Edelen Releases Examination of Dayton Independent Schools, Finds Scandalous Abuses in Payments to Former Superintendent

DAYTON, Ky. (March 7, 2013) – Auditor Adam Edelen today released a special examination into the former superintendent of the Dayton Independent Schools, finding he received nearly $224,000 in benefits and payments over an eight-year period that were not authorized by the school board.

The report has been referred to the FBI, Kentucky Teachers’ Retirement System, Kentucky Department of Revenue and Kentucky State Committee for School District Audits.

“That amounts to $240 per student in a district in which almost 90 percent of students receive free or reduced lunch,” Auditor Edelen said. “That’s an unconscionable abuse of scarce resources in a working class community.”

Auditors found the former superintendent did not inform the Board of benefits for himself and intimidated staff members, who were responsible for issuing checks, if they questioned him.

The Auditor’s office launched the examination last fall after the new superintendent raised concerns about certain activities of the former superintendent, who retired at the end of fiscal year 2012. The report includes 12 findings related to payments and benefits to the former superintendent, credit card expenditures, assistant superintendent leave, and board oversight.

During the time the former superintendent received the unauthorized benefits and payments, the district began to struggle financially as funding decreased and expenses increased. Additionally, the District was struggling academically, culminating in a December 2011 assessment by the Kentucky Department of Education that led to state management of the District’s middle school and high school.

“Although the students of the Dayton School District continue to be served, the District would have liked to have been able to purchase advanced technology and other instructional resources to further benefit the students,” Dayton Superintendent Jay Brewer said. “Now it is time to look forward and concentrate on the continued education of the Dayton Schools’ students.”
Auditors found the former superintendent was reimbursed $146,276 for his personal retirement contributions and service credit purchases—benefits not included in his contract.

He was paid $47,429 for sick and annual leave days that he should not have received. Some of the leave accumulated was not approved by the board; some leave was taken but not deducted from his leave balance.

The assistant superintendent accumulated 16 more annual leave days than was allowable, representing an additional benefit of $6,368.

Auditors also found rampant travel expense abuses. The former superintendent used a district gas credit card for his personal vehicle, which was not a benefit authorized by the board, and accumulated a total of $21,464 in fuel purchases. He double- and even triple-dipped—using the district credit cards to pay for gas and expenses, submitting mileage and other expenses for reimbursement and in some instances, receiving additional reimbursement from the Kentucky Association of School Administrators when he served on the group’s board of directors. In total, he was reimbursed roughly $8,502 for expenses he did not incur, that were duplicated, or were for apparent non-existent meetings.

“Ripping off the district and KASA is heinous enough, but he really outdid himself when he restricted the athletic teams from traveling long distances for games in order to save money,” Auditor Edelen said.

While the former superintendent failed to disclose financial activity to the Board, auditors found the Board did not consistently perform his annual evaluations and continued to extend his contract without reviewing it or the cost of the benefits provided.

“Unfortunately, this is not the first time my office has identified lack of oversight as a concern with boards,” Auditor Edelen said. “Hindsight is always 20/20 that more could’ve been done, but I hope school boards across the Commonwealth heed these lessons to strengthen accountability in our public schools.”

This examination was the fourth in a continuing series by Auditor Edelen into school districts since last fall. He previously found problems in Kenton, Breathitt and Mason counties.

“I plan to continue working to make sure school districts are spending tax dollars to provide our kids with the world-class education they deserve,” he said.

The full report can be found on the auditor’s website.

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