

As Biden administration renews privatization push

Former Obama administration official arrested on charges of charter school embezzlement

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Seth Andrew, a senior advisor to former President Barack Obama in the Office of Education Technology, was arrested last Tuesday on charges he stole more than \$200,000 from Democracy Prep Public Schools, a network of charter schools he founded in 2005.

Andrew is accused of stealing the amount to obtain a lower interest rate on his \$2 million Manhattan apartment. Accusations include one count each of wire fraud, money laundering and making a false statement to a bank. Through his lawyer, Andrew has pleaded not guilty to the charges, which carry maximum penalties ranging from 20 to 30 years in prison. He was released on bail after the arrest.

When Democracy Prep was initially founded, an agreement was reached between it and the New York State Board of Regents specifying that the charter network had to maintain an escrow account that could only be accessed in the event of the school dissolving. According to reporting in the *New York Times*, Andrew still received a salary from Democracy Prep when he began working for the US Department of Education in 2013 before leaving the position in November 2016.

While he formally cut ties with Democracy Prep in January 2017, Andrew still had access to the escrow accounts. In obtaining the reduced interest rate and closing out the escrow accounts, Andrew falsely claimed that he was still a key executive with Democracy Prep. In addition to using the funds for a reduced mortgage rate on his Manhattan apartment, he also diverted additional funds to a new “civic organization” under his control, according to prosecutors.

While the case of Andrew has received significant attention due to his high-profile relationship with the Obama administration, it is only the latest in an endless series of charter school fraud cases, many of which involve amounts dwarfing the sums stolen by the former Obama advisor. Since their inception in the early 1990s and particularly during their aggressive expansion under the Obama administration, charter schools have been natural magnets for financial crimes.

Only last summer, 52-year-old Janis Buckner, with the Community Preparatory Academy in Los Angeles, pled guilty to embezzling more than \$3.1 million in school funds for her personal use, including private school tuition for her children, theme park tickets, Louis Vuitton handbags and three residential properties she paid for in the Southern Los Angeles area. The Community Preparatory Academy has unsurprisingly been the focus of investigations over inadequate

teacher training, misassignment of teachers outside their subject areas and high ratios of substitute teachers.

In February 2021, the two founders of the charter Incito Schools in Goodyear, Arizona, April Black and Amanda Jellson, were indicted by the Arizona Attorney General’s office after stealing more than \$500,000 from the Maricopa County Superintendent’s Office. The pair allegedly falsified teacher pay stubs to receive state funding boosts and would then use the funds however they saw fit.

Also in February, an Australian man and his Southern California business partner pled guilty to diverting more than \$50 million in education funds to start-up companies and their own real estate interests. The pair, along with several staff members at the 19-campus A3 Education charter school network, illegally obtained state funding by falsely enrolling students. Prosecutors allege that the network embezzled a total of \$215 million in state funding.

The fact that A3 and other such charter schools in California were able to get away with such wide-scale fraud for years was due to oversight at the local and state levels which ranged from inadequate to nonexistent.

In California, charter school auditors are only required to be accountants in good standing with the California Board of Accountancy and do not require any special training or certification as financial auditors. Moreover, those designated as auditors do not have the ability to compel school management to release any specific financial information and are largely reliant upon what school administrators decide to show them. If the school does not like the way an audit is conducted, it can terminate that auditor’s services at its discretion.

The first US charter school law was passed in Montana in 1991. This came only a few years after former American Federation of Teachers (AFT) President Albert Shanker—a dedicated anticommunist and former mentor to current AFT head Randi Weingarten—endorsed charter schools as a new “educational experiment” in which nominally public schools could be free from regulations.

Shanker’s endorsement was part and parcel of the AFT’s open retreat in the face of US government initiatives begun in the early 1980s, especially the Reagan administration’s infamous “A Nation at Risk” report of 1983. The report was a major broadside in the attack by US capitalism against public education and against public school teachers in particular, stating, “the educational foundations of our

society are eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people.”

Following this report, a flood of education reform measures have been implemented under both Republican and Democratic administrations, all of which had as their end goal the demonization of public school teachers and promotion of charter schools and other privatization schemes. These included Bill Clinton’s Elementary and Secondary Education Act and Improving America’s Schools Act, combined with the implementation of new national standards and standardized testing.

Building on the momentum of “A Nation at Risk,” Clinton’s initiatives introduced school choice for students in Title I schools where children from low-income families make up at least 40 percent of enrollment. They also mandated funding reductions for those lower performing schools that didn’t meet established standards for improvement. Clinton’s programs also introduced federal funding for districts that wished to establish charter schools, making the first federal promotion of private charter schools a product of a Democratic presidential administration.

This agenda was continued with the Bush administration’s “No Child Left Behind” Act, which had been crafted by the late Democratic senator from Massachusetts, Edward Kennedy. Taking the Clinton administration’s attack on public education even further, No Child Left Behind punished “failing” schools not simply by withholding funds but also by allowing for the complete replacement of administration and staff, as well as the ability to convert failing schools into charter operations.

In implementing this reactionary school privatization legislation, the US government received the wholehearted support of the corporate media and growing layers of middle class academics who promoted this policy on the basis of fraudulent arguments that this would advance identity politics-based “equity.” Such tendencies are even more pronounced today.

The Obama administration kept in place “No Child Left Behind,” leading to the “restructuring” of approximately 6,000 schools nationwide by 2012. Obama put a further squeeze on public schools through his “Race to the Top Initiative” launched in 2009, which seized upon the 2008 financial crisis to dangle small amounts of funding before schools to facilitate further charterization and privatization.

Under the Obama administration, there was a net loss of more than 300,000 school workers nationwide while student populations drastically increased, creating vastly overcrowded classrooms throughout the US. By 2012, 42 out of 50 states had passed legislation authorizing charter schools, a figure that has since risen to 45 out of 50. The Obama administration also created the Common Core standards, which aimed to reduce options for children to study arts and humanities on campuses in favor of math, science and basic English.

In addition to continuing the pro-charter policies of Obama and Bush, Trump and his Education Secretary Betsy DeVos, aided by the US Supreme Court’s decision to overrule the first amendment, allowed for financial aid for students attending religious schools. DeVos, an open advocate of charter schools and religious schools in particular, defended the reintroduction of child labor during her tenure and also said that the mission of schools was to create “God’s kingdom.”

These decades-long attacks on teachers and public education provoked the mass teachers’ strikes across the US and internationally from 2018–19, which were the spearhead of a global resurgence of the

class struggle. In the US, Democratic politicians duplicitously claimed their opposition to charter schools while the teachers unions made rotten deals behind teachers’ backs so that the assault could once again resume.

The COVID-19 pandemic that began in early 2020 provided that very opportunity. In March and April of last year, after the markets experienced their largest drops since the Wall Street Crash of 1929, more than 1.44 million educators lost their jobs, including 779,000 public school teachers. While hundreds of thousands of teachers lost their jobs, trillions were handed over to the banks and large corporations. Since March 2020, the wealth of the country’s billionaires increased by more than \$1.6 trillion, or 55 percent. The amount thus gained during 13 months of the pandemic was a third of the total wealth accrued by US billionaires during the last 31 years.

While the Trump administration initiated the push to prematurely reopen schools last June, the Biden administration has deepened this reckless policy. School sites across the US are the primary source of transmission in numerous states. The school reopening policy received the active assistance of the teacher unions, who, without exception, told teachers that they had no choice but to return back to classrooms.

With schools across the US nearing summer vacations, the Biden administration aims to resume the Obama administration’s privatization program. To that end, numerous figures who held positions in Obama’s education department have, or will soon have, similar positions under Biden.

Education Week magazine reported last week that Biden is expected to soon nominate Roberto Rodriguez for the position of Assistant Secretary of Planning, Evaluation and Policy Development in the Department of Education. Under Obama, Rodriguez had boasted that Race to the Top produced “big and lasting change,” highlighting the initiative’s advancement of Common Core standards. After serving in the Obama White House, Rodriguez became CEO of an organization known as Teach Plus, which used \$27 million in grants from the Gates and Walton Foundations to lobby against teacher seniority rules and other protections.

Carmel Martin also now holds the same position under Biden as she did under Obama, Special Assistant to the President for Education Policy. As a staff member to the late Senator Kennedy, Martin had been instrumental in drafting No Child Left Behind. Under Obama, she also helped craft Race to the Top and Common Core.

In a clear indication that the accelerated growth of charter schools are now clearly on the Biden administration’s agenda, acting Assistant Secretary of Education Ian Rosenblum remarked that schools must conduct standardized testing by the end of the academic year. This has no other purpose but to drive fraudulent school accountability schemes and further open the door to the growth of private charter schools.



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