

Audit finds 'serious shortcomings' at PED

Written by By Andy Lyman NM Political Report
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SANTA FE – The New Mexico State Auditor’s Office announced on March 15 that a Public Education Department audit revealed more than 200 shortcomings.

The State Auditor’s office gave PED about a month to come up with an action plan to correct what the Auditor’s office called “weaknesses.”

State Auditor Tim Keller said in a press release the issues his office found were not minor.

“The problems that have been identified are far from technicalities, they are serious shortcomings in our state’s ability to ensure quality education to students across the state,” Keller said.

Auditors uncovered mismanagement of public funds and a lack of background checks at some charter schools among the long list of problem areas within PED. According to the audit report, PED understated how much money was spent by more than \$21 million. It also highlighted nearly \$5 million dollars in money that PED either failed to use or missed out on because of a failed obligation to match a federal grant.

The audit found six charter schools across the state in such bad shape their respective financial records “cannot be relied upon.”

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Among the six charter schools with that lowest audit rating was Southwest Secondary Learning Center. The FBI raided the school in 2014 after fraud and embezzlement claims surfaced. The involvement of the FBI came at the request of then-Auditor Hector Balderas. Balderas is now state Attorney General.

Another 15 charter schools were missing background checks or licensure documentation for personnel, the audit found. Gallup's Uplift Community School was one of those charter schools on this particular list.

Keller said ultimately PED should be providing more oversight to charter schools to help them succeed.

"At best, the department is clearly overwhelmed by the responsibility of overseeing so many charters schools; at worst, their lack of oversight of our state's boom in charter schools leaves them ripe for fraud, waste and abuse," Keller said.

Attached to the audit released on March 15 was a letter from Keller to PED Secretary Hanna Skandera outlining the shortcomings found in the audit as well as a directive to take action.

"PED needs to improve financial and regulatory oversight of charter schools and provide additional training and support to help address these shortcoming and to ensure compliance with applicable state and federal laws, rules and regulations," Keller wrote. "Millions of dollars of funds are potentially at risk due to the various issues highlighted in the report and schools are susceptible to fraud, waste and abuse."

A PED spokesman told *NM Political Report* that he had just seen the letter on March 15 and would need time to respond. A representative from Keller's office said the audit and letter were sent to PED and their independent auditor last week. This story will be updated with a comment from PED when one is provided.

Visit: www.nmpoliticalreport.com for a copy of Keller's letter to PED Secretary Hanna Skandara and the actual audit.

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