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**ISSUES UNDER CONSIDERATION
AT WONDERLAND CHARTER SCHOOL**

A. scope and status of investigation.

In the course of approximately four months, I (1) reviewed information gathered by State College Area School District ("District") administrators in the initial stages of the Wonderland Charter School ("Wonderland") five year renewal request - business office, human resources, student services, special education; (2) along with Vernon Bock, Assistant Superintendent of Elementary Education, personally met with and/or spoke on the telephone with 16 persons associated in one form or another with Wonderland, to include a former Board member, parents of then current, former, or prospective students, and teachers, people who between and among them had some association with Wonderland for a period of approximately 10 years; (3) reviewed Wonderland's responses to supplemental requests for information from District administrative staff; (4) reviewed Wonderland's responses to Right to Know Law ("RTKL") requests; and (5) personally made and reviewed responses to multiple requests for information and documents from Wonderland, including but not limited to Agendas, Minutes, Statements of Financial Interests, IRS Form 990s, leases, certifications, student files, a complaint filed with PDE, PDE reports and findings, and a PDE Special Education Compliance Audit Report.

As of July 31, 2018, the day when the Wonderland Board adopted a Resolution to close the school and surrender its charter, some areas of inquiry were complete, but many remained open, e.g. PDE report from Special Education Target Monitoring in June 2018; PDE report from English as a Second Language ("ESL") review in late July; open RTKL and other requests. This document is, therefore, a description of where the investigation currently stands, not a final report on all or every issue of concern.

B. Wonderland's legal obligations as a charter school.

Wonderland is and was required to comply with all statutes, rules, and regulations, the same as State College Area School District and any other public school, except for those from which it is specifically exempted. See, 24 Pa.C.S.A. § 1715-A(1). This would include, by way of examples, special education, ethics, and bidding requirements.

C. Special education and what we knew on June 4, 2018.

The Board of School Directors ("Board"), on my recommendation and that of the Administration, took action at its meeting on June 4, 2018 to initiate the non-renewal/revocation procedure set forth in the Charter School Law, 24 P.S. § 1729-A, and the Basic Education Circular on Charter Schools.

The recommendation was based principally upon the following evidence:

Wonderland, over many years, would have been expected in a general population of students to have identified students in a range of categories, and provided Individual Education Programs ("IEPs") for some or all of them. Based upon the information that we had on June 4, 2018, it would appear that Wonderland did not, with very, very, very few exceptions, identify students in any category except speech language (and in those areas it was not clear whether those students came to Wonderland with an existing IEP, or whether it was first developed at Wonderland), and likely never had done so. It was not, we did not believe, an issue of a relatively small population, and/or a one or two year unexpected variance. It was throughout Wonderland's history.

Attached hereto is a chart showing what Wonderland might have been expected to identify by disability category, and what Wonderland actually did identify by disability category over the three most recent school years. It shows that Wonderland *overidentified*, based upon what would be expected in a general population, speech or language impairment by as much as 1000%. This was not especially surprising, given the assertions below, since speech language is a relatively low cost but high return disability category (Wonderland received the higher special education rate). What would be surprising, alarming, or of concern, *in the absence of the information below*, is that over the course of the three years reviewed Wonderland did not identify, or presumably provide legally required services in the

legally required form, to even a single student in any other disability category.

What we believed - based upon a review of the demographic data, and speaking with a former Board member, many teachers who were at Wonderland for school years covering 2012 to 2017, parents who had children at Wonderland during that same time frame, a parent who inquired about enrolling her daughter, and reviewing a Psychoeducational Report and other records for a student who was at Wonderland for all or parts of 6 school years - beginning with Harold Ohmneis, former CEO, former Board member, and most recently Business Manager ("Mr. Ohmneis"), but extending through Marilyn L. Ohmneis, founder, former Board member, and most recently Chief Academic Officer/Director ("Mrs. Ohmneis"), Kelly J. Raudabaugh, most recently CEO and a Lead Teacher ("Raudabaugh"), and Kristin L. Myers, most recently Lead Teacher and a Board Member ("Myers") - is that Wonderland, had a policy, practice, and procedure whereby it had institutionalized and systematized various methods and means to avoid enrolling and/or identifying students, and more specifically, avoid having IEPs and incurring the costs associated with delivering programs and services that would be required thereby, or delivering programs and services with which Wonderland had a philosophical disagreement.

The specific practices and procedures which Wonderland used, and the thought process behind them, included:

1. The "Wonderland model" of constant teacher turnover, which not only results in lower salary expenditures (Wonderland was ranked 781st out of 781 Local Education Agencies in salary based upon PDE's 2016-2017 statewide data), but an influx of young and inexperienced teachers, who are not in a position to know any better, say anything, or be there longer enough to really grasp what is transpiring. A Board member, who was installed as a Board member on November 17, 2013 and who later served as Board President, said that when he asked about high turnover, thinking that was not a good thing, that he was told it was the "Wonderland model."

2. The cost and potential catastrophic financial implications of IEPs or even one IEP were discussed by Mr. Ohmneis at Board meetings, according to the former Board member.

3. Parents were dissuaded from enrolling students with medication needs, and/or potential IEP or 504 plan needs. A parent of a prospective student met with Raudabaugh at

Wonderland in May or June 2017. The parent explained that the parent's child was on medication, and described behaviors and needs that might have resulted in an IEP or 504 Plan. Raudabaugh told the parent that Wonderland did not administer medication, and Wonderland did not believe in medicating children. Raudabaugh also told the parent that "we don't like to have them [IEPs] because they restrain us in what we like to do to help the child." Although the parent was initially attracted to what was described to the parent as Wonderland's "highly structured environment," the parent chose to enroll the child elsewhere.

4. Multiple teachers described a policy where they were precluded from being friends with or socializing with parents of students. The policy was under the guise of protecting and maintaining confidentiality for appropriately confidential subjects, but the teachers believed that it was so that they would not tell or otherwise alert parents to what Wonderland was really like. Teachers were called into Mr. Ohmneis' office and threatened with termination for violating this policy.

5. Multiple teachers described staff meetings with Mr. Ohmneis presiding prior to the four annual parent-teacher conferences where, among other things, Mr. Ohmneis said that if parents asked about their child struggling and/or in need of an IEP that the teachers were to respond that "the child was making progress, the child needed more confidence, the child needed more practice," and if that was not sufficient to divert the attention of the parents, that the meeting was to be stopped, and the teacher was to get Mr. Ohmneis who would speak with the parents.

6. Multiple teachers described a multi-step editing process for "Differentiated Education Plans," where teachers were dissuaded from writing anything negative, or saying that a child was struggling or in need of some type of support. Instead, when the documents were delivered to Raudabaugh or Myers, and then onto Mrs. Ohmneis, that text (i.e. any negative reference, any reference to struggling, or any reference to a need for some type of support) was stricken, and replaced with "the child was making progress, the child needed more confidence, and the child needed more practice."

7. Multiple teachers described not being permitted to speak with parents at drop-off or pick-up (other than to say "hello" or "goodbye"), and being told to literally shove a parent back into a car if they got out. This was under the

guise of protecting Wonderland from liability, but the teachers believed that it was so that they would not converse with parents about what was really transpiring.

8. Multiple parents described not being told what was actually going on, but only a rosy picture. One parent, for example, was very surprised to learn (when told by outside observers) that the parent's child was exhibiting the same extreme behaviors at school as the child was at home.

9. Teachers described not being permitted to use or even have email, a means to avoid having any record of communications.

10. We knew from observations of Administrators and Board members during site visits that one or more (then) current students had obvious and unquestioned special education needs, and we knew from a general records review and conversations with the parents and former teachers with whom we spoke in May that the students were not receiving anything close to what they should have been receiving. With respect to one of the students, teachers related that Mr. Ohmneis and/or Raudabaugh (proudly) stated that "If [the student] were at any other school [the student] would be in a Life Skills classroom."

11. It is believed, too, that in addition to not having an appropriate IEP, that certain Wonderland staff utilized unlawful and inappropriate aversive techniques as a means to attempt to manage certain students - e.g. yelling at them, holding their arms down, etc.

12. One teacher told Mr. Ohmneis, Raudabaugh, and/or Myers about a then Kindergarten student who was in need of special education, reading in particular. The teacher said the concerns were ignored, and/or the teacher was told that "it does not matter." We were able to obtain a full set of the student's records (the student was at Wonderland from K-5), to include a copy of an outside Psychoeducational Report. The Report also includes extensive recommendations, chief among them that the student's parent share the results of the evaluation with Wonderland "to determine whether additions and modifications to [the student's] IEP may be necessary in order to address [the student's] educational needs related to [the student's] **evidenced SLDs in basic reading skill and written expression.**" (emphasis added) Page 16.

The Psychoeducational Report was shared with Wonderland prior to the development of the student's next IEP in March 2018. It does not appear, from a review of the IEP, that any of the aforementioned points from the Report were discussed, and although the IEP was updated, it did not include anything at all about reading, or it would appear, any of the other recommendations from the Report.

We were aware of the foregoing prior to the Board meeting on June 4, 2018, when the Administration and I recommended that the Board take action to initiate the revocation/non-renewal proceeding.

D. additional issues identified since June 4, 2018.

Since then, we developed the following, and/or are in the process of developing the following:

1. In its 2013 Special Education Compliance Monitoring, PDE determined that Wonderland was out of compliance in 56 of 869 areas reviewed. By way of comparison, in its 2009 Special Education Compliance Monitoring, the District was found to be 100% compliant.

2. On May 9, 2014, the Pennsylvania Department of Education Bureau of Special Education issued a Complaint Investigation Report, finding that Wonderland had failed to issue a request for evaluation when a parent raised concerns about a learning disability and with the parent's child's overall abilities and progress in reading.

3. As part of the resolution of the Complaint described in Paragraph 2, Wonderland made written representations to PDE of what it would do to ensure future compliance. We have requested the evidence to determine whether Wonderland did do as it represented it would do, and have yet to receive that evidence.

4. For the 2016-2017 school year, the Department of Health found that Wonderland was noncompliant with 28 Pa Code Chapter 23 §§ 23.1, 23.3, and 23.33 because it failed to employ the services of a school dentist, and failed to complete all of the required dental examinations for the mandated grades.

We have requested information on this subject for Wonderland for other school years, and it has not yet been supplied.

5. As stated above, we are awaiting PDE's Report from its Target Monitoring in June 2018, but we believe that there will be areas of significant noncompliance identified therein.

6. As stated above, we are awaiting PDE's Report from its ESL assessment ion late July, but we believe there will be program wide areas of significant noncompliance identified therein.

7. We saw through document requests that in the early years of the 5 year cycle, Mr. Ohmneis, who lacked teacher certification and any experience as a teacher or school administrator (other than as CEO of Wonderland), was serving as the LEA at IEP meetings. In the remaining years, a young and inexperienced teacher, but one who did have a teaching certificate and was special education certified, was serving as the LEA. We believe that both were improper to be serving in that role.

8. PDE issues an 81 page publication entitled "Accommodation Guidelines, 2018, PSSA and Keystone Exams." The publication includes very strict and highly detailed provisions about accommodations in a variety of circumstances and situations. It was reported to us that two children were provided with accommodations during the 2018 testing, and when we inquired about requesting and receiving approval for the accommodations, Wonderland reported that it had neither requested nor received any approval. Wonderland was not, in fact, aware of any such guidelines.

The foregoing was consistent with concerns we had about the accuracy of achievement data that Wonderland was reporting. In addition, for example, to the student addressed in C12 above, a former teacher told us of administering a 5 part assessment to a student. The student failed on all 5 parts. When this was relayed by the teacher to Wonderland administrative staff, she was told to continue to administer the same assessment to the student until such time as the student passed.

9. We have significant concerns about the propriety of the 10 year lease Wonderland entered into with the for profit corporation wholly owned by Mr. and Mrs. Ohmneis. In prior years the leases were for a 1 year term, and this lease coincided with Mr. and Mrs. Ohmneis stepping down from the Wonderland Board, the ascension of Raudabaugh as Mr. Ohmneis hand-picked successor and a nearly three-fold increase in her compensation, and Raudabaugh serving as the point person in the

alleged good faith search for alternate rental space for Wonderland. Investigation into this issue was ongoing as of July 31, 2018.

10. We have concerns and have requested information about the building lease that was entered into prior to July 1, 2013. Investigation into this issue was ongoing as of July 31, 2018.

11. We have concerns and have requested further information about the Wonderland trademark, for which there is a reference to a license from the for profit corporation wholly owned by Mr. and Mrs. Ohmneis to Wonderland, and about which we have been verbally advised by Wonderland's attorney that Wonderland paid the costs and fees to obtain. Investigation into this issue was ongoing as of July 31, 2018.

12. We have concerns about Mr. Ohmneis serving as a Board member while an employee of Wonderland, and whether this is a violation of 24 P.S. § 322. Investigation into this issue was ongoing as of July 31, 2018.

13. We have concerns about Mrs. Ohmneis serving as a Board member while an employee of Wonderland and whether this is a violation of 24 P.S. § 322. Investigation into this issue was ongoing as of July 31, 2018.

14. We have concerns about Myers serving as a Board member while a paid employee of Wonderland and whether this is a violation of 24 P.S. § 322. Investigation into this issue was ongoing as of July 31, 2018.

15. We have Ethics Act concerns about Myers, apparently, participating in a discussion about bonuses to be paid to Wonderland employees, and then actually (according to the approved Minutes for May 15, 2016) voting to approve a \$16,970.90 bonus to herself.

16. We have Ethics Act and other concerns about Mr. Ohmneis making recommendations to the Wonderland Board as CEO and then Business Manager of Wonderland and for the Wonderland Board to make substantial and ongoing monthly payments to the for profit corporation that is wholly owned by his wife and him.

17. We have Ethics Act and other concerns about Mr. Ohmneis voting affirmatively as a Wonderland Board member to make substantial and ongoing monthly payments to the for profit corporation that is wholly owned by his wife and him.

18. We have Ethics Act and other concerns about Mrs. Ohmneis voting affirmatively as a Wonderland Board member to make substantial and ongoing monthly payments to the for profit corporation that is wholly owned by her husband and her.

19. We have asked for further information, but we have preliminary information that gives rise to Ethics Act and other concerns about Mr. Ohmneis, either literally or figuratively, generating bills for after school care and building rent in his capacity as Vice President/Administrator for the for profit corporation that is wholly owned by his wife and him, then submitting them to himself as the CEO and then Business Manager of Wonderland, then making recommendations for payment to the Wonderland Board in his capacity as CEO and then Business Manager, then voting affirmatively for approval of payment of the bills in his capacity as a Board member, then issuing the check or other form of payment in his capacity as CEO and then Business Manager, and then receiving, cashing, and/or depositing the check or other form of payment in his capacity as Vice President/Administrator of the for profit corporation that is wholly owned by his wife and him.

20. We have significant concerns about construction, renovation, and maintenance work that was done on and to the building and grounds, and paid for by Wonderland. We cannot tell with certainty at this preliminary juncture, but it does not appear from a review of the Agendas and Minutes, that the work was bid, that the lowest responsible bidder was retained, that written contracts exist, or that the Wonderland Board was approving work at a specific cost. We have requested additional information on these subjects, but there are significant concerns about possible violations of the School Code, 24 P.S. § 751, the Non Profit Corporation Law of 1988, 15 Pa.C.S.A. §§ 5101-6162, in particular 5712, and the Charter School Law, 24 P.S. § 1715-A(10)(i)(A).

21. It does not appear that Raudabaugh properly completed her 2016 and 2017 Statements of Financial Interest in that she checked the "NONE" box rather than properly including her Wonderland income.

22. In our initial (albeit as yet incomplete) review of IRS Form 990s, in particular the most recent filing, we identified the following issues as matters of concern:

Part IV - page 4

- Question 28 c - seems this should be answered "yes" and Schedule L should have been completed. Mr. Ohmneis appears to meet the definition of Officer (or at least former officer). Raudabaugh should also be listed. Perhaps others.

Part VI - Section A - page 6

- Question 2 - should this be yes? - This was answered "yes" in 2014, when Mr. and Mrs. Ohmneis were both listed as directors on the 990. Would their positions still qualify as officers?

Part VII - page 7

- Based on the instructions, Mr. Ohmneis and other Top Management employees (see page 25 of the instructions) should be listed.

Part VII - Page 8 -

- Answers to questions 3 - 5 may be incorrect, based on above.

Investigation into and review of this issue was ongoing as of July 31, 2018.

SCE