadvantaged student enrollment from 50% to 70% and the school’s “robust outreach” and transportation plans.

One notable weakness was the school’s policy to employ corporal punishment.

“Applicant does not state what research supports the use of corporal punishment for students,” evaluators wrote. “Applicant does not state how a corporal punishment policy contributes to a positive and supportive academic environment.”

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