

# Former Chicago Schools head pleads guilty to federal fraud charge

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22 October 2015

On October 13 former CEO of the Chicago Public Schools Barbara Byrd-Bennett pled guilty in federal court to one count of wire fraud.

Byrd-Bennett is charged with 15 counts of wire fraud and 5 counts of mail fraud. While each count of the indictment carries a maximum penalty of 20 years, the plea is expected to result in a seven-and-a-half-year sentence and the dismissal of other charges for the 66-year-old.

The federal investigation leading to the charges shed some light on the scope and scale of the fraud committed under the guise of education reform in the US's third-largest public school system.

The indictment alleges that Byrd-Bennett, an appointee of Chicago's current Democratic mayor and former Obama administration official Rahm Emanuel, used her influence to secure \$23 million in no-bid, non-competitive contracts with Chicago Public Schools (CPS) and public education consultancy firms SUPES Academy and Synesi.

SUPES Academy, Byrd-Bennett's former employer, has consulted CPS since Emanuel's election in 2011 when, according to the *Chicago Tribune*, it was involved in advising his administration's decision to hire both Byrd-Bennett and her predecessor at CPS, Jean-Claude Brizard.

After a federal investigation into her relationship with SUPES Academy was announced in April, Byrd-Bennett took paid leave and finally resigned from CPS in June. SUPES offers "executive-style" leadership training for educators and administrators.

The sham character of these programs emerged in December 2013, when CPS principals spoke to *Catalyst* about the poor quality of training by SUPES staff and the difficulties in working with consultants who knew little about the school system they were to

help "reform."

The indictment also alleges SUPES heads Gary Solomon and Thomas Vranas promised Byrd-Bennett that a job and a large, one-time payment—10 percent of the value of contracts she secured for them—would be waiting for her after leaving CPS, in exchange for her help in securing the contracts for their businesses.

It was also revealed that Solomon and Vranas bought Byrd-Bennett meals, made cash payments for holiday parties and given her tickets to sporting events. SUPES also allegedly submitted a fraudulent letter to CPS claiming Byrd-Bennett had terminated her connection with the consulting firm, in order to establish there was no conflict of interest involved in the no-bid contracts.

Solomon and Vranas pled not guilty last week to charges of bribery and conspiracy to defraud the United States.

Byrd-Bennett, who is also employed by the Eli Broad Foundation, was brought into CPS in spring of 2012 as the highest-paid consultant in the district, Chief Education Officer, at \$250,000 yearly. She brought with her a three-person team, each paid \$100,000 annually.

She was subsequently promoted to CEO of CPS in October 2012 in the immediate aftermath of the Chicago teachers strike when Brizard was abruptly let go. In 2012 and 2013, Byrd-Bennett oversaw the preparation and implementation of the Emanuel's administration's plan for mass school closures, shutting 50 elementary schools and laying off thousands of teachers and staff.

Investigations continue into other contracts made with CPS under Byrd-Bennett, and into her time working in the Cleveland, Ohio and Detroit, Michigan public schools.

A \$30.9 million deal with Global Workplace

Solutions is currently under internal investigation by the CPS inspector general. The company was brought in to help close 50 public elementary schools in 2013, and part of its work was subcontracted out to the Robert Bobb Group, owned by former Emergency Financial Manager for Detroit Public Schools Robert Bobb.

Bobb served as the unelected manager of the Detroit schools where he was strongly supported by the Obama administration through visits from the President and US Education Secretary and former CPS CEO Arne Duncan. Bobb hired Byrd-Bennett when he took control of the school district in 2009, where she was paid a salary of \$18,000 per month as Chief Academic and Accountability Officer.

The 43-page indictment listing Byrd-Bennett's criminal activities is at the same time an indictment of the city administration that unanimously approved the no-bid contracts, hired her and her team and cultivated relationships with SUPES and Synesi.

About his appointee, Mayor Emanuel had little to say other than that his administration was also responsible for the investigation, "There's no doubt, in selecting [Byrd-Bennett], I played a role. But Barbara and the officials with SUPES, they concocted this and, in fact, my staff did the right thing by asking hard questions and directing those questions to the people trying to pursue that contract."

Despite attempting to distance himself from the scandal, Emanuel has been one of the leading political representatives of the Obama administration's school privatization policy, the cover under which Byrd-Bennett's criminal activities took place.

Consultancies like SUPES and Synesi have been central to the cost-cutting and privatization efforts of the Democratic establishment in Chicago, who have rolled out privately run charters, closed neighborhood schools, slashed budgets, and laid off thousands of teachers in recent decades, provoking in 2012 the first teachers strike in Chicago in 25 years.

The parasitic nature of these "reform" hatchet men and women is nakedly apparent in Byrd-Bennett's response to a SUPES proposal to create a principal leadership training program when she wrote back in the affirmative, "I have tuition to pay and casinos to visit."

The fraud the CPS leadership perpetrated betrays any claim that the Obama administration's education

"reform" is aimed at improving teaching and learning, as the only improvements being made in CPS are to the financial position of those involved in its destruction.

SUPES itself was funded in part by the Chicago Public Education Fund, an organization closely affiliated to bipartisan education privatization efforts in the state of Illinois. It enjoys support from Mayor Emanuel, Republican governor of Illinois Bruce Rauner, who is currently its director emeritus, as well as their billionaire backers: Hyatt heiress and Obama administration Commerce Secretary Penny Pritzker and investment bankers Melody Hobson of Ariel Investments and Ken Griffin of Citadel.

Significantly the investigations into Byrd-Bennett's corruption and court proceedings take place amid a CPS budget crisis manufactured by city and state politicians through underfunding and corporate giveaways. Due to a so-called \$400 million operating budget crunch, 5,000 CPS teachers are being threatened with layoffs, school programs are scheduled to be cut and classrooms consolidated before the year's end. More than 1,400 teachers and other school workers have already been laid off this year.



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