



Governor requests state audit of Epic Charter Schools; school's sponsor already in touch with state auditor

By Andrea Eger Tulsa World
Jul 20, 2019

Gov. Kevin Stitt on Friday requested an investigative audit of Epic Charter Schools and its related entities by State Auditor Cindy Byrd.

The Tulsa World has also obtained public records that indicate one of Epic's own charter school authorizers has been in touch with the State Auditor's Office for months about a possible audit.

Byrd declined to comment on Stitt's request, but confirmed her office has already been in contact with the Statewide Virtual Charter School Board about questions.

Earlier this week, the Oklahoma State Bureau of Investigation filed public court documents revealing allegations of embezzlement, obtaining money by false pretenses and racketeering at Epic, which is the state's fastest-growing online school system.

Stitt's office announced the request and made public a copy of the document in a 2 p.m. press release.

In his letter to Byrd, Stitt requested a three-year audit of Epic and all related entities. He specifically asked that the auditor "look back on all previously issued audits, as well as any federal audits done during that time period."

Epic Assistant Superintendent Shelly Hickman said the school would fully cooperate and agree to bear the cost of the audit.

"We welcome this as an opportunity to once again prove to the public that our school follows the law in our service to the Oklahoma public school children and Oklahoma families we serve," Hickman said in a written statement.

OSBI is actively investigating allegations that Epic has wrongly obtained millions of taxpayer dollars by leaving students on its rolls long after they stopped attending and enrolling students from home schools and private schools who received little or no instruction by Epic.

That reportedly included the so-called "dual enrollment" of many students in both a private school and Epic, without the knowledge or consent of their parents.

The day after the OSBI's new allegations emerged in court documents earlier this week, the governor requested a briefing from the OSBI on its latest probe. When asked Friday, his spokeswoman Donelle Harder told the Tulsa World that briefing is not imminent.

"They will set the briefing close to completion of the investigation," Harder said.

Epic Charter Schools opened in 2011, founded by two Oklahoma City men, Ben Harris and David Chaney, under a nonprofit corporation. Through their ownership of a separate, for-profit company that operates Epic's schools, Harris and Chaney split profits of at least \$10 million between 2013 and 2018, according to court records filed by the OSBI.

Epic serves students in pre-kindergarten through 12th grade in two models. It began with an online charter school for students statewide called Epic One-on-One. In 2017, it sought and received the sponsorship of Rose State College to open a second school model it calls Epic Blended Learning Centers for students residing only in Tulsa and Oklahoma counties.

Its online charter school for students statewide is currently sponsored by the Statewide Virtual Charter School Board.

Through an Open Records Act request, the Tulsa World obtained emails that show Rebecca Wilkinson, that board's executive director, has been in touch with the State Auditor's Office since the day after the Tulsa World **first reported** Epic was under investigation by OSBI and the Office of the Inspector General, the law enforcement arm of the U.S. Department of Education.

Brenda Holt, deputy director of the special investigative unit of the State Auditor's office, referenced a conversation she and Wilkinson had the morning of Feb. 28 and emailed her a list of contacts they had discussed.

The very first listing is for Tommy Johnson, the same OSBI special agent working on the Epic investigation, according to public court records. The remaining names were blacked out in the copy of the email the Statewide Virtual Charter School Board released to the World.

Wilkinson responded to Holt: "Thank you. I will make contact with each of them and then we can discuss a possible plan of action."

The records show that in mid-April, Holt asked Wilkinson to provide her with Epic's charter school contract with the Statewide Virtual Charter School Board and the school's for-profit management company; Wilkinson responded within 20 minutes.

The last public record is from May 9. On that date, Holt emailed Wilkinson with the subject line "Special Audit," and provided her with the language of the Oklahoma statute that defines "special or investigative audit."

Holt added: "I thought this information might be useful. If you could, please forward to your attorney for her reading, too."

Asked about the records, State Auditor Byrd told the Tulsa World, "It is very common for boards across the state, whether it be school districts across the state or state boards, to talk to us about compliance issues, best practices, if they wanted to do an audit, what the procedures would be. That is all we have received from that school board."

Wilkinson was asked whether the Statewide Virtual Charter School Board was contemplating an audit request, Wilkinson said: "There has not yet been a board meeting where that could be considered."

Friday afternoon's press release from Stitt's office included his comments on state funding levels and the need for accountability and transparency.

"Oklahoma is investing in public education at the highest levels in our state's history, while also modernizing and developing new solutions for the delivery of education that ensures the best outcomes for Oklahoma's children," Stitt said in the written statement. "As we progress towards becoming a Top Ten state, we must be equally committed to accountability and transparency across the public education spectrum. This is why we are requesting for the State Auditor to engage with an investigative audit of Epic Charter School and its related entities."

His press release also included a quote from State Superintendent Joy Hofmeister.

"As every public education dollar is precious, it is critical that there be full transparency and accountability for how those dollars are spent. I commend Gov. Stitt in calling for this audit to help shed light on the matter," said the written statement from Hofmeister.

A Tulsa World review of Oklahoma Ethics Commission data earlier this year showed that Hofmeister and Stitt were numbers one and seven among the top 10 recipients of Epic-backed political campaign donations since the school's founding.

For his 2018 gubernatorial campaign, Stitt received a total of \$10,900, while Epic backers gave Hofmeister a total of \$52,138 for her 2014 and 2018 campaigns for state superintendent.

Governor Stitt Request Letter – Epic Charter Schools – July 19, 2019



J. Kevin Stitt
Office of the Governor
State of Oklahoma

July 19th, 2019

Cindy Byrd
Oklahoma Auditor & Inspector
2300 North Lincoln Boulevard, Room 123
Oklahoma City, Oklahoma 73105

Dear Auditor Byrd:

As authorized by Section 212 (C) of Title 74 of the Oklahoma Statutes, I respectfully request an audit of Epic Charter School and all related entities. As required by the above citations, the cost of the audit shall be borne by Epic.

The scope of the audit should include a three year look back on all previously issued audits, as well as any federal audits done during that time period.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Stitt".

J. Kevin Stitt
Governor