

## **Steve Dyer's June 29 10<sup>th</sup> Period Explores Potential Voucher Scandals In View of the ECOT Rip Off of Taxpayers**

The state's record of holding school choice providers accountable for the use of tax money is dismal. The charter industry in Ohio (and across the nation) is rife with fraud and corruption, as well as, low academic performance and scant educational opportunities.

The state finally caught up with ECOT's theft, but other charter corruption has not yet been exposed.

Steve Dyer's June 29 10<sup>th</sup> Period sounds a warning that misuse of voucher money will not ever be exposed because there is no current provision for public accounting of voucher money.

### **ECOT Easily State's Biggest Ever Taxpayer Ripoff**

What does this mean for potential Voucher problems?

Stephen Dyer

A new report came out yesterday from State Auditor Keith Faber's office reaffirming that the Electronic Classroom of Tomorrow — at one time run by the most powerful Republican donor in the state Bill Lager — owed the taxpayers of Ohio \$117 million. The state said the school had to repay all the money it was sent for the 2017-2018 school year, as well as about 35% of the money it was sent in the 2016-2017 and 2015-2016 school years.

This wasn't the first time the state caught Lager and ECOT cheating. Its very first year of operation, ECOT was forced to repay \$1.7 million of the \$8.7 million it had been paid by the state. And it was all for the same reason — ECOT couldn't prove it was actually educating the kids the state was paying them to educate.

In fact, things were so dire for ECOT after that first year, that then-Auditor of State Jim Petro wrote in his audit that:

"ECOT's significant operating loss of \$3,280,160 and net loss of \$3,806,248 cause substantial doubt about its ability to continue as a going concern. ECOT has an accumulated deficit of \$3,806,248 and a net working capital deficit of \$4,217,999. Note 17 describes management's plans regarding these losses."

Yet over the next 17 years of operation, the state transferred more than \$1 billion to the school and Lager actually thanked Petro in the forward to his self-published book about ECOT for interfering with the Ohio Department of Education's oversight of his school.

"Petro offered incredible insight in making the Ohio Department of Education do its job; he was the needed check and balance to assure proper management of all charter schools," Lager wrote.

Curious, isn't it? Would it shock you to learn that Lager gave Petro \$67,000 for his failed 2006 gubernatorial bid?

Didn't think so.

Anyway, I was curious, now that we know that in the two years prior to its last, ECOT overcharged taxpayers by about 35%. And in each of those years, ECOT knew that the Ohio Department of Education was on its trail, so you'd think they'd be extra careful about verifying enrollment.

However, if that percentage was the case for every year of its existence, we're looking at \$350 million that was overpaid to ECOT since its inception. The other year it got caught — its first — ECOT had to pay back about 21% of its funding. If that held true throughout its existence, we're looking at about a \$200 million taxpayer ripoff.

All for a school that famously created more dropouts than any other school in the entire nation.

[Graph]

Again, when you count among your graduation speakers Ohio Speakers of the House, Senators, State Auditors, State Attorneys General and Tucker Carlson, you're probably going to get away with some stuff.

At least ECOT got caught — way too late, but caught it was. How? Because the Ohio Department of Education had the authority to actually ask ECOT to prove it had the kids it was charging taxpayers to educate.

However, it has no such authority to audit enrollment under the state's Voucher programs. So we have no idea if the taxpayer money being sent to subsidize private school tuitions are actually going to educate kids, or enrich administrators, or buy nice cars for school officials. That's because once the public money enters the private school's coffers, it ceases to become publicly accountable anymore.

And while we've had occasional insights into how the money is spent — for example, an Akron Beacon Journal 2010 investigation found that many Autism voucher providers didn't actually provide autism services — we've had no systemic way of ensuring taxpayers' money is being well spent.

So there could be an ECOT or many ECOTs out there among the state's private schools receiving the more than \$450 million in tuition subsidies. However, Ohio's taxpayers will never know (unless the law changes).

Let me remind everyone again that since the voucher program started in 1996, taxpayers have sent more than \$4 billion in tuition subsidies to private schools, with no mechanism for ensuring a single penny of that actually went to educate a single student.

Perhaps, in light of the ECOT scandal — the state's biggest — popping up again in the news, some enterprising legislator will introduce a change in voucher policy to allow state and ODE auditors to conduct the same enrollment audits they perform on charter and public schools.

CC3185 7.6.22 Wednesday

Ohio taxpayers are waiting...

[ECOT Easily State's Biggest Ever Taxpayer Ripoff \(substack.com\)](#)

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