



JOY HOFMEISTER
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

May 2, 2019

VIA EMAIL W/ CERTIFIED U.S. MAIL TO FOLLOW

Janet Grigg
Justice Alma Wilson Seeworth Academy
12600 N Kelley Ave
Oklahoma City, OK 73131
mamajisok@seeworthacademy.org

Dear Ms. Grigg,

Pursuant to the Every Student Succeeds Act (“ESSA”) and federal regulations at 2 CFR § 200.331, the Oklahoma State Department of Education (the “OSDE”) is required to implement monitoring and reporting activities to ensure that sub-recipients of federal funds are compliant with federal regulations and are expending public funds in accordance with prescribed applicable laws and regulations. As you are aware, on or near March 19, 2019, pursuant to the aforementioned requirements the OSDE conducted monitoring and review activities associated with the School’s federal program funds. Further, the OSDE has also reviewed information evidencing that the School, via its administration, has failed to properly account for taxpayer funds, failed to properly maintain accounting records relating thereto, as well as failed to provide services to students with disabilities in accordance with the Individuals with Disabilities Education Act, 20 USC § 1401 *et seq.* (the “IDEA”) and specifically as related to the student’s Individualized Education Program (“IEP”).

Based on the OSDE’s review of these matters, multiple artifacts exist to demonstrate gross neglect and non-compliance with both state and federal laws and regulations. As a result, the matters identified below reflect the serious nature of the infractions which may place the continued existence of the School as it exists today at risk. Accordingly, your **immediate attention** to these matters is respectfully requested, including providing or otherwise making available School financial records that are reportedly currently being stored for possible tampering or destruction at a private residence in Talihina, Oklahoma.

With respect to the Preliminary Monitoring Report, the School has been initially determined to be seriously deficient in the areas of transparency, accountability, and policies and procedures as they relate to the School’s federal funds. Though this report has previously been provided to you, a copy is enclosed hereto. More specifically, by way of

example only, it has been determined that the School was deficient and non-compliant in the following areas:

1. Cash management procedures for payment systems and implementation of the requirements of transferring funds upon disbursement. *See* 2 CFR §§ 200.305(b)(6) and 200.305(b);
2. Internal controls and written procedures as to how the School:
 - a. Manages federal funds in compliance with federal statutes, regulations, and the terms and conditions of the federal award;
 - b. Evaluates itself to meet compliance with statute, regulations, and terms and conditions of federal awards;
 - c. Takes prompt action when instances of noncompliance are identified including noncompliance in an audit finding;
 - d. Protects safeguards of Personally Identifiable Information (PII) from all sources. *See* 2 CFR § 200.303;
3. Written Compensation Policy describing how all remuneration (including but not limited to wages and salaries, benefits, incentives, stipends, etc.)
 - a. Is reasonable for the services rendered;
 - b. Conforms to the established written policy consistently applied to both federal and non-federal activities;
 - c. Follows an appointment established by the School;
 - d. Is determined and supported by Standards for Documentation of Personal Expenses, when applicable;
 - e. Is reasonable to the extent that compensation for employees engaged in work on federal awards is consistent with that paid for similar work in other activities of the non-federal entity. *See* 2 CFR § 200.430(a-f);
4. Written procedures for Time Distribution Records for salaries and wages, including but not limited to stipends. *See* 2 CFR § 200.430(i); and,
5. Written procedures for maintaining and storing original records, both paper and electronic, and that such procedures include safeguards to ensure that the records are not altered or destroyed. *See* 2 CFR § 200.335.

Again, and as you are aware, the Preliminary Monitoring Report was provided to the School on March 19, 2019, and requested that additional documentation to supplement and/or correct any determined deficiencies be provided to the OSDE at your earliest convenience but no later than Friday, May 3, 2019. The OSDE has made phone calls and sent requests for any such supplemental information that the School has in its possession. However, to date, responses have not been received.

As such, and pursuant to the authority and responsibility vested in the OSDE by applicable law and regulations, a further inquiry has been opened relating to these matters to determine compliance and to ensure public confidence in the receipt and expenditure of taxpayer funds by the School. As a part of the OSDE's program monitoring and reviews, and as it relates to an inquiry concerning the received allegations, the OSDE must collect evidence or documentation in whatever means deemed appropriate to address the matters in review. This may include by means of on-site visits, interviews, and/or reviews of

documents. As such, and because previous requests have gone unanswered, an on-site investigation of the School's policies and procedures, documents relating to the expenditures of taxpayer funds, and interviews with School staff was attempted on April 30, 2019.

As an initial matter, a preliminary review of student IEPs revealed widespread violations of the IDEA and its accompanying federal regulations, including those at 34 CFR §300.300 (Parental consent) and 34 CFR §300.320 (Definition of individualized education program). Many IEPs contain missing components, do not appear to be individualized, and are not updated annually. In addition, the maximum caseload allowed under [Oklahoma's Special Education Policies](#) has been exceeded. To further illustrate the apparent non-compliance, the following was observed:

- 1) The special education teacher/director for the school was assigned a student caseload of nearly five (5) times the allowable limits in law;
- 2) Approximately sixty-four percent (64%) of students on an IEP do not have complete secondary transition plans as required by federal law;
- 3) At least forty (40) students do not have accommodations listed in the IEP for State or District-wide assessments;
- 4) Evidence suggests that many IEPs are not individualized:
 - a. At least 12 students contain the following under "Overall Objective Statements": *He/She is receiving instructions in regular education inclusion classes for his core curriculum content areas along with accommodations and modifications. He/She is under monitoring/consult between his Regular/Special Ed teachers.* However, under the "Special Education Services" section of these students' IEPs, the service they receive is "Co-teaching" in both Basic Reading Skills and Math Problem Solving Skills, all at 5x a week for 50 minutes.
 - b. Of 328 total IEP goals, 258 contain the word "Students" instead of the student's name.
 - c. Under "Parent Concerns for Enhancing Child's Education" the phrase "I will ask and address any parent concerns at the IEP meeting" is used multiple times.
- 5) IEPs appear to not be updated annually, and language on previous IEPs is exactly the same;
- 6) Under "Present Level of Academic Achievement and Functional Educational Performance" for "Component," many IEPs have the phrase "Test Date;" and,
- 7) Further, while on site, School staff advised that, for at least one student, written consent to conduct additional assessments for a reevaluation was admittedly not obtained.¹

With respect to matters concerning the receipt and expenditure of taxpayer funds, while on site, OSDE staff was provided with a list of open blanket purchase orders, including for Walmart, Office Depot, teacher payment(s), and IPFS Corporation, which

¹ For purposes of this correspondence, these issues identified herein are provided as examples and not intended to serve as a complete identification of the deficiencies and non-compliance matters identified. A comprehensive report of the matters pertaining to services to students with disabilities is forthcoming.

was described as a School reimbursement account for the School's "corporate account." Yet, the School staff on-site were not able to provide information about the nature of this "corporate account." When requested, School staff advised that they were also not able to provide any financial records, including but not limited to the "corporate account" because all records are kept at a private residence in Talihina, Oklahoma.

At this point in time, these matters are extremely problematic for the School's continued operations. However, so as to allow the OSDE to continue its review of these matters, and make a final determination as to whether the School has complied with requirements in applicable law and regulation, I respectfully request that any and all records that are purportedly kept at the residence in Talihina, Oklahoma be delivered or made available to the OSDE on or before close of business on **Monday, May 6, 2019**. Specifically, these records may include but are not limited to the following:

1. IRS W2 information from 2018 submitted to the IRS;
2. IRS 1099 Information from 2018 submitted to the IRS;
3. Payroll (all records);
4. List of all employees;
5. List of all contracted workers;
6. Board Agendas, Board minutes, and Encumbrances that the Board of Education approved at all board meetings;
7. Treasurer Statement (monthly);
8. Bank Statements of the operating general fund account with copies of checks;
9. Copies of any investment account (if applicable);
10. Bank Statements of the Corporate Account;
11. All Deposits and receipts made to the Corporate Account by an employee or representative of the School, including but not limited to Aiden Mumme and Art Schofield; and,
12. Copies of payments from the general fund to the Corporate Account.

Failure to provide the requested information by the requested date may result in a determination of non-compliance, loss of accreditation, and the withholding of state and federal funds. In addition, the OSDE has reason to believe that the School may intend to destroy documentation. As such, please be advised that any action and conduct to alter or destroy a record may be a violation of law and/or deemed to interfere with the OSDE's obligations and authority to review these matters.

Should you have any questions or want to further discuss these matters, please do not hesitate to contact me.

Sincerely,



Brad Clark
General Counsel
State Department of Education

Cc: The Honorable Barbara Swinton, School Board President
Barbara.Swinton@oscn.net
Oklahoma City Public Schools, Sponsor of the School
Superintendent@okcps.org

