



Auditor of Public Accounts
Adam H. Edelen

FOR IMMEDIATE RELEASE

Contact: Stephenie Steitzer
stephenie.steitzer@auditor.ky.gov
502.564.5841
513.289.7667

Edelen Releases Mason County Schools Examination, Finds Excessive Spending, Benefits for the Superintendent

FRANKFORT, Ky. (Oct. 24, 2012) – State Auditor Adam Edelen today released a special examination of the Mason County School District, finding wasteful spending, excessive benefits for the superintendent and lack of proper board oversight.

The exam found nearly \$200,000 worth of expenditures by the superintendent, six district employees and five board members that appeared excessive, lacked supporting documentation, had no clear business purpose or did not go through the district’s own approval process.



The report will be referred to the IRS.

The 176-page report details numerous meals at upscale steakhouses by the board and administrators and pricey hotel stays, including many at the Marriott in Covington, just an hour from Maysville. Various district employees and current and former board members told the auditor’s staff that eating expensive meals is a sort of philosophy of the district and a way to compensate board members who aren’t paid large salaries.

Even small-dollar purchases with questionable business purposes such as blizzards from Dairy Queen and snacks from gas stations were expensed to the district. The purpose of many of the superintendent’s purchases couldn’t be verified because the tops of receipts, which contained the date and location of the expense, had been torn off.

“In a district that receives nearly half of its revenue from the Commonwealth, all taxpayers – not just those in Mason County – ought to be alarmed,” Edelen said. “Parents today are forced to spend money not just on pencils and notebooks but paper towels and other janitorial supplies. Every teacher I know

pays for classroom supplies out of their own pocket. And property owners never see relief on their tax bills. The findings in this report are shameful.”

The report, prompted by an Office of Education Accountability (OEA) referral to the auditor, contains 15 findings and 47 recommendations.

It found the superintendent received compensation and benefits in excess of his contract. Throughout the superintendent’s term, salary and benefit increases were not supported in official documents approved by the board. Upon the OEA’s investigation last year, the board adopted an addendum to the superintendent’s contract in an attempt to justify and retroactively approve the undocumented or improperly documented benefits he had received since June 2001. Of the five board members that signed the addendum, none were members when he was hired and only one was a member when he received subsequent benefit increases.

The report also found the district continued reimbursing the superintendent – for a total of \$3,610 – for a family health insurance plan even after he changed to a single coverage plan.

In addition, the district paid duplicate costs for certain superintendent travel expenses. Not only did he receive mileage reimbursement for out-of-district travel, he also had access to fuel in city fuel storage tanks, using roughly \$8,000 worth of fuel each year between 2007 and 2011. And in several instances, the superintendent overstated trip mileage and received reimbursement for duplicate or conflicting trips. Subordinates of the superintendent, rather than the board, reviewed and approved his reimbursement requests.

The superintendent’s contract also provided him a \$500 vehicle allowance; however, it made no provision for the district to maintain the vehicle. He regularly used the district’s garage to have routine maintenance performed on his personal vehicles. Some current and former board members told the auditor’s staff that they never had an issue with the superintendent receiving duplicate travel benefits because he has done an exemplary job and deserves such benefits.

“Doing a good job does not entitle a superintendent to a blank check from taxpayers, nor does it absolve a school board of its duties to be transparent, accountable and good fiscal stewards,” Edelen said.

This is the third examination of spending in Kentucky school districts that Edelen has released in the last two months. A September report found excessive travel by Kenton County School District food service personnel and lax financial controls. A report released earlier this month found the former Breathitt County School Superintendent exerted an excessive amount of control without proper board oversight. Another education review, at Dayton Independent Schools, is underway.

“I am committed to making sure every education dollar in this Commonwealth is spent for the benefit of our kids,” Edelen said.

The examination can be found on the auditor’s [website](#).

###