

**Chester Community Charter School Statement**  
**A. Bruce Crawley, spokesperson**  
**October 4, 2016**

While the U.S. Department of Education did not specifically name Chester Community Charter School as the Pennsylvania-based charter, wherein the CEO of the management corporation “wrote checks to himself totaling about \$11 million during the 2008 – 2009 school year,” the implication is that the audited school, based on budget size and Pennsylvania location, was, in fact, Chester Community Charter School.

If that was the intent of those comments, it was an irresponsible and wholly inaccurate assessment and conclusion.

That being the case, we feel an obligation on behalf of our students, parents, teachers, administrators and management company, to clarify the School’s fiscal management processes, at that time, and to emphatically explain that CCCS’ management company CEO never approved or issued checks, in any amount, that had not been included in the school’s annual budget and previously approved by the management company’s board.

The truth of the matter is that, effective in 2001, the school’s agreement with its charter management company (CMO) clearly stipulated that the CMO was responsible for all expenses of the school, including physical plant, operations and staff and teacher salaries.

As part of that agreement, an annual budget was approved by the board, and the management company was obligated to provide monthly reports to that board on all school-related expenditures.

Even further, the agreement stated that if the management company exceeded the board-approved annual budget total, the management company would be unilaterally responsible for the cost of covering any resulting deficits.

On July 1, 2009, the year in which the audit was focused, a new management contract was approved by the board, under which all school-related expenses, including teacher and administrative compensation, would be paid directly by the School, removing the management company from that responsibility. Under that same contractual agreement, the management company received a fee from the school, for services provided.

In fact, on (date) 2013, CCCS counsel Frank Catania sent correspondence to the U.S. Department of Education that clearly explained how the fiscal responsibilities between school and management company had been re-assigned, post-July, 2009.

The School never received a response from the Department of Education but, nonetheless, continued to operate under the July 2009 agreement with the management company.