



SENATOR
JOE SCHIAVONI
MINORITY LEADER
33RD DISTRICT

September 27, 2016

Mr. Tom Gunlock, President
State Board of Education of Ohio
10147 Putterview Way
Centerville, Ohio 45458

Mr. Paolo DeMaria
Superintendent of Public Instruction
25 South Front Street
Columbus, Ohio 43215

Dear President Gunlock and Superintendent DeMaria:

I write today to request that the State Board of Education explore its ability to employ an independent auditor to examine the financial records of the Electronic Classroom of Tomorrow (ECOT). I believe a substantial review of all ECOT's record keeping is necessary to restore the public's faith in the way their tax dollars are being spent.

Based on the recent Full Time Equivalency (FTE) review conducted by the Ohio Department of Education (ODE), ECOT has failed to provide documentation to verify that the majority of students received 920 hours of learning opportunities. In fact, the FTE review concluded that ECOT over-reported their student enrollment by 58.8%, which equates to more than \$60 million that is owed back to the state. Other developments documented in ongoing court proceedings have called into question both the ability and willingness of ECOT to maintain accurate and complete records that might reduce the funding it receives from the state.

While ODE is charged with reviewing attendance records, the Auditor of State is tasked with ensuring state funds are expended properly and that these expenditures are recorded in a manner that can be supported in subsequent audits. However, Auditor Yost's relationship with ECOT and its officials requires a second opinion regarding ECOT's finances and recent audits.

Earlier this month, ECOT superintendent Rick Teeters admitted under oath that he convinced Auditor Yost's office not to ask for ECOT's student login durations during a special examination in 2014. This is especially concerning given that the examination took place after an ECOT teacher sent a detailed letter describing fraudulent billing practices related to student attendance. Before conducting the 2014 examination, the auditor's office agreed that they would only examine certain records, and "could offer no opinions or note management weaknesses," according to the *Columbus Dispatch*. The auditor then gave ECOT an award for a clean audit in 2014.

Columbus Office: Ohio Statehouse • 1 Capitol Square • Room 303 • Columbus, OH 43215

Email: SD33@ohiosenate.gov

Columbus Phone: 614-466-8285 • Youngstown Phone: 330-799-1834

In addition, Auditor Yost spoke at ECOT's commencement in 2015 and, just recently, awarded ECOT the "Auditor of State Award with Distinction," an honor that implies an endorsement for record keeping best practices. Auditor Yost's ongoing relationship with ECOT raises questions about the impartiality and completeness of previous audits of ECOT's records.

Given the urgent need to conduct a thorough investigation of ECOT's records, the high level of public interest in this issue, and the present relationship between Auditor Yost and ECOT, I urge the State Board of Education to explore hiring an independent auditor to examine ECOT's finances and their compliance with state law.

Sincerely,



Senator Joe Schiavoni
Minority Leader
33rd Senate District

cc: Members of the State Board of Education
Merle Madrid, Office of the Governor
Wayne Struble, Office of the Governor