

EAST BATON ROUGE PARISH CHARTER SCHOOL - EDUCATION EXPLOSION, INC. D/B/A IMPACT CHARTER SCHOOL

INVESTIGATIVE AUDIT SERVICES

Issued February 5, 2025

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February 5, 2025

**CHAKESHA SCOTT, CHIEF EXECUTIVE OFFICER
AND MEMBERS OF THE BOARD OF DIRECTORS
EDUCATION EXPLOSION, INC. D/B/A IMPACT CHARTER SCHOOL**
Baker, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.* to determine the validity of complaints we received.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents and do not constitute an examination or review in accordance with generally accepted auditing or attestation standards. Consequently, we provide no opinion, attestation or other form of assurance with respect to the information upon which our work was based.

The accompanying report presents our findings and recommendations, as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 19th Judicial District of Louisiana, the United States Attorney for the Middle District of Louisiana, and others as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW:aa

EDUCATIONEXPLOSION



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EXECUTIVE SUMMARY

Chief Executive Officer Diverted Charter School Funds to Nonprofit Corporation

Chakesha Scott is the Chief Executive Officer (CEO) of Education Explosion, Inc. (Education Explosion), a nonprofit corporation that operates under the trade name Impact Charter School. Ms. Scott was also the CEO or principal officer of Friends of Impact Charter School (FICS), another nonprofit corporation. It appears Ms. Scott used her position as CEO of Education Explosion to divert \$1,504,268 from Education Explosion to a FICS bank account she controlled and to divert \$171,659 to a third party on FICS' behalf. It appears Ms. Scott did not notify Education Explosion's Board of Directors (Board) about these transactions or, alternatively, misled the Board about the facts surrounding these transactions, and diverted these funds without their knowledge or approval. A portion of the funds diverted to FICS' bank account was used to make purchases for Ms. Scott and her family's personal benefit. By improperly diverting funds to FICS' bank account and using those funds for their personal benefit, Ms. Scott and her family may have violated the Louisiana Constitution and state and federal law.

CEO Diverted Fees Paid by Parents and Students to Nonprofit Corporation and Financial Accounts Not Associated with the School

It appears Ms. Scott used her position as CEO of Education Explosion to divert fees paid by students, parents, and others, totaling at least \$221,506, from Education Explosion to FICS and other financial accounts not associated with the school's bank accounts. These amounts appear to have been collected through electronic payment processors; however, the funds were subsequently remitted to FICS, transferred to Ms. Scott's personal accounts, remitted to unknown accounts not associated with Education Explosion, or used by Ms. Scott to make personal purchases. We also found that fees paid in cash, totaling at least \$71,487, were received but not deposited to Education Explosion's bank accounts. In addition, it appears that expenses related to these fees were paid by Education Explosion funds, which is almost exclusively comprised of public funds. As such, the revenues generated by Education Explosion should have been deposited in Education Explosion's bank accounts and used for school purposes. By failing to deposit funds generated by Education Explosion and using school funds for personal purposes, Ms. Scott and others may have violated the Louisiana Constitution and state and federal law.

School Contractor Appears to Have Shared Proceeds from School Contracts With the CEO

Education Explosion paid Friendly Finishing Maintenance Company LLC (FFM) \$604,308 for janitorial services, equipment rentals, supplies, and maintenance services from June 2018 to April 2024. It appears Nathaniel Harrison III, current FFM member, remitted portions of payments from Education Explosion to FFM to Ms. Scott and her sister, Philana Square. Bank records show Mr. Harrison issued electronic payments totaling \$41,625 to Ms. Scott from October 2020 to May 2024, as well as electronic payments to Ms. Square totaling \$9,000, from September 2023 to January 2024. In addition, bank records show Mr. Harrison withdrew at least \$198,650 in cash from payments received from Education Explosion, and text message records suggest he then made cash payments to Ms. Scott. If Mr. Harrison issued payments to Ms. Scott and her sister from the proceeds of school checks issued to FFM, Mr. Harrison, Ms. Scott, and Ms. Square may have violated state and federal law.

CEO May Have Used Charter School Funds for Work on Personal Residence

Education Explosion contracted with Sam Green, doing business as Sam Green & Sons Construction, to provide construction services for the school while Mr. Green was building Mr. and Ms. Scott's personal residence. According to school records, Education Explosion paid Sam Green & Sons Construction \$133,797 between July 2019 and November 2019 related to the construction of a modular classroom building that was largely constructed by another contractor. It appears Mr. Green may have overbilled Education Explosion for work on the modular building and used approximately \$105,997 of the proceeds for work on Ms. Scott's personal residence, including the installation of an in-ground swimming pool. Records also show Education Explosion funds were used to pay its lawncare vendor \$5,156 to install landscaping at Ms. Scott's personal residence. If Mr. Green overbilled Education Explosion to fund work performed on the Scotts' personal residence, Ms. Scott, Mr. Green, and others may have violated state and federal law.

CEO Used Charter School Funds for Personal Travel

Education Explosion's Board of Directors (Board) approved budgets for fiscal years ended June 30, 2022 and June 30, 2023, that included travel expenses totaling \$16,400 for Ms. Scott (CEO) and Mr. Scott (school principal). Credit card records show Ms. Scott used her Education Explosion credit card to incur at least \$130,494 in travel expenses over that timeframe for trips taken by Ms. Scott, Mr. Scott, and/or Ms. Scott's adult daughter, Courtney Scott, exceeding the approved travel budgets by \$114,094. Education Explosion did not maintain documentation to support the purpose of these trips, and many of the travel expenses appear to be entirely personal in nature. Ms. Scott further appears to have used funds diverted from Education Explosion, including funds diverted to

FICS, to pay for personal travel expenses for herself, Mr. Scott, and Courtney Scott. By improperly using Education Explosion funds for personal travel expenses, Ms. Scott, Mr. Scott, and Courtney Scott may have violated state and federal law.

Charter School Funds Used to Lease and/or Purchase Vehicles Used by CEO

Ms. Scott used at least \$166,520 in Education Explosion funds for expenses related to the lease and/or purchase of a 2017 Acura MDX and a 2021 Land Rover Velar from August 2017 to April 2024. It appears Ms. Scott entered into these transactions on behalf of Education Explosion without the knowledge or approval of the Board and may have falsified the signature of a former Board member purportedly authorizing the purchase of the 2021 Land Rover Velar. It further appears that Ms. Scott and her daughter utilized these vehicles for personal purposes without the Board's knowledge, and the use of these vehicles were not properly recorded as compensation to Ms. Scott. Ms. Scott further appears to have diverted a \$5,278 insurance payment in relation to the 2017 Acura MDX. By entering into these transactions and personally utilizing these vehicles without Board knowledge or approval, Ms. Scott and others may have violated state and federal law.

Charter School Used Funds to Obtain, Repair, and Improve a Building the School Did Not Own

Records show that Education Explosion used school funds totaling at least \$129,493 to move a uniform store it did not own onto school property. This amount included payments Education Explosion made for Internet service, utilities, repairs, and capital improvements for the building from August 2018 to January 2024. We found that Ms. Scott's mother, Marilyn Webb, owned the building; however, tax sale title to the building was transferred to East Baton Rouge Parish in 2018 for non-payment of 2017 property taxes. During our audit, Ms. Scott withheld records from the LLA related to some of these transactions on the basis that the records and the building belonged to FICS. By using school funds to pay expenses related to a building that Education Explosion did not own and withholding records from LLA, Ms. Scott and others may have violated the Louisiana Constitution and state and federal law.

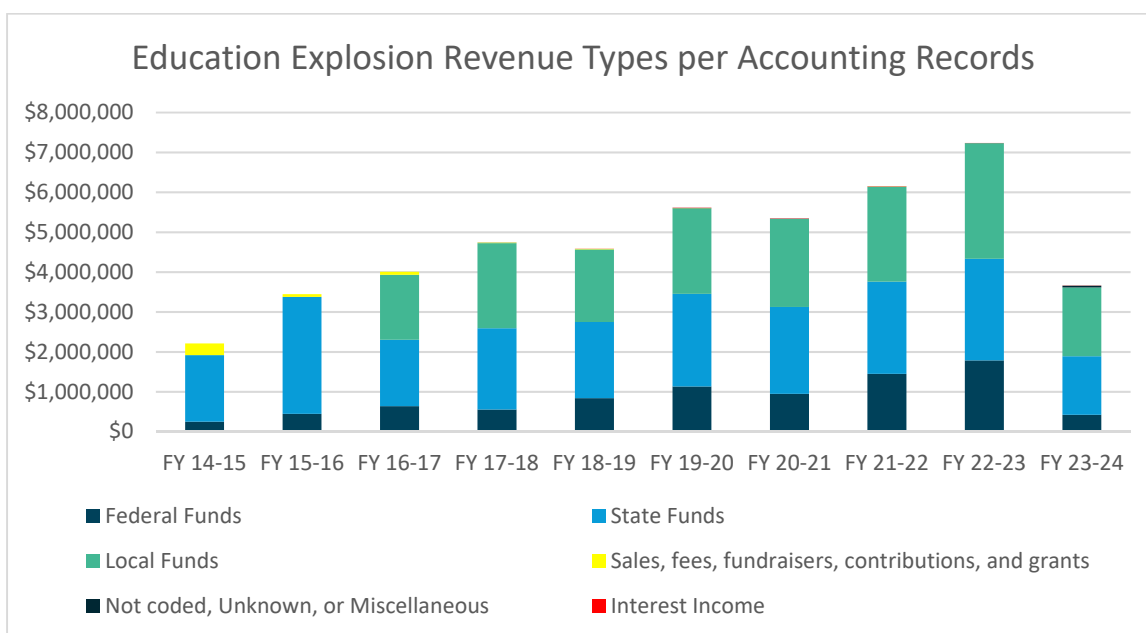
CEO May Have Used School Funds for Additional Personal Expenses

Records show Ms. Scott used her Education Explosion credit card to incur charges totaling \$88,607 that appear personal in nature from February 2021 to May 2024. These charges included \$84,570 in personal education expenses to an online university for Ms. Scott and possibly Mr. Scott; \$1,340 in cleaning service charges for Ms. Scott and Mr. Scott's personal residence; and, \$2,697 in charges for online personal training classes for Ms. Scott. If Ms. Scott used her Education Explosion credit card for personal expenses, Ms. Scott and Mr. Scott may have violated the Louisiana Constitution, and state and federal law.

BACKGROUND AND METHODOLOGY

Education Explosion, Inc. (Education Explosion) is a Louisiana nonprofit corporation that operates a Type 2 charter school in Baker, Louisiana under the trade name Impact Charter School. Chakesha Scott and her husband, Eric Scott, incorporated Education Explosion on November 7, 2009, as a nonprofit corporation organized exclusively for education purposes under section 501(c)(3) of the Internal Revenue Code. Education Explosion entered into a five-year contract with the Louisiana State Board of Elementary and Secondary Education (BESE) on July 1, 2014, to operate Impact Charter Elementary School (Impact Charter School). BESE renewed Education Explosion's contract twice for additional three-year terms on July 1, 2019 and July 1, 2022. Impact Charter School currently operates for students from pre-kindergarten through eighth grade. Ms. Scott is the Chief Executive Officer of Education Explosion, and Mr. Scott is the principal of Impact Charter School.

Education Explosion is funded almost entirely with public funds, primarily through Louisiana's Minimum Foundation Program (MFP), which provides state and local funds to approved charter schools based on the number of students they serve. Education Explosion also receives federal grant funds that are primarily administered through the Louisiana Department of Education (LDOE). We reviewed accounting records for Education Explosion, maintained by Education Explosion's outside accountants, for the period July 2014 through January 2024, and found Education Explosion was almost 99% funded through public funds over that timeframe, as shown in the chart below.



Education Explosion receives MFP funds pursuant to Charter School Demonstration Programs Law (La. R.S. 17:3971, *et. seq.*) and its contract with BESE. As such, Education Explosion, its officers and employees, including Ms. Scott and Mr. Scott, appear to be fiduciaries of BESE, and, therefore, are prohibited from misappropriating funds entrusted to Education Explosion by BESE.¹ State law and Education Explosion's contract with BESE further provides that Education Explosion, its officers, and its employees are subject to the provisions of the Louisiana Code of Governmental Ethics.^{2,3,4}

State laws and regulations, as well as Education Explosion's contract with BESE, further require Education Explosion to operate in compliance with its by-laws; that its by-laws be consistent with its Articles of Incorporation; and that it adopt and adhere to a formal conflict of interest policy.^{2,5} Education Explosion's by-laws, conflict of interest policy, and Articles of Incorporation detail further restrictions on employee compensation and transactions with related-party entities.⁶ LLA received a complaint regarding Ms. Scott's use of public funds. This audit was initiated to determine the validity of that complaint. The procedures performed during this audit included:

- (1) interviewing select Education Explosion and Impact Charter School employees, board members, and other persons, as appropriate;
- (2) examining selected Education Explosion and Impact Charter School documents and records;
- (3) gathering and examining external parties' documents and records; and
- (4) reviewing applicable state and federal laws and regulations.

During our audit, we received assistance from the District Attorney for the 19th Judicial District of Louisiana and the East Baton Rouge Parish Sheriff's Office. Their participation was instrumental to the completion of this audit.

FINDINGS AND RECOMMENDATIONS

Chief Executive Officer Diverted Charter School Funds to Nonprofit Corporation

Chakesha Scott is the Chief Executive Officer (CEO) of Education Explosion, Inc. (Education Explosion), a nonprofit corporation that operates under the trade name Impact Charter School. Ms. Scott was also the CEO or principal officer of Friends of Impact Charter School (FICS), another nonprofit corporation. It appears Ms. Scott used her position as CEO of Education Explosion to divert \$1,504,268 from Education Explosion to a FICS bank account she controlled and to divert \$171,659 to a third party on FICS' behalf. It appears Ms. Scott did not notify Education Explosion's Board of Directors (Board) about these transactions or, alternatively, misled the Board about the facts surrounding these transactions, and diverted these funds without their knowledge or approval. A portion of the funds diverted to FICS' bank account was used to make purchases for Ms. Scott and her family's personal benefit. By improperly diverting funds to FICS' bank account and using those funds for their personal benefit, Ms. Scott and her family may have violated the Louisiana Constitution and state and federal law.^{1,2,3,6,7,8,9,10,11,12,13,14,15,16,17,18}

Education Explosion operates a Type 2 charter school in Baker, Louisiana, under the trade name Impact Charter School. Ms. Scott is the CEO of Education Explosion, and Mr. Scott is the principal of Impact Charter School. Friends of Impact Charter School (FICS) is another nonprofit corporation incorporated by Ms. Scott on November 3, 2014, nearly five years after Education Explosion was incorporated on November 5, 2009. According to Louisiana Secretary of State (SoS) records, FICS' initial Board of Directors (Board) included Ms. Scott, Sharon Henderson, Patrick Dickson, and Jada Netters. Lakeisha Robertson replaced Ms. Netters as a Board member in 2016, and Ms. Scott left her position on FICS' Board on September 25, 2019, but remains its registered agent. All of these individuals, excluding Ms. Scott, were Board members of Education Explosion during the period we audited.^A

When we began our audit of Education Explosion, we met with Ms. Scott to ask questions about accounting processes and the sources and uses of Education Explosion's funds. Ms. Scott told us FICS was the foundational arm of Impact Charter School, which could donate funds to Education Explosion. She stated FICS was controlled by a Board that was separate from Education Explosion's Board, and FICS had a separate bank account. According to Ms. Scott, the school did not collect cash, and all funds were collected through the school's website. Ms. Scott told us that all funds (uniform sales, before/after care, athletics/activities fees, field trips, etc.) were collected at the school "but through FICS." Ms. Scott stated that

^A Sharon Henderson resigned from the Board of Education Explosion in May 2023.

FICS has and pays its own employees and that Philana Square, who we later learned was Ms. Scott's sister, was the person responsible for collecting and accounting for FICS' funds. Ms. Scott initially informed us that she (Ms. Scott) was a director of FICS but later sent LLA an email stating she was only FICS' registered agent. Ms. Scott declined to tell LLA how FICS kept their records because it had "nothing to do with this audit." Ms. Scott subsequently declined to provide LLA auditors with some Education Explosion records because those records belonged to FICS. We later obtained those records from the East Baton Rouge Parish Sheriff's Office (EBRSO) after issuance of a search warrant.

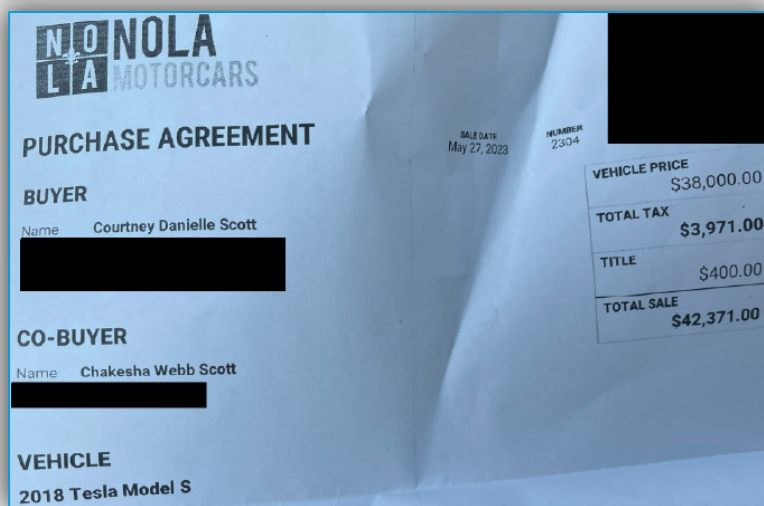
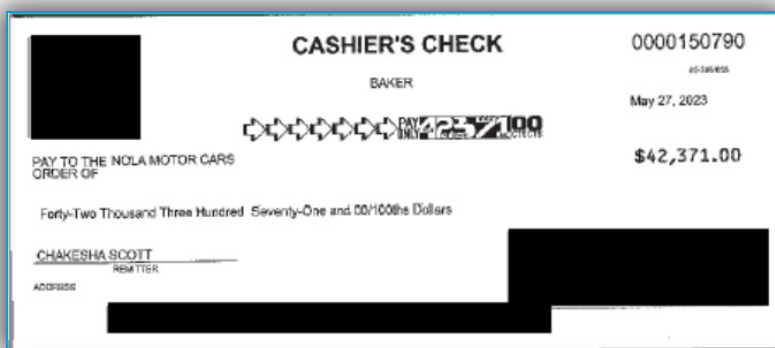
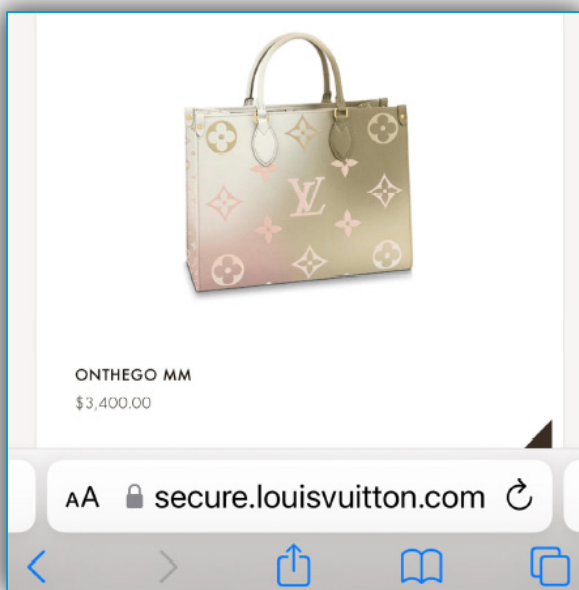
We also obtained bank records for FICS' bank account, which show Ms. Scott and Mr. Dickson were the authorized signers/users on the account. These bank records show \$2,833,117 was deposited to the FICS account between March 2017 and February 2024, and the account had a balance of \$1,522,600 at the end of February 2024. It appears 93% of the funds deposited were funds diverted from Education Explosion through excessive lease payments to FICS, receipt of proceeds from Education Explosion's Payment Protection Program (PPP) loan, and receipt of revenue from Education Explosion's contract for services with another charter school. These funds will be discussed in the following sections of this finding. We also found that some of the funds collected by the school (uniform sales, before/after care, athletics/activities fees, field trips, etc.) were diverted to FICS as well. These funds will be discussed in the next finding (see pp. 15-26).

We reviewed FICS' bank statements and found no donations or financial support payments to Education Explosion or Impact Charter School from FICS. Although FICS received some of the revenue from the school's activities (uniform sales, before/after care, athletics/activities fees, field trips, etc.), bank records show FICS neither paid to purchase the uniforms or support any of these activities, nor paid any employees or other individuals for work performed by Education Explosion, Impact Charter School, or FICS (including Philana Square). Bank records show that FICS made mortgage payments totaling \$1,233,932 for the school property and paid \$8,406 in bank and credit card processing fees. In addition, it appears that Ms. Scott used FICS funds totaling at least \$70,521 for personal purchases for her benefit and that of her immediate family.

For example, FICS bank records show Ms. Scott withdrew \$42,371 from the FICS account on May 27, 2023, to purchase a cashier's check in that amount, payable to "NOLA MOTOR CARS" [sic] (see check to top right of following page). Ms. Scott's cloud storage records show Ms. Scott and her adult daughter, Courtney Scott, purchased a pre-owned 2018 Tesla Model S from NOLA Motorcars on May 27, 2020, for \$42,371 (see image to middle right of following page). FICS funds were also used to make two payments to Louis Vuitton totaling \$6,099, including \$3,551 paid on April 20, 2022. Ms. Scott sent a text message to Ms. Robertson that day, stating, "I did splurge on an authentic one from the LV site bc I couldn't pass it up.... I'll send a pic." Ms. Scott's cloud storage records included a screenshot of a

Louis Vuitton bag dated the same day (see bottom left). We also found FICS funds were used to pay personal travel expenses for Ms. Scott, Mr. Scott, and/or Courtney Scott, including \$16,656 for a two-week spa/wellness vacation in Florida for Ms. Scott and Mr. Scott (see further discussion on pp. 43-45).

We spoke with Ms. Henderson and Mr. Dickson about FICS. Ms. Henderson told us she had never heard of FICS, was not a board member, and never attended an FICS Board meeting. Mr. Dickson told us he was aware of FICS and that he might be listed on incorporation records for FICS, but FICS never had Board meetings that were separate from Education Explosion's Board meetings. Both told us they did not know about transactions between Education Explosion and FICS, did not know about the financial benefits Ms. Scott and her immediate family received from FICS, and would not have approved any of those transactions had they known. Mr. Dickson also told us he never saw bank records for FICS, and Courtney Scott was not a director of FICS. Mr. Dickson further told us Ms. Scott told him FICS had no employees or 1099 contractors. We were unable to speak with any other Board members.



school) totaling \$1,675,927 were diverted to FICS or paid on FICS' behalf from April 2020 to April 2024. This amount included excessive lease payments to FICS, receipt of proceeds from Education Explosion's PPP loan, receipt of revenue from Education Explosion's contract for services with another charter school, and the payment of closing costs by Education Explosion for FICS' mortgage on the school's property. These funds are summarized in the following table and discussed further in the sections below.

Summary of amounts diverted to or for the benefit of FICS	
Excessive lease payments (net)	\$ 846,068
PPP loan	\$ 458,200
Red River Charter Academy (RRCA) payments	\$ 200,000
Total Education Explosion funds diverted to FICS	\$ 1,504,268
School property closing costs paid for the benefit of FICS	\$ 171,659

School Property Purchase and Excessive Lease Payments

Education Explosion initially leased the property where Impact Charter School is located. Records show Education Explosion's Board later considered buying the property to avoid paying lease escalation and property taxes. Instead, FICS (not Education Explosion) purchased the school in September 2022 with an \$8.6 million loan. FICS then leased the property to Education Explosion at a rate substantially higher than the monthly mortgage. Education Explosion paid FICS \$2,080,000 in lease payments from October 2022 to February 2024, and FICS paid \$1,233,932 in loan payments to the lender during this same time, netting FICS \$848,068 in excess of FICS' monthly loan payments.

Education Explosion's Board held a virtual meeting on September 20, 2022, during which the Board considered purchasing the school property. Although Ms. Scott told us Education Explosion's Board meetings were not recorded, we found a video recording of this meeting within Ms. Scott's emails. The recording showed only two board members present and speaking: Lakeisha Robertson and Patrick Dickson. In order for the Board to hold a valid vote under Louisiana Open Meetings Law (La. R.S. 42:11 *et seq.*), a quorum of the Board must be present.^{19,20} A quorum of Education Explosion's seven-person Board would be four members; however, it appears only two Board members were actually present.

The recording shows Ms. Scott discussed Education Explosion purchasing the property with a mortgage from the lender. There was no discussion of FICS or a lease agreement with FICS. Ms. Scott then raised the need for a Board resolution and verbally read a proposed resolution of Education Explosion's Board approving the property purchase, which would be signed by Ms. Henderson. Mr. Dickson moved for the Board to approve the resolution, and Ms. Scott, who is shown in front of a simulated background, stated Ms. Henderson seconded the motion. Ms. Henderson is not shown onscreen or heard speaking. We showed this portion of the video to Ms. Henderson, who told us she did not second the motion. The video

shows Ms. Robertson then stated the motion was approved, although there was no voice vote as required by Louisiana Open Meetings Law.

Email and text message records show six days later, on September 26, 2022, Ms. Scott asked Ms. Robertson to sign a board resolution for the property closing as FICS' President. The FICS resolution signed by Ms. Robertson appears to be the same resolution read at the Education Explosion Board meeting, but with FICS substituted for Education Explosion. The FICS resolution signed by Ms. Robertson stated the resolution was adopted by FICS' Board at a meeting on September 20, 2022 (the same day as the Education Explosion meeting). Ms. Henderson and Mr. Dickson, two of the three individuals identified as FICS Board members, told us they were not aware of a separate FICS meeting. The third FICS Board member, Ms. Robertson, declined our request to speak to her.

East Baton Rouge Parish Clerk of Court (CoC) records show the transaction closed on September 28, 2022, and Ms. Scott signed several of the documents, including the mortgage, as FICS' CEO. The purported FICS resolution was also attached to several of the closing documents. Education Explosion was not party to the Act of Cash Sale or Mortgage. The same day, Ms. Scott also apparently authorized a \$171,659 wire transfer from Education Explosion (not FICS) to the title company to pay the closing costs for the property purchased by FICS.

A Notice of Lease was filed with the CoC on November 4, 2022, showing a lease for the school property was executed between Education Explosion (Lessee) and FICS (Lessor) on September 28, 2022, for a term of 50 years, but no lease amount was detailed. The Notice of Lease document was signed by Ms. Scott as CEO of both Education Explosion and FICS (see image at right). As such, this related-party transaction appears to be prohibited by Louisiana law, Education Explosion's bylaws, and Education Explosion's contract with BESE (see pp. 5-6).

IN WITNESS WHEREOF, Landlord and Tenant have each executed this Notice of Lease as of the date first above written:

LANDLORD:

FRIENDS OF IMPACT CHARTER SCHOOLS

By: Chakesha Scott
Name: Chakesha Scott
Title: CEO

TENANT:

EDUCATION EXPLOSION, INC.

By: Chakesha Scott
Name: Chakesha Scott
Title: CEO

Email records show Ms. Scott emailed an unsigned lease document to Education Explosion's external financial auditors in December 2022, which identified Ms. Scott as a Director of FICS. At the beginning of our audit, we requested a copy of the lease between FICS and Education Explosion. It appears Ms. Scott provided us with an altered version of the document she previously provided to Education Explosion's external financial auditors. The document Ms. Scott provided us shows she was FICS' registered agent, not a director or its CEO (see image to top left of the following page).

LESSOR:	
FRIENDS OF IMPACT CHARTER SCHOOLS	
By: <u>Chalesha Scott</u>	
Name: Chakesha Scott	
Title: Registered Agent	
LESSEE:	
EDUCATION EXPLOSION, INC.	
By: <u>Chalesha Scott</u>	
Name: Chakesha Scott	
Title: CEO	

The lease documents provided to LLA and the external financial auditor showed the monthly lease payment from Education Explosion to FICS was \$130,000, or \$1,560,000 per year. Education Explosion issued the first lease payment to FICS by wire transfer on October 24, 2022, and made subsequent payments with checks signed by Ms. Scott. These payments were deposited to FICS' bank account, and FICS in turn paid the monthly mortgage payments to the lender by electronic transfer. Bank records show FICS made 16 mortgage payments between October 2022 and February 2024 ranging between \$67,806 and \$82,388 per month (\$1,233,932 in total).^B As a result, it

appears that Education Explosion paid FICS an additional \$846,068 over the cost of the mortgage, at an average monthly rate of more than \$52,000 per month (see table to right).

Difference Between Lease and Mortgage		
	Total	Monthly Average
Lease Payments from Education Explosion to FICS	\$ 2,080,000	\$ 130,000
Mortgage Payments from FICS to Lender	\$ (1,233,932)	\$ (77,121)
Difference	\$ 846,068	\$ 52,879

Ms. Henderson and Mr. Dickson told us they believed Education Explosion owned the school, and they were not aware of the lease between FICS and Education Explosion. Mr. Dickson also told us he did not know the terms of the lease and would not have approved the lease arrangement had he known about it.

When we began our audit, we asked Ms. Scott about the lease. She told us the time had come to buy out the old lease, and they needed to buy out the property under FICS to avoid paying property taxes. When we asked why Education Explosion didn't buy the school, she stated, "I don't know the lawyers set it up. I don't know. And that's what the Board decided based on their legal counsel. So I don't know." She then clarified that both the boards of Education Explosion and FICS decided to purchase the property under FICS. When we asked her why rent payments had almost doubled, she told us, "we had to get out [of the first lease] because we couldn't afford the property taxes plus property insurance plus the lease escalator. So we had to take whatever we were offered to get out of that but we are trying to get better rates." Ms. Scott then confirmed the only difference between the prior lease and the current lease is Education Explosion no longer pays property taxes or the lease escalator on the first lease. Ms. Scott declined our subsequent request to discuss the lease.

^B The amount of monthly mortgage payments changed based on changes in interest rates.

PPP Loan

Records show that Ms. Scott applied for a loan on behalf of Education Explosion under the Payment Protection Program (PPP) on April 13, 2020. According to the application, which appears to have been completed, initialed, and signed by Ms. Scott electronically, the purpose of the loan was for payroll. Ms. Scott further appears to have certified that the loan proceeds would be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule. Bank records further show that Ms. Scott signed a Corporate Resolution to Borrow, indicating the Board of Education Explosion met on April 17, 2020, and adopted a resolution authorizing her to negotiate and obtain a \$458,200 PPP loan. However, Board records indicate there was no meeting on that date; rather, the Board met on April, 21, 2020, when Ms. Scott informed the Board she had already applied for the PPP loan. The Board voted at that meeting to approve Education Explosion receiving the funds.

Bank records show Education Explosion's bank disbursed \$458,200 in PPP loan proceeds on April 17, 2020, and deposited that money into Education Explosion's bank account the same day. Approximately two months later, on June 18, 2020, Ms. Scott used the \$458,200 to purchase a \$458,200 official bank check payable to FICS; the \$458,200 was deposited to the FICS bank account on July 7, 2020. Education Explosion provided payroll summary records to the bank for calendar year 2019, and the bank provided a notice to Education Explosion, dated November 3, 2020, that the Small Business Administration had paid off the entire loan amount, along with \$2,491 in interest. Although the PPP loan proceeds were commingled with other FICS funds, FICS does not appear to have used any of the funds deposited to its account for Education Explosion's payroll or operations.

When we initially spoke with Ms. Scott, she told us she thought the PPP loan was just for payroll and was forgiven. She declined our subsequent request to speak with her. We spoke with Ms. Henderson and Mr. Dickson, who told us they did not know the PPP loan proceeds were transferred to FICS, and they would not have approved the transfer had they known.

Payments from Red River Charter Academy

Red River Charter Academy, Inc. (RRCA) operated a Type 2 charter school in Mansura, Louisiana. RRCA's charter was granted by BESE in 2018, but BESE declined to renew RRCA's charter in December 2023. RRCA's Executive Director met Dr. Eric Jones, Impact Charter School's Chief Administrative Officer, several months before BESE made this determination. RRCA records show Ms. Scott and Dr. Jones attended RRCA's Board meeting, held November 28, 2023, and proposed providing services to RRCA. According to the Board minutes, RRCA's Board voted to enter into a contract with EdSolutions, Inc. and budgeted \$30,000, for "consultation services on the LDOE recommendation to BESE." Records provided by RRCA included a \$30,000 invoice from EdSolutions, LLC, dated December 1, 2023, for consulting services during December 2023, which was addressed care of Dr. Jones and Ms. Scott. A search of the SoS website shows no entity named EdSolutions, LLC is

registered in Louisiana. (There was an EdSolutions, Inc. registered to do business in Louisiana; it was a Delaware corporation whose principal business office was in Santa Monica, California, and it does not appear to be the entity involved here.) RRCA ultimately issued a \$30,000 check directly to Dr. Jones for services provided by Dr. Jones and Ms. Scott in the weeks leading up to the BESE determination.

After BESE opted not to renew RRCA's charter, RRCA began looking for a solution to keep the school open. RRCA's Board voted at its January 12, 2024, meeting to enter into a management/consultant agreement with Education Explosion. According to the Consulting Services Agreement between RRCA and Education Explosion, signed by Ms. Scott as Education Explosion's representative, Education Explosion agreed to provide four months of services between January 9, 2024 and April 30, 2024, for a cost of \$200,000. The agreement specified Education Explosion would provide a variety of consulting, coaching, management, and data analysis services. RRCA's Executive Director told us these services were provided by Ms. Scott and Dr. Jones onsite at RRCA and through visits to Impact Charter School by RRCA personnel involving all Impact Charter School staff.

RRCA provided us with copies of Education Explosion's invoices to RRCA showing Education Explosion issued four \$50,000 invoices for management services. RRCA issued a check to Education Explosion for each invoice, and RRCA provided us with an IRS Form W-9 from Education Explosion showing Education Explosion was the recipient. Bank records show all four checks to Education Explosion were deposited to the FICS bank account, not an Education Explosion bank account. Therefore, it appears Ms. Scott diverted \$200,000 from Education Explosion to the FICS bank account she controls.

During this consultation period, RRCA's Board considered converting RRCA into a learning pod of Education Explosion for the 2024-2025 school year. Under this arrangement, Education Explosion would take over student education at RRCA. RRCA provided us with a memorandum of understanding (MOU) between RRCA and Education Explosion, again signed by Ms. Scott as Education Explosion's representative. The MOU was dated May 10, 2024, and detailed various terms and required actions for Education Explosion to take over educating RRCA's students. However, Ms. Scott emailed RRCA's executive director on May 31, 2024, stating "I regret to inform you that the Louisiana Department of Education (LDOE) has denied our learning pod application. Unfortunately, this means we will not be able to move forward with the planned program."

RRCA's executive director told us he only dealt with Ms. Scott and Dr. Jones and did not speak with Education Explosion Board members or attorneys representing Education Explosion. We spoke with Mr. Dickson about the proposed learning pod. He told us the Board discussed the possibility, but nothing had been finalized. When we asked Mr. Dickson about the \$200,000 RRCA paid to Education Explosion, which was deposited to a FICS bank account, he told us Board did not discuss amounts or where the funds would go.

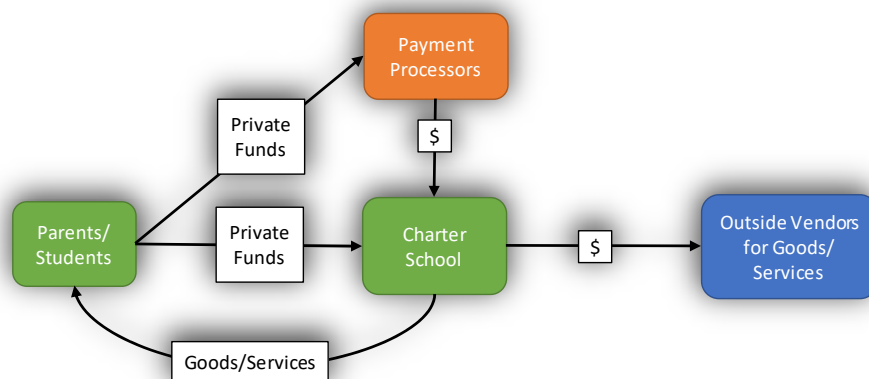
Conclusion

It appears Ms. Scott used her position as CEO of Education Explosion to divert \$1,504,268 from Education Explosion to a FICS bank account she controlled and to divert \$171,659 to a third party on FICS' behalf. It further appears Ms. Scott did not notify Education Explosion's Board about these transactions or, alternatively, misled the Board about the facts surrounding these transactions, and diverted these funds without their knowledge or approval. A portion of the funds diverted to FICS' bank account was used to make purchases for Ms. Scott and her family's personal benefit. By improperly diverting funds to FICS' bank account and using those funds for their personal benefit, Ms. Scott and her family may have violated the Louisiana Constitution and state and federal law.^{1,2,3,6,7,8,9,10,11,12,13,14,15,16,17,18}

CEO Diverted Fees Paid by Parents and Students to Nonprofit Corporation and Financial Accounts Not Associated with the School

It appears Ms. Scott used her position as CEO of Education Explosion to divert fees paid by students, parents, and others, totaling at least \$221,506, from Education Explosion to FICS and other financial accounts not associated with the school's bank accounts. These amounts appear to have been collected through electronic payment processors; however, the funds were subsequently remitted to FICS, transferred to Ms. Scott's personal accounts, remitted to unknown accounts not associated with Education Explosion, or used by Ms. Scott to make personal purchases. We also found that fees paid in cash, totaling at least \$71,487, were received but not deposited to Education Explosion's bank accounts. In addition, it appears that expenses related to these fees were paid by Education Explosion funds, which is almost exclusively comprised of public funds. As such, the revenues generated by Education Explosion should have been deposited in Education Explosion's bank accounts and used for school purposes. By failing to deposit funds generated by Education Explosion and using school funds for personal purposes, Ms. Scott and others may have violated the Louisiana Constitution and state and federal law.^{1,2,3,4,6,7,8,11,12,13,14,15,16,18,21}

Louisiana law prohibits charter schools from charging tuition,²² but charter schools may charge fees to students, parents, or legal guardians for any monetary payment or supplies required as a condition of enrollment or for participating in any curricular or cocurricular activity, excluding the cost of school meals.²³ The charter school must adopt and publish a policy for the assessment, collection, and use of fees charged on its website. The policy must list all fees, including the purpose, use, and the amount or authorized range for each; a description of how each fee is collected and spent; and information about how a student, parent, or legal guardian may obtain a payment waiver due to economic hardship. When a charter school charges and collects fees, the payments collected should be used to pay expenses for the goods or services for which the fees were charged. This is illustrated in the following chart.



Impact Charter School's website shows that the school collects various payments for a variety of purposes, hereinafter referred to as fees, including:

- Uniform sales;
- Before and after care;
- Athletics;
- Clubs and activities;
- Various fees, such as for graduation, field trips, festivals, supplies, etc.; and
- Donations.

The school's website includes a payments tab that lists a number of these fees and displays the statement, "Impact Charter School does not collect fees. All athletic fees and extracurricular fees listed are by and from third-party external organizations for those who voluntarily participate." At the beginning of our audit, Ms. Scott informed us that FICS is the third party that collects the fees listed on the school's website. However, email, text message, and other records we obtained show Education Explosion employees were responsible for collecting fees at the school and accounting for the fees collected (see example email on the following page, which was sent by Ms. Scott on April 16, 2021).^c

We reviewed accounting, bank, and other records for Education Explosion, which showed Education Explosion initially received fees that were deposited to an Education Explosion bank account, recorded in Education Explosion accounting records, and reported in Education Explosion's financial statements as revenue to Education Explosion. These records further show the deposit and recordation of fees

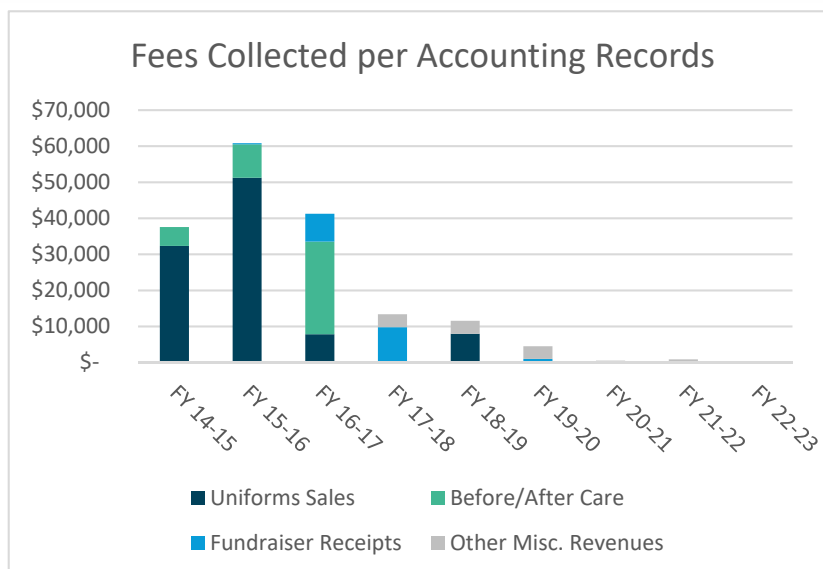
^c Valerie Patterson is an accounting clerk employed by Education Explosion.

Good Afternoon Teachers ,

I am writing to remind everyone of money collection procedures. Whenever an event is setup that requires money collection, the front office staff must be notified so that Mrs. Patterson can setup a shared spreadsheet to account for all funds collected. Events include field trips, approved class holiday parties, graduation fees, jean day, etc.

Any cash or money order that is collected from a student's backpack must be turned into the front office on the same day. Mrs. Patterson will issue you a receipt for any money that you turn in and account for each student that you collected funds from. It is a policy violation to hold on to any funds collected beyond the day of collection. The front office will also account for funds collected on their end on that same spreadsheet.

collected by Education Explosion decreased and largely stopped around October 2018, as illustrated in the chart at right. The only fees deposited to Education Explosion accounts after October 2018 were \$4,069 in Eventbrite deposits through December 2023 for events like Thanksgiving luncheons.



We found Education Explosion employees, including Ms. Scott's mother, Marilynn Webb,^D collected large amounts of money that were not deposited to Education Explosion bank accounts or accounted for in Education Explosion accounting records (see example email at top right of the following page). Bank records show funds collected were sometimes instead deposited to FICS' bank account. For example, FICS bank records show a \$10,200 deposit on the date of the email, which included \$9,731 in cash, a \$400 check for popcorn sales, and a \$69.48 check from Coca-Cola Bottling company to FICS (school vending machine proceeds). These records also show Ms. Scott directed her mother to deposit the funds to FICS' bank account instead of Education Explosion's bank account (see text messages at bottom right of the following page). The message from Ms. Scott suggested she would write checks from FICS to pay invoices from vendors. We reviewed FICS' bank records for the period March 2017 to February 2024 and found no checks issued from the

^D Ms. Scott's mother, Marilyn Webb, was employed by Education Explosion as a special education teacher between January 2015 and February 2019.

account or payments to vendors other than \$8,348 in payment processing fees. See discussion on pp. 8-9.

We reviewed accounting records, bank records, payment processing records, email records, and/or text message records for Education Explosion, FICS, Ms. Scott, and other individuals that show payments solicited for Impact Charter School were received in the following ways:

- Cash, checks, and money orders collected by Education Explosion employees;
- Payments through Impact Charter School's website, which were processed by Stripe;
- Payments to a PayPal account in the name of Education Explosion; and
- Payments to a Clover account in the name of Impact Charter School.^E

We found cash payments were collected by Education Explosion but were not deposited to Education Explosion's bank accounts (between October 2018 and April 2024) or to FICS' bank account (between November 2018 and February 2024). Check and money order payments collected between March 2017 and February 2024 were deposited to FICS' bank account. Payments collected through payment processors were not deposited to Education Explosion's bank accounts and are summarized in the following chart. Records show a portion of payments collected through the school's website and PayPal account were instead transferred directly to Ms. Scott's personal bank accounts and/or spent directly for Ms. Scott's personal benefit. Since expenses related to fees solicited for Impact Charter School were paid with Education Explosion funds (i.e., 99% public funds), all the solicited fees should have been deposited to school bank accounts and used for school related purposes.

Subject: Deposit on 10/22/18 W	
From: Marilyn Webb <marilyn.webb@educationexplosion.com>	
Date: 10/22/2018, 6:43 PM	
To: Chakesha Scott <chakesha.scott@educationexplosion.com>	
Popcorn	\$6,126
Smoothies	\$ 585
Sports	\$ 395
Extended Care	\$ 330
Uniforms	\$3,608
2nd Grade Trip	\$ 180
3rd Grade Trip	\$ 220
Coke	\$ 69.48
Jeans	\$ 125
TOTAL	\$11,638.00
(--Western Union)	\$1,438.00
TOTAL DEPOSIT	\$10,200.00
M	

October 22, 2018: 3:55 PM to 3:57 PM	
Marilyn Webb:	Hi where to deposit \$10,012.48 for popcorn, smoothie, sports, uniforms, coke, jeans,
Chakesha Scott:	The foundation [FICS' Bank Name] because I need to write a check from [FICS' Bank Name] to cover those invoices. Please email me the breakdown of this deposit.

^E Stripe, PayPal, and Clover (collectively referred to as "payment processors") are widely used payment processing platforms that offer businesses and individuals reliable ways to accept and manage payments, ranging from e-commerce and mobile payments to physical stores needing point-of-sale systems.

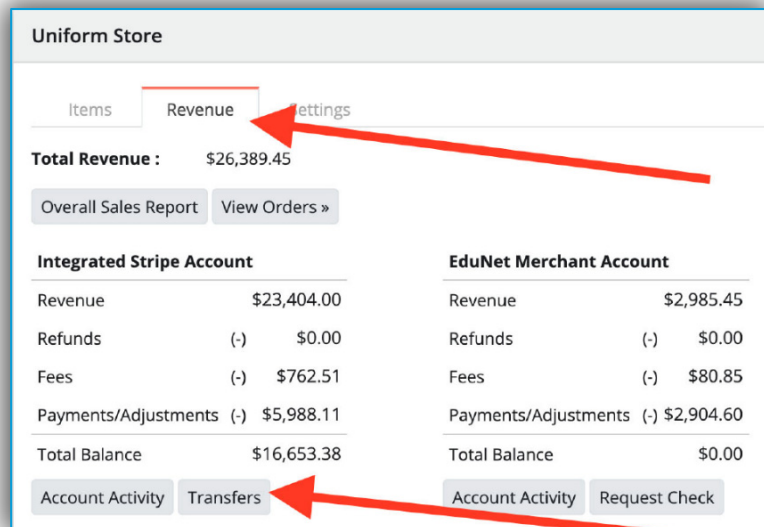
Summary of Diverted Fees Collected through Payment Processors	
Type	Amount
Clover - Electronic payments remitted to FICS	\$ 82,631
Website (Partial) - Electronic payments collected but not deposited	\$ 45,200
PayPal - Electronic payments collected but not deposited	\$ 93,675
Total	\$ 221,506

Payments Collected Through Payment Processors

Ms. Scott's email records show a Clover account in the name of Impact Charter School was opened on April 24, 2019. Clover records indicate Clover was used to collect approximately \$82,631 in electronic payments and record collection of \$33,241 in cash payments between April 24, 2019 and March 19, 2024, mostly for the sale of uniforms. Clover records, FICS bank records, and FICS tax documents obtained via a search warrant of Impact Charter School show the \$82,631 in electronic payments were deposited to FICS' bank account. The cash sales recorded in Clover were not deposited and are discussed further on pp. 22-24. Records also indicate the electronic and cash payments collected included \$10,257 in sales taxes collected. We contacted the Revenue Division of the City of Baton Rouge, Parish of East Baton Rouge, about sales taxes and were told neither Education Explosion nor FICS reported or remitted sales taxes to the city-parish.

Emails and text messages also show Mr. and Ms. Scott sent messages, or caused messages to be sent, informing employees, students, and parents that uniforms must be purchased from the uniform store only, and wearing unapproved uniforms would result in uniform infractions. Some of these communications referenced that violations of the school's dress code policy could result in disciplinary action ranging from detention to suspension or temporary dismissal from campus. Emails also show Mr. Scott later counseled a teacher in an email, on which Ms. Scott was copied, that "it is a violation of LA code of ethics and Impact Charter School policy to solicit from students for your own personal gain" and teachers "can not [sic.] solicit, encourage and coerce students to make purchases that will financially benefit the teacher personally."

Education Explosion records show fees were also collected through the school's website. Impact Charter School's website has a number of payment portals, referred to as "stores" or "forms," which are used to collect various fees using Stripe. We reviewed bank records for Education Explosion and FICS that show almost none of the fees collected through the school's website were received by either entity. Some of the funds collected through the website appear to have been transferred to Ms. Scott and Mr. Scott's joint checking account.



Ms. Scott's email records show she communicated with employees of the company that manages the website, Educational Networks, Inc. (Educational Networks), about opening stores/forms to collect payments and electronically transferring collected funds. One such email, dated December 12, 2022, included information on how Ms. Scott could transfer funds and included a screenshot of the Uniform Store showing it was used to collect fees (see image at left).

We reviewed accounting and bank records for Education Explosion and bank records for FICS and found no deposits of electronic transfers from Educational Networks or Stripe between March 2017 and February 2024.^F However, \$33,599 collected through the website appears to have been deposited to Ms. Scott's joint checking account with Mr. Scott between June 20, 2019, and September 6, 2023. This includes \$9,322 deposited on December 12, 2022, the same date of the email to Ms. Scott about how to transfer funds. Bank records reflecting these payments show the description "External Deposit www.impactcharte - Impact Cha...", and the payments do not match Education Explosion payroll payments to Ms. or Mr. Scott.

We attempted to obtain third party records from Stripe through a subpoena from the District Attorney for the 19th Judicial District of Louisiana, but Stripe did not respond. We then requested Ms. Scott to provide us access to financial data for the website, which Ms. Scott did not provide. Ms. Scott instead told LLA, "The website is paid by Education Explosion but reimbursed and managed by Friends of Impact Charter School" and "Education Explosion, Inc does not own access to give to you. The website is owned and managed by Friends of Impact Charter Schools." Educational Networks invoices Impact Charter School and is paid by Education Explosion. Records show Ms. Scott has previously identified Impact Charter School as the d/b/a for Education Explosion. Bank and accounting records further show no payments from FICS to Education Explosion between March 2017 and February 2024. We repeatedly requested this website access from Ms. Scott and attorneys representing Education Explosion over several months, but never received access. We also did not receive any requested records showing Educational Networks' contracts with FICS instead of Education Explosion or records showing that FICS reimburses Education Explosion for the cost of operating the website.

^F FICS bank records show one check from Educational Networks payable to FICS, in the amount of \$190.36 and dated August 26, 2019, was deposited to the FICS bank account.

Since we were unable to directly access financial data for the website, we reviewed copies of printed payment confirmations seized by EBRSO during a search of Impact

Website Payment Confirmations for Certain Fee Types				
Fee Type	FY 2021-2022	FY 2022-2023	FY 2023-2024	Total
Field Trip	\$ 3,188	\$ 8,279	\$ 7,553	\$ 19,019
Extended Care	\$ -	\$ 6,470	\$ 3,220	\$ 9,690
Graduation	\$ 2,620	\$ 3,690	\$ 2,800	\$ 9,110
Athletics/Activities	\$ -	\$ 7,381	\$ -	\$ 7,381
Total	\$ 5,808	\$ 25,820	\$ 13,573	\$ 45,200

Charter School. These payment confirmations showed the Impact Charter School logo and were emailed to Education Explosion's accounting clerk, Valerie Patterson. We reviewed the payment confirmations for certain fees, which are summarized in the chart at right. These amounts are only a portion of the fees collected through the website and are shown here to illustrate that funds were collected through the website but not deposited to Education Explosion bank accounts or accounted for in Education Explosion accounting records.

Ms. Scott's email records show that the school has used a PayPal account in the name of "Education Explosion dba/ Impact Charter Elementary" to collect payments since at least October 2014. Records obtained from PayPal show this account collected fees totaling up to \$93,675 between October 19, 2014 and March 16, 2024. It further appears from PayPal and email records that Ms. Scott submitted forms to PayPal in 2017, signed under penalty of perjury, claiming payments collected through the Education Explosion PayPal account as her personal income, after which she received at least one IRS Form 1099 showing she personally received payments collected through the PayPal account.

PayPal and bank records show none of the payments collected through the PayPal account were transferred to Education Explosion or FICS, aside from a \$671.64 transfer to Education Explosion's bank account in November 2014. PayPal,

email, and bank records instead show Ms. Scott transferred \$47,095 from the PayPal account to a joint checking account she shared with Mr. Scott, beginning with a \$5,000 transfer on December 27, 2016 (see image at right).⁶ The remaining



⁶ Ms. Scott's maiden name is Webb.

funds not transferred to Ms. Scott were spent directly out of the PayPal account and appear to have largely been spent on purchases for the personal benefit of Ms. Scott and her immediate family.

Since these purchases were sometimes made using the fees collected (PayPal Balance) and sometimes made using linked financial accounts (other funding sources), we analyzed all transactions for vendors paid over \$1,000 through the PayPal account to determine what funds were used to make those purchases. This analysis indicated 16 vendors were paid a total of \$31,160, including \$23,906 paid with Education Explosion's PayPal Balance for purchases that appeared to have been made for personal benefit of Ms. Scott and her immediate family. These purchases included, but were not limited to:

- \$6,587 paid to two vendors to purchase wigs and hair products, which were shipped to Ms. Scott's personal addresses;
- \$6,370 paid to six vendors for women's clothing, shoes, and accessories shipped to Ms. Scott's personal addresses; and
- \$3,932 paid to Overstock.com to purchase ceiling fans and light fixtures during the period Mr. and Ms. Scott were constructing their personal residence, which were shipped to their prior personal residence.

Cash Collections

Bank, email, and text message records show large amounts of cash were collected through or on behalf of Impact Charter School dating back to at least 2015. Accounting and bank records for Education Explosion show cash deposits stopped no later than October 2018, and there were no further cash deposits to Education Explosion bank accounts through at least April 2024. Education Explosion's bank records contained insufficient information for us to determine how much cash was deposited to Education Explosion's bank accounts prior to October 2018. We reviewed FICS' bank records for the period March 2017 through February 2024 and found large, regular cash deposits totaling \$57,143 between March 2017 and November 2018.^H

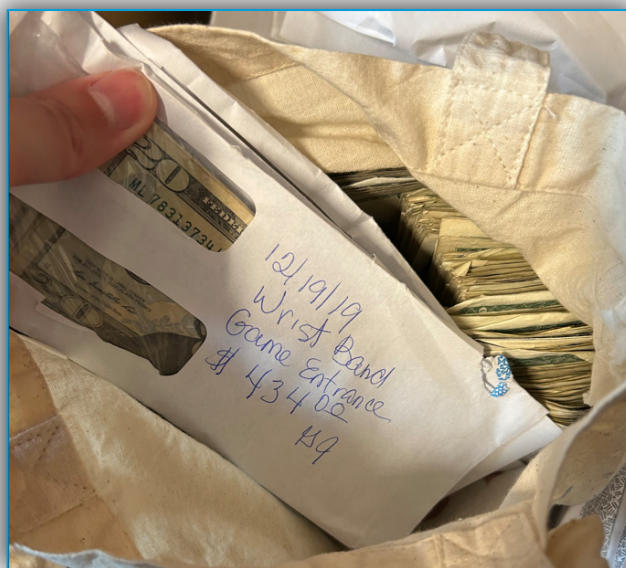
The second to last large cash deposit to FICS' bank account included \$9,731 in cash deposited as part of a \$10,200 deposit on October 22, 2018. The prior day, Ms. Scott and Mr. Scott exchanged the text messages at the top right of the following page. Ms. Scott also instructed Ms. Webb to deposit these funds into the FICS account on October 22, 2018 (see text messages on pp. 18). Ms. Webb also emailed Ms. Scott that evening, stating the deposit was \$10,200, including \$6,126 for popcorn and \$585 for smoothies.

^H There were four cash deposits totaling \$292 between January and April 2021.

It appears large amounts of cash were collected between November 2018 and April 2024 but not accounted for or deposited. EBRSO's search of Impact Charter School in May 2024 found \$33,788 in cash located in a locked desk-drawer in Ms. Scott's office and in a locked closet connected to Ms. Scott's office, some of which dated back to 2019 (see example image at right). Much of the cash was wrapped in, or contained within, envelopes with spreadsheets detailing the date, amount, source, and reason for cash payments received. Other documentation of cash collections, including books of handwritten receipts for the receipt of cash payments for fees, which showed \$38,246 in cash was collected between February 23, 2021 and February 26, 2024, was also found.

Furthermore, records obtained from Clover show \$33,241 was collected in cash between April 2019 and March 2024. Uniform sales records found at Impact Charter School show separate, machine-generated receipts were issued for sales processed through Clover. Therefore, the handwritten receipts and Clover records show at least \$71,487 was collected in cash between April 2019 and February 2024. Given that there were no cash deposits to Education Explosion or FICS bank accounts during this timeframe, and only \$33,788 in cash was found during the search of the school, there appears to be a shortage of cash totaling at least \$37,699.

October 21, 2018: 10:48 AM to 11:12 AM	
Chakesha Scott:	What money did you give my mom to count?
Eric Scott:	Popcorn fundraiser. It was already counted.
Eric Scott:	I gave it to her to deposit.
Chakesha Scott:	Do you know how much?
Eric Scott:	The total was on the folder. It was \$6000 something
Chakesha Scott:	Did you keep another record of how much?
Eric Scott:	Yes, [redacted] has a chart of all that was collected.
Chakesha Scott:	Is that the only money you gave her?
Eric Scott:	And smoothie day money, which was about maybe \$500 or so.
Chakesha Scott:	Ask her to send you a copy of the chart
Chakesha Scott:	Moving forward. Give me the deposits like that
Eric Scott:	Okay
Eric Scott:	Is it lost?
Chakesha Scott:	No
Eric Scott:	Like what? All deposits?
Chakesha Scott:	We will talk about it
Eric Scott:	Ok 🙌



Bank records for Ms. Scott show \$130,491 in cash deposits to accounts in her name, including joint accounts with Mr. Scott, between March 2019 and July 2023.¹ This included \$31,129 deposited to Mr. and Ms. Scott's joint checking account between March 2019 and May 2019, a timeframe during which funds in that account were used to directly pay vendors and contractors working on the construction of Mr. and Ms. Scott's new home (see discussion on pp. 31-38). We also reviewed the Scotts' November 2019 mortgage application related to their new home and Financial Disclosure forms Ms. Scott submitted to the Louisiana Board of Ethics, including in relation to her campaign for election as BESE member for District Eight. None of these records show other sources of employment or business income for Mr. or Ms. Scott, which might correspond to the cash deposits to their bank accounts.

Expenses Paid with Education Explosion Funds

We analyzed Education Explosion's accounting records for the last eight years as maintained by its outside accountants, which show Education Explosion paid expenses associated with the fees collected, as illustrated in the chart below. Records show Education Explosion paid fee-related expenses in two ways: payments to vendors for materials, supplies, etc., and payroll and stipend payments issued to Education Explosion employees for extra hours/work related to before/after school care, and other school-related activities. These expenses are summarized in the following table.

Fee-related Expenses Paid by Education Explosion per Accounting Records									
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Total
K-12 Student Uniforms	\$ (15,969)	\$ (23,166)	\$ (47,676)	\$ (35,421)	\$ (48,012)	\$ (23,639)	\$ (30,868)	\$ (58,582)	\$ (283,334)
Before/After Care Stipends		\$ (29,363)	\$ (27,358)	\$ (5,465)	\$ (13,965)	\$ (6,012)			\$ (82,163)
Athletic Stipends				\$ (10,589)	\$ (18,047)	\$ (11,191)	\$ (7,750)	\$ (15,938)	\$ (63,515)
Athletic Supplies						\$ (2,201)	\$ (5,559)	\$ (40,571)	\$ (48,331)
Field Trips Dues & Fees	\$ (1,120)	\$ (1,118)	\$ (4,130)	\$ (11,612)	\$ (7,663)	\$ (5,984)	\$ (7,093)	\$ (7,631)	\$ (46,351)
Fundraising Supplies	\$ (3,570)	\$ (5,910)	\$ (3,575)	\$ (4,351)	\$ (3,822)			\$ (5,892)	\$ (27,120)
Total Spent	\$ (20,659)	\$ (59,557)	\$ (82,739)	\$ (67,438)	\$ (91,509)	\$ (49,028)	\$ (51,270)	\$ (128,614)	\$ (550,815)

Records and statements show Ms. Scott's sister and mother were involved in selling uniforms to Impact Charter School students and working before/after care at the school. We were unable to identify any payments to Ms. Scott's sister with Education Explosion or FICS funds. Text messages also suggest Ms. Scott paid her mother with Education Explosion funds for work her mother did not perform in relation to before/after care. For example, Ms. Scott sent the following message to her mother on May 4, 2018:

I can't believe you have the audacity to ask me about gas & mileage when you get paid an extra \$800 per paycheck for before & aftercare that I have to also pay other people to actually work. Also you get paid over \$55,000 a year for work that I have to also pay [redacted] over \$50,000 to actually do and complete while you come and go as you

¹ Ms. Scott also appears to have received substantial cash payments from an Education Explosion vendor during this timeframe, as discussed on pp. 26-31.

please. I never said one thing to you about it because you were helping with Courtney but if you want to keep score and go tit for tat, we will go exactly by the book and I will take care of taking Courtney. Be sure to remember your leave slips when you have to run your errands which is also by the book.

Ms. Scott told us at the start of our audit that the payments for fees and donations were all through FICS. She stated FICS was the “foundational arm of Impact Charter School,” which might make donations to the school, and she is a director of FICS.^J When asked if FICS was affiliated with Education Explosion, Ms. Scott stated FICS was separate; was controlled by a separate Board of Directors; had a separate bank account; and had separate employees that were paid by FICS. When asked how FICS keeps its records, Ms. Scott stated, “I don’t want to speak on Friends because it has nothing to do with this audit.” Ms. Scott also told LLA auditors that Philana Square (subsequently identified as Ms. Scott’s sister) distributes uniforms out of the school, supervises children in before/after care (which is located in the school’s computer room), collects payments on behalf of FICS, is the accounting person for FICS, is their “on-staff person,” and is not an employee of Education Explosion. When we asked if teachers watched children in before/after care, Ms. Scott told us no; teachers tutored children before and after school separately from before/after care.^K Ms. Scott also told LLA auditors FICS accepts payments at the school, FICS’ address is the school’s address, FICS purchases uniforms, and Education Explosion separately purchases uniforms for the homeless population.

We spoke with Sharon Henderson, former Chairwoman of the Education Explosion Board, and Board member of FICS according to SoS records. Ms. Henderson told us she had never heard of FICS, was not a board member of FICS, had never attended a meeting for FICS, and had never seen financial or bank records for FICS. She told us she was not aware the school collected money from parents, was not aware of payments being collected through payment processors, was not aware of payments to or for the benefit of Ms. Scott or her family, and would not have approved those payments had she known about them.

We also spoke with Patrick Dickson, a Board member of Education Explosion and a Board member of FICS according to SoS records. Mr. Dickson told us he was aware FICS was intended to be used to collect money collected other than MFP funds, and his name might be on incorporation documents. He told us matters related to FICS might be discussed at Education Explosion Board meetings, but there were no separate Board meetings for FICS. He told us he was aware money

^J SoS records show that Ms. Scott was FICS’ incorporator and at times, served as a director; Ms. Scott later emailed LLA to clarify that she is FICS’ registered agent.

^K Education Explosion records include handwritten timesheets on Impact Charter School letterhead showing Education Explosion employees worked before/after care (extended care), which were signed by Mr. or Ms. Scott as the supervisor. Approximately three weeks after we interviewed Ms. Scott, she emailed some of these timesheets to an outside accountant for Education Explosion, stating “Before and aftercare for [redacted] and [redacted] is actually tutoring services and the accounting of it should be documented as such.”

was collected for uniforms and other things and deposited to a separate bank account, but he never saw any bank records. Mr. Dickson told us he was not aware monies collected were transferred to or used for the benefit of Ms. Scott and her family, and would not have approved those transactions had he known. According to Mr. Dickson, Ms. Scott told him FICS had no employees or independent contractors.

Conclusion

It appears Ms. Scott used her position as CEO of Education Explosion to divert fees paid by students, parents, and others, totaling at least \$221,506, from Education Explosion to FICS and other financial accounts not associated with the school's bank accounts. These amounts appear to have been collected through electronic payment processors; however, the funds were subsequently remitted to FICS, transferred to Ms. Scott's personal accounts, remitted to unknown accounts not associated with Education Explosion, or used by Ms. Scott to make personal purchases. We also found that fees paid in cash, totaling at least \$71,487, were received but not deposited to Education Explosion's bank accounts. In addition, it appears that expenses related to these fees were paid by Education Explosion funds, which is almost exclusively comprised of public funds. As such, the revenues generated by Education Explosion should have been deposited in Education Explosion's bank accounts and used for school purposes. By failing to deposit funds generated by Education Explosion and using school funds for personal purposes, Ms. Scott and others may have violated the Louisiana Constitution and state and federal law.^{1,2,3,4,6,7,8,11,12,13,14,15,16,18,21}

School Contractor Appears to Have Shared Proceeds from School Contracts With the CEO

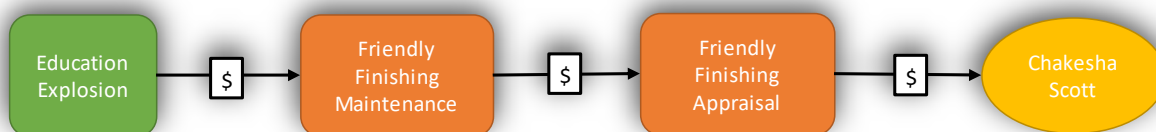
Education Explosion paid Friendly Finishing Maintenance Company LLC (FFM) \$604,308 for janitorial services, equipment rentals, supplies, and maintenance services from June 2018 to April 2024. It appears Nathaniel Harrison III, current FFM member, remitted portions of payments from Education Explosion to FFM to Ms. Scott and her sister, Philana Square. Bank records show Mr. Harrison issued electronic payments totaling \$41,625 to Ms. Scott from October 2020 to May 2024, as well as electronic payments to Ms. Square totaling \$9,000, from September 2023 to January 2024. In addition, bank records show Mr. Harrison withdrew at least \$198,650 in cash from payments received from Education Explosion, and text message records suggest he then made cash payments to Ms. Scott. If Mr. Harrison issued payments to Ms. Scott and her sister from the proceeds of school checks issued to FFM, Mr. Harrison, Ms. Scott, and Ms. Square may have violated state and federal law.^{1,2,3,6,7,8,11,12,14,15,16,21,24,25}

SoS records show Nathaniel Harrison, III is currently the sole member of FFM and Friendly Finishing Appraisal LLC (FFA). Education Explosion records show FFM

provided monthly janitorial services to Education Explosion between August 2015 and April 2024. FFM's invoices for these services (janitorial labor, cleaning supplies, and/or janitorial equipment) ranged between \$2,000 and \$4,733 per month and appear to have fluctuated based on whether or not FFM provided labor for janitorial services. In addition, Education Explosion paid FFM \$262,568 during the same time period for maintenance, construction, floor waxing, and fogging services. We reviewed text messages, emails, and/or bank records for Education Explosion, FFM, FFA, Ms. Scott, Ms. Square, and Mr. Harrison, which appear to show Mr. Harrison used funds received from Education Explosion to issue electronic payments via Zelle^L totaling \$50,625 to Ms. Scott and Ms. Square (\$41,625 and \$9,000, respectively). In addition, it appears that Mr. Harrison converted at least \$198,650 of funds received from Education Explosion to cash and made cash payments directly to Ms. Scott. Examples of these transactions are provided below.

Zelle Payments to Chakesha Scott and Philana Square

Bank records and text messages show that Mr. Harrison made monthly payments directly to Ms. Scott during the period that Education Explosion paid his company to perform janitorial services. According to these records, Mr. Harrison issued Zelle payments totaling \$41,625 to Ms. Scott's personal bank accounts from October 2020 to May 2024. These payments ranged between \$900 and \$2,000 per month (an average of \$946 per month) and were usually made one or two days after Mr. Harrison deposited a check from Education Explosion to his FFM bank account. Mr. Harrison issued the first Zelle payment to Ms. Scott in the amount of \$900 from his FFM bank account on October 15, 2020. For subsequent payments to Ms. Scott, Mr. Harrison appears to have transferred funds from his FFM bank account to his FFA bank account before paying Ms. Scott. For example, Education Explosion issued a check in the amount of \$4,500 to FFM on September 19, 2023. Bank records show that the check was deposited to Mr. Harrison's FFM bank account the following day, on September 20, 2023. The day after that, on September 21, 2023, \$1,500 was transferred to Mr. Harrison's FFA bank account and \$1,000 was transferred from FFA to Ms. Scott's bank account via Zelle. Payments issued to Ms. Scott in this manner are illustrated in the chart below.



In addition to issuing Zelle payments to Ms. Scott, bank records show that FFM issued Zelle payments totaling \$9,000 to Philana Square from September 2023 to January 2024. During this period, FFM invoiced Education Explosion \$4,500 per

^L Zelle is a digital peer-to-peer (P2P) payment service designed primarily for sending money directly between individuals through their bank accounts. Unlike traditional payment platforms, Zelle integrates directly with many U.S. banks, allowing users to transfer funds quickly without needing third-party intermediaries or additional accounts.

month which included \$2,000 for “rental equipment and custodial supplies” and \$2,500 for “custodial management personal [sic].” For example, FFM issued a \$1,000 Zelle payment to Ms. Square’s bank account on January 12, 2024, three days after FFM deposited a \$4,500 payment from Education Explosion. The following month, FFM reduced its invoice to Education Explosion to \$2,500 and discontinued Zelle payments to Ms. Square.

Cash Payments to Ms. Scott

In addition to recurring payments for regular services, Education Explosion paid FFM \$262,568 between May 2017 and May 2023, for purportedly stripping and waxing school floors, fogging the school, and/or performing construction and maintenance services. Mr. Harrison withdrew at least \$198,650 of these payments as cash and appears to have then made cash payments to Ms. Scott, some of which may have been deposited to Ms. Scott’s personal bank accounts,^M as illustrated in the following examples. Moreover, in some text messages, Ms. Scott and Mr. Harrison explicitly discussed Mr. Harrison withholding money for Ms. Scott, putting Ms. Scott’s money in an envelope, and delivering that envelope to an Education Explosion employee when he came to get a check from Education Explosion to FFM.

March 2019 - Building Maintenance

Records show Education Explosion issued two checks totaling \$59,183 to FFM in March 2019, which included \$3,333 for monthly janitorial services and \$55,850 for school maintenance, floor waxing, and construction on the school’s uniform store.^N According to

bank records, the first check (\$25,333) was deposited to FFM’s bank account on March 7, 2019, and Mr. Harrison withdrew \$22,500 in cash from the account the following day (March 8, 2019). Mr. Harrison and Ms. Scott exchanged the text messages to the right that morning.

March 8, 2019: 9:58 AM to 10:10 AM	
Nathaniel Harrison:	Gm r u at home
Chakesha Scott:	At work
Nathaniel Harrison:	U want me to bring it there I have it
Chakesha Scott:	Give me a second
Nathaniel Harrison:	Do u want me to bring it now have a long day
Nathaniel Harrison:	If not I’m going put it up at home
Chakesha Scott:	Yes please
Nathaniel Harrison:	Ok Otw
Chakesha Scott:	Thanks

^M These cash deposits to Ms. Scott’s bank accounts may also include cash payments collected through Impact Charter School but not deposited to Education Explosion or FICS’ bank accounts. See discussion on page 22-24.

^N Work related to the uniform store is discussed separately on pages 54-57.

Ms. Scott and Mr. Harrison exchanged text messages on March 21, 2019, about the second check being ready and Mr. Harrison coming to the school to pick

March 22, 2019: 9:11 AM to 12:47 PM	
Nathaniel Harrison:	Gm wya
Chakesha Scott:	Gm, home
Nathaniel Harrison:	Be there when I leave the bank
Nathaniel Harrison:	Is that cool
Chakesha Scott:	What time?
Nathaniel Harrison:	About 20 mins
Chakesha Scott:	Can I get it from you later today?
Nathaniel Harrison:	Had to do to two banks to get cash
Chakesha Scott:	Why? Get all \$100
Nathaniel Harrison:	I'll be running catch me now
Nathaniel Harrison:	K
Chakesha Scott:	Ok, won't have time to talk. On phone conference
Nathaniel Harrison:	Cool
Nathaniel Harrison:	At the door
Nathaniel Harrison:	What did she say
Chakesha Scott:	We didn't say anything to each other
Nathaniel Harrison:	Cool

up the check. The last message that Mr. Harrison sent to Ms. Scott that day (at 5:40 PM) read, "Got it headed to bank." Bank records show the second check issued from Education Explosion to FFM, in the amount of \$33,850, was deposited to FFM's account at an ATM the same day. These records further show that Mr. Harrison made two \$15,000 withdrawals at two different banks the following day, March 22, 2019, the same day he exchanged the text messages to the left with Ms. Scott.

It appears that Mr. Harrison converted \$52,500 of the \$59,183 paid to FFM in March 2019 into cash, Ms. Scott asked Mr. Harrison for \$100 bills, and the two discussed bringing "it" to Ms. Scott on the same days as the cash withdrawals. Furthermore, bank records show \$31,129 in cash was deposited to Ms. Scott's joint checking account with Mr. Scott between March 14, 2019 and May 24, 2019, including a \$9,000 cash deposit on March 14, 2019. During that time period, Mr. and Ms. Scott were building a new home, their construction loan was exhausted, and they were paying construction costs directly to their contractor (Sam Green), subcontractors, and vendors from their joint checking account (see discussion on pp. 32-33).

September 2019 - Building Maintenance and Painting

Ms. Scott emailed a \$14,800 FFM invoice for building maintenance and exterior painting to one of Education Explosion's outside accountants on September 10, 2019, and asked him to process the invoice (i.e., enter into accounting records so Ms. Scott can issue a check). Education Explosion issued the check to FFM on September 14, 2019. Document metadata suggests the \$14,800 invoice was initially a \$2,366 invoice from FFM to Education Explosion for regular services, which Ms. Scott received by email the previous day as a Microsoft Excel file and modified several minutes before she emailed it to Education Explosion's outside accountant. We searched Ms. Scott's email records for all invoices from FFM and did not find a copy of the \$14,800 invoice emailed from FFM to Ms. Scott; the only version we found was the version Ms. Scott emailed to the outside accountant.

According to bank records, the \$14,800 check was deposited to FFM's account on September 16, 2019, and Mr. Harrison withdrew \$11,800 in cash the following day. Mr. Harrison and Ms. Scott exchanged text messages suggesting they planned to meet at the school that day. Text messages show Mr. Harrison and Ms. Scott were meeting frequently because Mr. Harrison was assisting Ms. Scott with her campaign to be elected to the Louisiana State Board of Elementary and Secondary Education (BESE). Records for Ms. Scott's campaign bank account show a \$7,000 cash deposit on September 19, 2019, the same day Ms. Scott prepared a \$6,542 check from the campaign account to Cumulus Media for a radio advertisement. Text messages between Ms. Scott and Mr. Harrison indicate she was at a studio recording a commercial on September 18, 2019.

June 2020 - "Floors & Fogger Sanitizing"

Education Explosion bank and accounting records show Education Explosion paid FFM \$54,000 at the end of June 2020, for work that including floor waxing and school sanitization, and fogger sanitizing. Text messages, emails, and financial records show Education Explosion funds were used to purchase two fogging machines and sanitizing chemicals for FFM's use, but the sanitizing chemicals were not purchased until August 13, 2020, approximately a month-and-a-half after FFM invoiced Education Explosion for sanitization services. Mr. Harrison forwarded Ms. Scott a quote for the chemicals two days before FFM invoiced Education Explosion and messaged Ms. Scott on the intervening day "Gm ok call me when u can need to discuss the business thanks."

Bank records show Mr. Harrison withdrew \$52,200 through four withdrawals on July 9, 2020, approximately 10 days after the Education Explosion funds were deposited to the same FFM account. Approximately a week after those withdrawals, the contractor who constructed Ms. Scott's home deposited \$20,000 in cash and issued a \$27,113 payment to the company installing a pool at Ms. Scott's home (see discussion on pp. 35-37). Ms. Scott's bank records also show she deposited \$9,700 to her joint account with Mr. Scott at the end of July 2020.

June 2022 - Floor Waxing

Education Explosion issued a check to FFM in the amount of \$32,500 on June 2, 2022 (a Thursday), that included \$2,000 for monthly janitorial services and \$30,500

June 4, 2022: 11:13 AM to 11:28 AM	
Nathaniel Harrison:	Gm
Nathaniel Harrison:	Will get with u Monday r Tuesday
Zelle:	Zelle message from [Bank]. FRIENDLY FINISHING APPRAISAL LLC sent you \$1,000.00. We'll deposit this Zelle payment to your [Bank] account....
Chakesha Scott:	Gm, sounds good
Nathaniel Harrison:	U got that check
Chakesha Scott:	Liked "U got that check "
Chakesha Scott:	I thought you sent someone??
Nathaniel Harrison:	I did I was telling u check the bank
Chakesha Scott:	Liked "I did I was telling u check the bank "
Nathaniel Harrison:	I'll get with u next week in the other
Chakesha Scott:	Okay
Nathaniel Harrison:	On the other

for waxing the school's floors. Bank records show the check was deposited to FFM's bank account that Friday and Ms. Scott's sent or received the text messages on the prior page that Saturday. Bank records further show Mr. Harrison withdrew \$18,300 from that FFM account on the following Monday (June 6, 2022), and Ms. Scott and Mr. Harrison appear to have exchanged messages that day about meeting at the school.

May 2023 – Floor Waxing

Education Explosion issued FFM a check in the amount of \$32,500 to FFM on May 26, 2023. This check included \$2,000 for monthly janitorial services and \$30,500 for waxing the school's floors. That day, Ms. Scott and Mr. Harrison exchanged text messages about Ms. Scott leaving a check in his mailbox. Bank records show Mr. Harrison withdrew \$22,000 on May 31, 2023. Early that morning, Mr. Harrison messaged Ms. Scott "Also u can come by and pick that up" and "I'm here" at 10:25 AM. Ms. Scott deposited \$9,000 in cash to a bank account in her name at 1:07 PM that day.

Ms. Scott and Mr. Harrison both declined our attempts to interview them about these transactions.

CEO May Have Used Charter School Funds for Work on Personal Residence

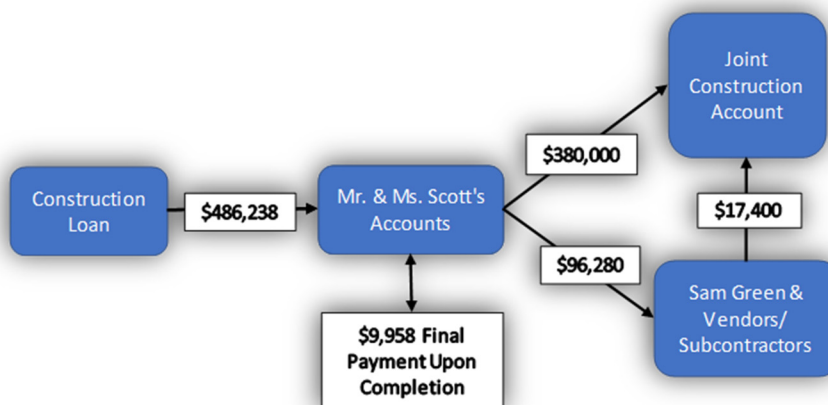
Education Explosion contracted with Sam Green, doing business as Sam Green & Sons Construction, to provide construction services for the school while Mr. Green was building Mr. and Ms. Scott's personal residence. According to school records, Education Explosion paid Sam Green & Sons Construction \$133,797 between July 2019 and November 2019 related to the construction of a modular classroom building that was largely constructed by another contractor. It appears Mr. Green may have overbilled Education Explosion for work on the modular building and used approximately \$105,997 of the proceeds for work on Ms. Scott's personal residence, including the installation of an in-ground swimming pool. Records also show Education Explosion funds were used to pay its lawncare vendor \$5,156 to install landscaping at Ms. Scott's personal residence. If Mr. Green overbilled Education Explosion to fund work performed on the Scotts' personal residence, Ms. Scott, Mr. Green, and others may have violated state and federal law.^{1,2,3,6,7,8,11,12,14,15,16,21}

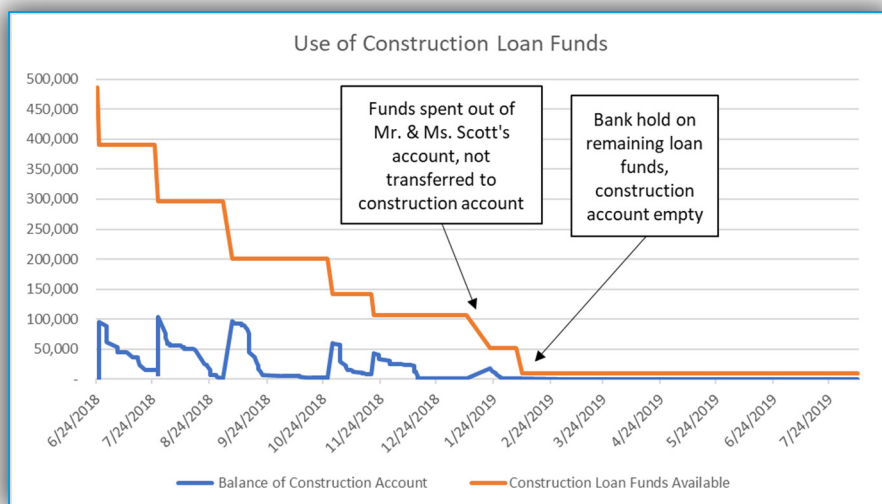
Louisiana State Licensing Board for Contractors records show Sam Green is a contractor licensed to perform residential construction. Mr. Green operates using the business name, Sam Green & Sons Construction, or variations thereof. Bank and accounting records show Education Explosion paid Mr. Green \$207,534 between June 2019 and February 2024, purportedly for work on a modular building and uniform store located at the school. Mr. and Ms. Scott also contracted Mr. Green to build their personal residence, a 3,973 square-foot home (see image below) constructed between June 2018 and November 2019. The Scotts obtained a \$526,500 loan to purchase the lot and build the home, excluding an in-ground pool, which was installed around June 2020.



Mr. and Ms. Scott opened a joint bank account with Mr. Green to use for the construction project. Records show construction loan payments totaling \$476,280 were deposited to accounts in the name of the Mr. and/or Ms. Scott between June 25, 2018 and February 6, 2019.

The loan funds were primarily transferred to the joint account with Mr. Green, as shown in the chart to the right. The lender notified Ms. Scott on February 6, 2019, that it would not disburse any more funds until construction was





completed, at which point the balance in the construction account was depleted below \$1,000 (see chart at left).

Mr. and Ms. Scott then began paying for construction costs from funds out of their joint checking account until they

completed the home in November 2019. The Scotts apparently paid \$97,672 in construction expenses out of their joint checking account between February and November 2019. Records indicate Ms. Scott also deposited substantial funds to that joint account during the same timeframe, including \$43,339 in cash, \$8,695 transferred from Education Explosion's PayPal account, and \$3,057 apparently transferred from the payment processor that received funds for the school's website. Ms. Scott's text messages also show she paid Mr. Green \$5,000 in cash in April 2019. In addition, Education Explosion paid Mr. Green (Sam Green & Sons Construction) \$133,797 from July to November 2019 for construction work related to a modular classroom building referred to as the T Building. It appears Mr. Green overbilled Education Explosion by \$105,977 and used the funds to pay for construction costs on the Scotts' personal residence.

T Building

Email records show Ms. Scott ordered a two-classroom modular building (T Building) from Palomar Modular Buildings (Palomar) around the end of May 2019. Records show Palomar was to install the building, a deck, steps, and ramps for Education Explosion at a total cost of \$88,216, but was not to perform certain other work, such as permits, site preparation, site work, utilities, sidewalks, canopies, etc. Education Explosion's bank and accounting records show it paid Palomar \$88,216 via three checks; 90% of that amount was paid in June and July of 2019 before the building permit was filed.

City of Baker records show Mr. Green filed a building permit on July 25, 2019, showing the T Building would cost \$105,000, he would be the builder, and Palomar was the architect. Based on the permit filed by Mr. Green, the remaining work on the project should have cost only \$16,784 ($\$105,000 - \$88,216 = \$16,784$). However, Education Explosion accounting records show it paid Sam Green & Sons Construction \$133,797 in relation to the project, starting the day Mr. Green filed the permit for work including planning, permitting, site preparation,

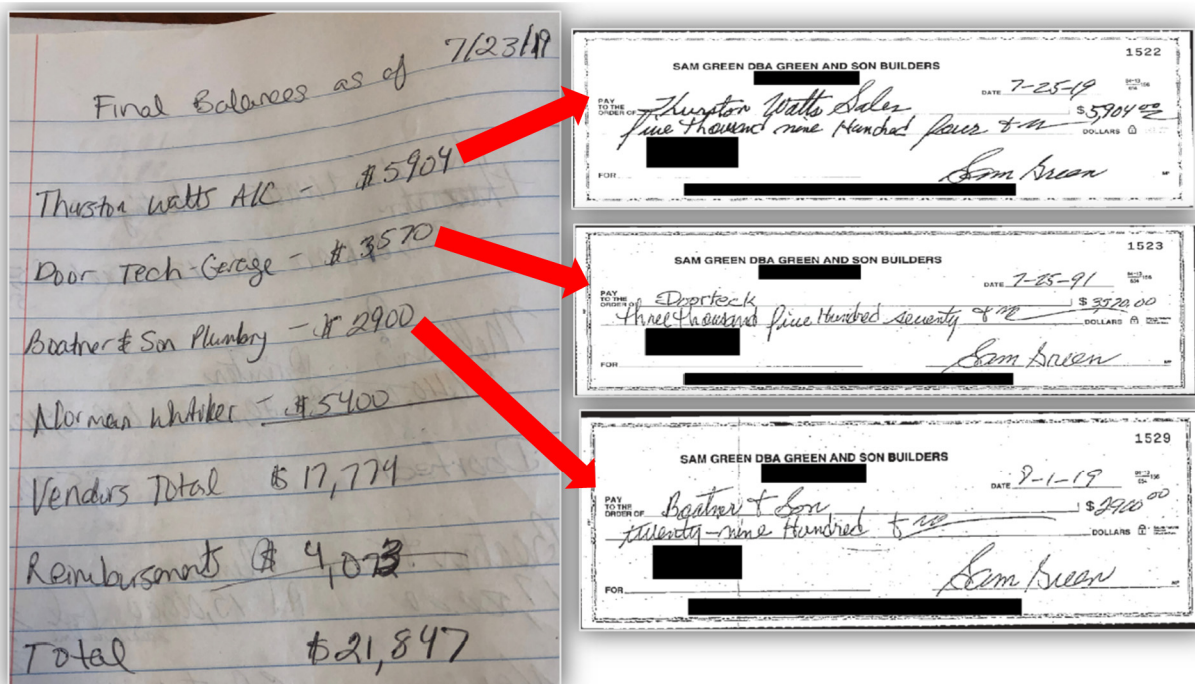
inspections, utilities setup/hookup, installation of whiteboards/bulletin boards, and the installation of a short walkway connecting the T Building to the school's main building.

First Payment to Sam Green & Sons Construction

Education Explosion issued a check to Sam Green & Sons Construction in the amount of \$43,587 for "Phase #1 - Modular Building Planning, Permitting and Site Work Preparation" on July 25, 2019. The check was deposited to an account in the name of Sam Green DBA Green and Son Builders on July 25, 2019, the same day Mr. Green filed the permit for the T Building.

We obtained cloud storage records for Ms. Scott, which included an image of what appears to be a handwritten cost estimate for \$15,240. Metadata for the image shows it was taken at Impact Charter School on July 23, 2019. This cost estimate may relate to the installation of the T Building, as it includes costs for site preparation, plumbing, electrical work, and concrete installation. Text message records show Mr. Green messaged Ms. Scott with an additional \$6,200 estimate for digging and concrete work on July 24, 2019. Mr. Green further messaged Ms. Scott on July 25, 2019, that he had obtained the permit, which cost \$400. Deducting these amounts from the \$43,587 Education Explosion check issued to Sam Green and & Sons Construction leaves a balance of \$21,747.

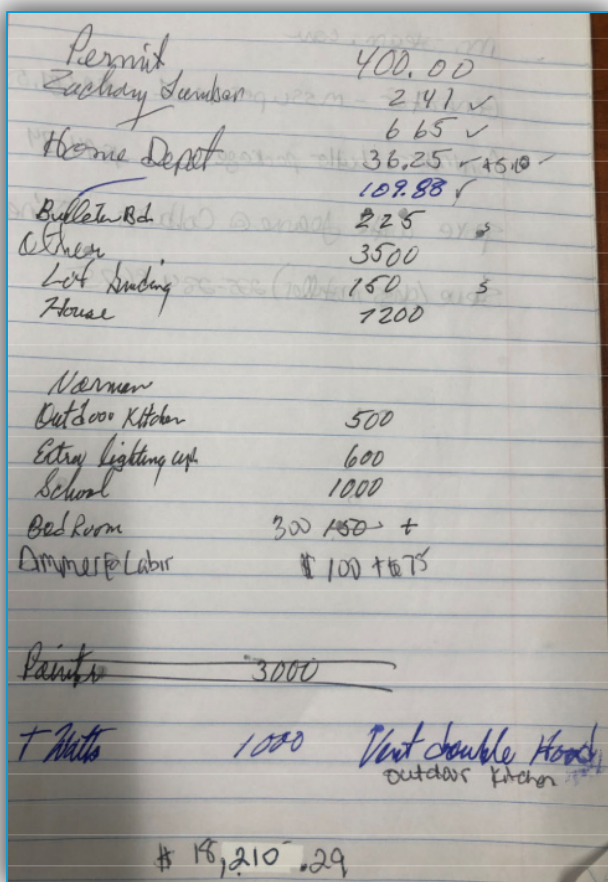
Ms. Scott's cloud storage records also included a handwritten list of construction expenses, totaling \$21,847 as of July 23, 2019 (see image to the top left of the next page). Two of the vendors on the handwritten list, Thurston Watts and Boatner & Son, were listed on the permit records for the Scotts' personal residence as the heating and air contractor and plumbing contractor, respectively. Bank records show that Mr. Green issued checks to these vendors in the amounts shown on the handwritten list of construction expenses (see images on the following page) after the Education Explosion check was deposited to his bank account. We spoke with a representative of Thurston Watts, who told us they've never done work for Education Explosion, and the only work they did that year as a subcontractor to Mr. Green was work on Ms. Scott's home. Therefore, it appears that the \$43,587 payment from Education Explosion included \$21,847 for work performed on the Scott's personal residence.



Second Payment to Sam Green & Sons Construction

Education Explosion issued a second check to Sam Green & Sons Construction for the T Building in the amount of \$90,210 on November 26, 2019, the day after Mr. and Ms. Scott signed the mortgage for their personal residence. According to Education Explosion records, this payment was for "Phase #2 - Receive modular building delivery, construction work for its setup, inspections, utilities setup and hook up, concrete/sidewalk work to connect to main building, supervision of all subcontractors, installation of classroom whiteboards and bulletin boards." Bank records show the \$90,210 check from Education Explosion was deposited to a different bank account in Mr. Green's name on December 17, 2019.

Ms. Scott's cloud storage records included another image of handwritten expenses (see image to top left of next page), which was taken at Impact Charter School on November 22, 2019. This list of expenses, totaling \$18,210, appears to commingle work on Ms. Scott's home and work on the T Building. The list includes \$400 for a permit (the cost of the T Building permit), \$225 for bulletin boards, and \$1,000 for work someone named Norman Whitaker performed at the school. This list also includes \$7,200 for house, \$150 for lot grading, \$500 for work Mr. Whitaker did on an outdoor kitchen, \$300 for work Mr. Whitaker did on a bedroom, \$3,000 for painting, and \$1,000 to Thurston Watts for the installation of a vent hood for an outdoor kitchen. The home Mr. Green constructed for Ms. Scott



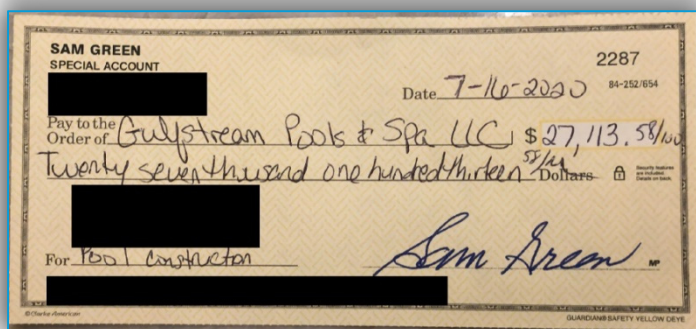
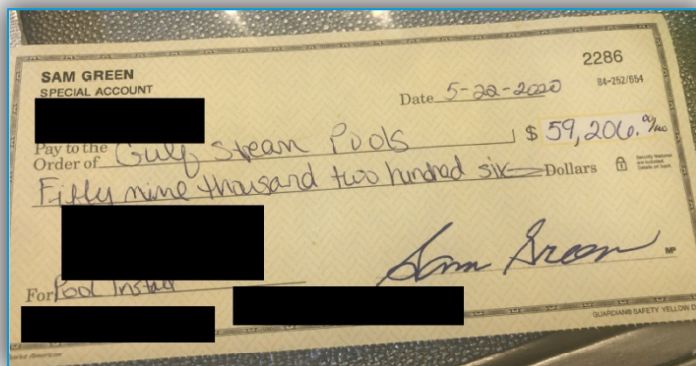
has an outdoor kitchen. Deducting the \$18,210 for this list from the \$90,210 paid by Education Explosion leaves a balance of \$72,000.

Bank records show that Mr. Green issued himself two checks from this account totaling \$18,210 between December 18 and 27, 2019, the same amount as the handwritten list of expenses. The remaining funds from the Education Explosion payment remained in his account. Around that time, Ms. Scott also received emailed quotes from Gulfstream Pools & Spas LLC (Gulfstream) totaling \$71,395 to install an in-ground pool and fire bowls at her personal residence, as well as a proposed contract for \$72,270.

Email records show Gulfstream installed a pool at Ms. Scott's home for a total cost of

\$91,319. Records from Mr. Green's bank account show that Mr. Green issued two checks to Gulfstream, totaling \$86,319, between May 22, 2020 and July 16, 2020, to pay for Ms. Scott's pool (see checks at right). We found that Mr. Green utilized the remaining funds his company received from Education Explosion in November 2019, to issue these checks.

Ms. Scott's cloud storage records also included two images, dated July 16, 2020: an image of the second check from Mr. Green to Gulfstream and an image





of the installed pool (at left). Mr. Green's bank records show he deposited \$20,000 in cash on July 17, 2020, when the account balance was insufficient to fund the \$27,113 check, which cleared Mr. Green's account on July 20, 2020. The final payment on the pool was made with a \$5,000 check from Mr. Green's account dated February 16, 2021.

Therefore, the \$90,210 payment from Education Explosion appears to have included \$12,150 for past work on the Scott's home and \$72,000 for the future installation of an in-ground pool at the Scotts' residence.

Landscaping

Bank and accounting records show Education Explosion pays a landscaping company for monthly lawn maintenance services. Text message records show Ms. Scott and the owner of the landscaping company (landscaper) exchanged messages in May 2019 about the installation of sod, shrubs, trees, and mulch at the Scotts' personal residence for \$5,156. Messages show Ms. Scott asked the landscaper to have the plant nursery invoice her directly so "I can write off the expense." Email and text message records show the landscaping company's invoice number 090928, in the amount of \$5,156, was emailed to Ms. Scott on May 26, 2019, as a hyperlink, which we could not access.

Three days later, Ms. Scott sent text messages to the landscaper at approximately 12:30 PM. Ms. Scott asked what the total would be for the invoice, including installation, and asked if \$900 in labor was included in the \$5,156 total, which the landscaper confirmed. Ms. Scott then emailed a purported copy of invoice 090928 to Education Explosion's outside accountant at 12:34 PM and asked for the invoice to be processed (i.e., entered into accounting records so Ms. Scott could issue a check). Metadata for the document shows it was created the morning of May 29, 2019, and last modified at 12:32 PM that day. The invoice emailed by Ms. Scott was addressed to Impact Charter Elementary School (not Ms. Scott) and showed charges of \$4,256 for materials (grass, mulch, soil, and plants) and \$900 in labor. Education Explosion issued a check to the landscaping company in the amount of \$5,156 on June 3, 2019.

Ms. Scott and Mr. Green declined our attempts to interview them about this matter. We also spoke with the landscaper who told us as far as he knows, everything he does for the Ms. Scott personally is paid for separately from what he does for the school.

CEO Used Charter School Funds for Personal Travel

Education Explosion's Board approved budgets for fiscal years ended June 30, 2022 and June 30, 2023, that included travel expenses totaling \$16,400 for Ms. Scott (CEO) and Mr. Scott (school principal). Credit card records show Ms. Scott used her Education Explosion credit card to incur at least \$130,494 in travel expenses over that timeframe for trips taken by Ms. Scott, Mr. Scott, and/or Ms. Scott's adult daughter, Courtney Scott, exceeding the approved travel budgets by \$114,094. Education Explosion did not maintain documentation to support the purpose of these trips, and many of the travel expenses appear to be entirely personal in nature. Ms. Scott further appears to have used funds diverted from Education Explosion, including funds diverted to FICS, to pay for personal travel expenses for herself, Mr. Scott, and Courtney Scott. By improperly using Education Explosion funds for personal travel expenses, Ms. Scott, Mr. Scott, and Courtney Scott may have violated state and federal law.^{1,2,3,6,7,8,11,12,14,15,16,21}

The Board sets compensation for Ms. Scott and Mr. Scott when it approves Education Explosion's annual budget, and Ms. Scott and Mr. Scott are prohibited from receiving any additional compensation or private benefit not approved by the Board (see pp. 5-6). Ms. Scott provided LLA with copies of the approved budgets for fiscal years ended June 30, 2022 and June 30, 2023, both of which allotted \$8,100 per year for Ms. Scott's travel and \$100 per year for Mr. Scott's travel. Therefore, the Board approved Ms. Scott and Mr. Scott to incur up to a total of \$16,400 in travel expenses over those two fiscal years. Education Explosion also has other pertinent policies governing travel expenses and credit card usage.

Education Explosion's purchasing policy for credit cards states, "NO personal use of the Procurement Card shall be authorized or allowed.... All purchases shall be made within the limits set and available budget authority.... No purchases shall be used for travel and entertainment expenses.... Itemized transaction receipts from the merchant for each use of the card must be obtained and turned in.... All items purchased shall be for bona fide Charter School business." Education Explosion's fiscal policies and procedures provide for payment of travel expenses on an expense reimbursement basis in order to ensure it pays for only authorized business expenses. The Travel and Other Reimbursable Expenses policy provides:

All Impact Charter Elementary School members and employees who incur expenses in carrying out their authorized duties shall be reimbursed upon submission of a properly filled out and approved

vouchers. Such approval must be in line with current budgetary allocations...

No reimbursements are allowed for concerts, dances, golf tournaments, side trips, sightseeing trips and other expenses not required by or related to a conference or a meeting. Reimbursement for tours to school and school-related projects about Charter School business or professional school jobs shall be permitted.

Records show Education Explosion maintained one credit card account in the name of Ms. Scott and Education Explosion, and the statements listed Ms. Scott's personal addresses. The statements we obtained for this account show only Ms. Scott and one of Education Explosion's outside accountants had credit cards associated with this account between May 12, 2017 and April 2024. The credit card account was used for transactions related to Education Explosion, and Education Explosion funds were used to pay \$1,483,701 of the \$1,494,865 (over 99%) paid on this credit card account between May 12, 2017 and April 13, 2024. Ms. Scott's personal funds were used to pay the other \$11,164 paid on the credit card during that timeframe, \$8,455 of which Ms. Scott paid after we first interviewed her for our audit in August 2023.

Transactions associated with this credit card account were entered into Education Explosion's accounting system and coded as liabilities and expenses of Education Explosion by its outside accountants, sometimes at Ms. Scott's explicit direction. Records and statements also indicate Education Explosion did not routinely maintain receipts or other documentation evidencing the business purpose of these credit card transactions.

Accounting, credit card, email, and other records show Ms. Scott used her Education Explosion credit card to incur travel expenses for herself, Mr. Scott and/or Courtney Scott which far exceeded budgeted and approved travel expenses for those two years, as illustrated in the chart to the right. The trips taken by Ms. Scott, Mr. Scott, and/or Courtney Scott and expenses paid with Education Explosion funds are summarized in the chart at the top of the following page. Some of these trips are discussed in further detail in the following pages:

Excess Travel Expenses for Ms. Scott and Family			
Fiscal Year	Total Spent	Approved in Budget	Amount Spent in Excess of Budget
FY 2021-2022	\$ 48,261	\$ 8,200	\$ 40,061
FY 2022-2023	\$ 82,233	\$ 8,200	\$ 74,033
Total	\$ 130,494	\$ 16,400	\$ 114,094

^o Ms. Scott traveled to Atlanta and Indianapolis to attend fellowship events hosted by the National Charter Collaborative (NCC), which funded most expenses for those trips. Ms. Scott used her Education Explosion credit card to pay for her airfare costs to attend these events, of which NCC later reimbursed \$1,500. Ms. Scott provided NCC an IRS Form W-9 showing Education Explosion was the taxpayer receiving reimbursement, but Ms. Scott diverted the reimbursements to her personal bank account.

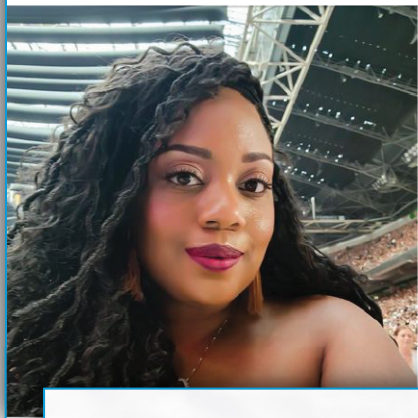
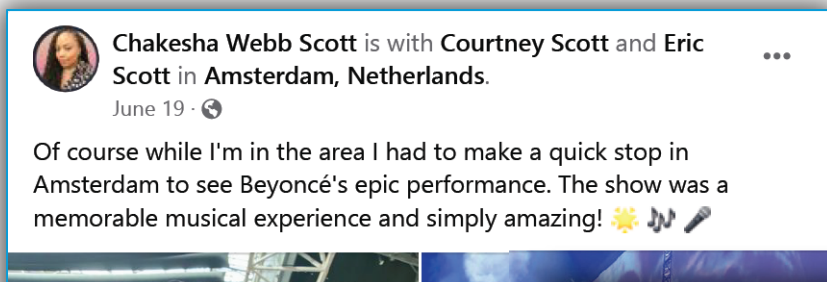
^p An additional \$2,473 was paid for this trip in fiscal year 2023-2024.

Fiscal Years Ended June 30, 2022 & June 30, 2023 Trips Taken by Chakesha, Eric, and/or Courtney Scott and Amounts Paid with Ms. Scott's Education Explosion Credit Card						
Fiscal Year	Dates	Location	Chakesha	Eric	Courtney	Amount
2021-2022	10/3/21 - 10/9/21	Chicago, IL	X	X		\$ 709
2021-2022	12/8/21 - 12/10/21	New Orleans, LA	X			\$ 854
2021-2022	2/5/22 - 2/10/22	Orlando, FL	X	X		\$ 4,964
2021-2022	3/11/22 - 3/13/22	Atlanta, GA	X		X	\$ 1,490
2021-2022	3/17/22 - 3/23/22	Chicago, IL	X	X		\$ 7,432
2021-2022	4/19/22 - 4/22/22	Austin, TX	X	X		\$ 8,392
2021-2022	5/21/22 - 5/23/22	Atlanta, GA			X	\$ 766
2021-2022	6/10/22 - 6/29/22	Egypt	X	X		\$ 23,654
2022-2023	9/1/22 - 9/5/22	Caribbean Cruise	x	x	x	\$ 3,531
2022-2023	10/6/22 - 10/11/22	New York City, NY	X	X	X	\$ 4,689
2022-2023	10/19/22 - 10/23/22	Atlanta, GA ^O	X			\$ 1,726
2022-2023	11/30/22 - 12/3/22	Palm Springs, CA	x			\$ 4,199
2022-2023	12/28/22 - 12/30/22	Houston, TX	X	X	X +1	\$ 1,382
2022-2023	1/17/23 - 1/23/23	Indianapolis, IN/Las Vegas, NV ^O	X	X	X +1	\$ 6,592
2022-2023	3/8/23 - 3/12/23	Las Vegas, NV	X		X	\$ 10,223
2022-2023	3/29/23 - 4/1/23	Myrtle Beach, SC	X		X	\$ 4,322
2022-2023	4/19/23 - 4/22/23	Baltimore, MD	X			\$ 1,950
2022-2023	6/2/23 - 6/4/23	Atlanta, GA	X		X	\$ 2,957
2022-2023	6/6/23 - 6/22/23	Disneyland Paris/European Trip	X	X	X	\$ 37,481
2022-2023	7/23/23 - 7/16/23	Chicago, IL/Austin, TX ^P	X			\$ 3,181
Total						\$ 130,494

Disneyland Paris Trip and Credit Card Rewards

Ms. Scott appears to have used her Education Explosion credit card to pay \$37,481 in expenses related to a 17-day trip for Ms. Scott, Mr. Scott, and Courtney Scott to travel to Paris, France; London, England; and Amsterdam, Netherlands (see summary below). Ms. Scott initially booked the trip through a travel agency as an 11-day trip to Disneyland Paris for herself and Mr. Scott. The itinerary for the initial Disneyland Paris trip included: 25 hours of professional development (PD); up to six-hours in school visits; hotel lodging; ground transportation; a three-day Disney pass; and a Paris pass for trips to the Louvre, the Eiffel Tower, the Notre Dame Cathedral, and Versailles. Ms. Scott later added Courtney Scott to the trip and added the London and Amsterdam destinations. Ms. Scott's social media posts and images we obtained from her cloud storage provider appear to show much of the trip was personal in nature (see examples to the top of the following page).

Expenses Paid with Education Explosion Funds for Disneyland Paris Trip	
Airfare for Chakesha, Eric, and Courtney Scott	\$ 17,216
Payments to travel agency	\$ 8,215
Additional hotel charges in Paris, Amsterdam, and London	\$ 8,226
Restaurant/meal delivery charges	\$ 1,205
Shopping and sightseeing charges	\$ 1,243
Uber or taxi charges	\$ 1,376
Total	\$ 37,481



Ms. Scott's bank and email records show she used personal funds to pay the tour company \$2,100 in April 2023 and appears to have diverted a \$1,500 refund from the tour company to her personal account in August 2023. It also

appears that Ms. Scott used personal funds to pay \$2,709 toward Education Explosion's credit card balance in May and June 2023. Ms. Scott further appears to have paid \$8,455 in personal funds against Education Explosion's credit card balance in August and September 2023, after we started our audit and interviewed Ms. Scott.

Text messages show one of Education Explosion's outside accountants questioned the airfare charges at the end of June 2023 (see messages to top of following page). A week earlier, another outside accountant emailed Ms. Scott to ask about how to code some transactions in the accounting records. One of the

June 30, 2023: 2:55 PM to 3:01 PM	
Accountant:	I am seeing 3 postings in [accounting system] for "Air France". Each plane ticket was for \$5,711.15. The total of all three equals \$17,133.44.
Accountant:	Is this an error?
Chakesha Scott:	2 was for PD. 1 was credited back to credit card statement
Accountant:	PD to a foreign country could create an "issue" with LDOE or the Legislative Auditor.....please make sure you have good documentation in the event this is questioned
Chakesha Scott:	https://bookbagtours.com
Chakesha Scott:	Layered with teacher recruitment and school tours

transactions was a \$3,779 redemption of credit card reward points for Education Explosion's credit card account, which was applied against the credit card balance. Ms. Scott responded to the email with the following explanation:

"Privately paid toward one of the 4/19 Air France expense. Was not paid with school funds."

Although Ms. Scott's statement suggested the accumulated credit card rewards were private funds, credit card and bank records show Education Explosion funds were used to make all credit card payments from June 2017 until the day before the redemption (May 4, 2023), when Ms. Scott first used personal funds to make a \$1,932 payment. Therefore, all credit card rewards accumulated up until that point appear to have been earned as a result of credit card transactions paid for with Education Explosion funds (i.e., 99% public funds).

We further analyzed the use of Education Explosion's credit card rewards points and compared those records with Ms. Scott's bank and email records. Bank records for accounts in Ms. Scott's name, including a joint account with Mr. Scott, show four checks from Education Explosion's credit card company, identified as rewards checks and totaling \$14,139, were deposited between December 29, 2019 and January 17, 2023. The reward check amounts matched redemption amounts shown on Education Explosion's credit card statements.

It also appears Ms. Scott used Education Explosion rewards points to pay expenses related to a cruise for herself and her immediate family. Education Explosion credit card records show two Carnival Valor charges totaling \$3,531 on September 5, 2022, and two credit card reward redemptions in the same amounts on September 25, 2022. An outside accountant emailed Ms. Scott in November 2022 to ask how to code Carnival Valor cruise charges in accounting records. Ms. Scott provided the following response to the outside account for both transactions: "was not paid with school funds. See credit on Card statement."

We searched Ms. Scott's and Mr. Scott's emails and found Ms. Scott's father, Murphy Webb Sr., emailed her an advertisement on July 5, 2022, about a five-day Carnival Cruise from New Orleans, LA to the Caribbean in early September 2022. Ms. Scott's text messages show that Ms. Scott, Mr. Scott, Courtney Scott, Marilyn Webb, and Murphy Webb Sr. went on a cruise from New Orleans to Cozumel, Mexico between September 1, 2022 and September 5, 2022, the date of the Carnival Valor charges on Ms. Scott's Education Explosion credit card.

Egypt Trip

A year before the Disneyland Paris trip, Mr. and Ms. Scott used the same travel agency to book a trip to Egypt in June 2022, at a total cost to Education Explosion of \$23,654.

The Egypt trip was scheduled for 12 days and included a three-day Nile River cruise; sightseeing trips to historical sites like the pyramids and the Sphinx; and sailboat, ATV, and camel riding activities. Ms. Scott posted images from the trip to social media (see examples at right), and her post noted they celebrated their wedding anniversary on the trip (as they also did on the Disneyland Paris trip). An itinerary on the travel agency's website shows the trip included 20+ hours of professional development. Email and text message records show Mr. Scott booked at least some of the flights for the trip, totaling \$12,428, using Ms. Scott's Education Explosion credit card. Credit card and email records show charges were also incurred for additional days Mr. and Ms. Scott spent in New Orleans, LA after returning from Egypt.



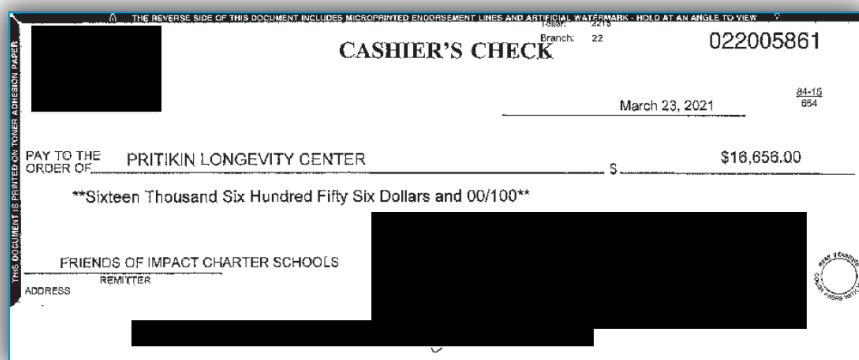
Spa/Wellness Trips

Email and credit card records show Ms. Scott used her Education Explosion credit card to pay \$8,392 for a four-day spa/wellness vacation for herself and Mr. Scott at the Miraval Resort in Austin, Texas during April 2022. Charges for this trip included \$6,405 in resort charges, \$541 for an additional hotel charge, and \$1,104 in airfare. Itineraries and flight confirmations show the Scotts checked into the resort the same day they flew into Austin and left Austin the day after they checked out of the resort. It appears from the additional hotel charge and \$119 meal charge that they stayed in downtown Austin after leaving the resort, but before returning home. Resort itineraries show the resort charges included a massage, a facial, yoga, a challenge course, and cooking classes for Ms. Scott and/or Mr. Scott. Images we obtained from Ms. Scott's cloud storage provider show them at the resort in workout attire (see images at top of next page).



Ms. Scott traveled to the Miraval Resort again in July 2023 as part of an eight-day trip, which included attending a sorority seminar in Chicago, Illinois. Ms. Scott used personal funds to pay registration costs for the sorority seminar but used her Education Explosion credit card to pay airfare, lodging, rental car, and meal expenses. Ms. Scott also used her Education Explosion credit card to pay for a well-being and leadership summit at the Miraval Resort, resort charges, and airfare to travel to the resort. Email records indicate Ms. Scott's stay included activities and spa services, such as yoga and crystal meditation classes. Ms. Scott's Education Explosion credit card was used to pay a total of \$5,654 in expenses related to this trip.

Ms. Scott and Mr. Scott also used Education Explosion and FICS funds to pay for prior spa/wellness trips. For example, FICS bank records show Ms. Scott withdrew \$16,656 from FICS' account on March 23, 2021, to purchase a cashier's check in the same amount payable to Pritikin Longevity Center (Pritikin). The check, shown to the top left of the following page, lists FICS as the remitter. Email records show both Ms. Scott and Mr. Scott emailed Pritikin about options and questions about the trip. Emails show Mr. Scott emailed Pritikin on March 20, 2021, to ask if they could pay with a cashier's check. Three days later, on the same day Ms. Scott obtained the cashier's check, Ms. Scott emailed Pritikin, stating "Please send us an invoice with our balance on it so we can prepare a check to mail." Pritikin responded with a \$16,656 invoice to Mr. and Ms. Scott, addressed to their home address, for a two-week double occupancy stay (March 28, 2021 – April 11, 2021). Email and credit card records further show Ms. Scott used her Education



Explosion credit card on March 24, 2021, to pay \$2,300 for roundtrip airfare for herself and Mr. Scott to travel to Miami, Florida – where Pritikin is located – on the dates of their stay, and to pay \$118 for a meal.

Email records show this is the second trip that Mr. and Ms. Scott took to Pritikin. Ms. Scott previously booked an eight-day Pritikin stay in October 2018 (October 7, 2018 – October 14, 2018). Ms. Scott's email records included a flight confirmation for round trip airfare for Ms. Scott and Mr. Scott to fly to Ft. Lauderdale, Florida on the dates of the Pritikin stay. Email records and PayPal records show Ms. Scott used Education Explosion's PayPal account to pay \$1,595 for the flights. Ms. Scott's Education Explosion credit card was also used to pay \$419 in meals, Uber charges, and parking expenses related to this trip.

Las Vegas, Nevada Trips

Records show that Ms. Scott, Mr. Scott, Courtney Scott, and a fourth individual traveled to Las Vegas, Nevada in January 2023, to celebrate Courtney Scott's 21st birthday. According to email and bank records, Ms. Scott paid airfare and lodging costs for Courtney Scott and the fourth person with personal funds. It appears Ms. Scott and Mr. Scott traveled to a National Charter Collaborative fellowship event in Indianapolis, Indiana, although only Ms. Scott was a fellow, and then traveled to Las Vegas instead of returning home as originally planned. Ms. Scott's Education Explosion credit card was used to pay \$6,592 in charges related to the trips to Indianapolis and Las Vegas. This amount included \$2,470 in additional airfare charges for Ms. Scott and Mr. Scott to fly from Indianapolis to Las Vegas before returning home, rather than using their originally-scheduled return flights; \$935 in room charges and resort fees for Ms. Scott's "Luxury King Suite Strip View" room at the Venetian Resort in Las Vegas; and \$942 in meal, taxi, and Uber charges on dates Ms. Scott and Mr. Scott were in Las Vegas.

Ms. Scott and Courtney Scott returned to Las Vegas approximately two months later to attend the 2023 Black Enterprise Women of Power Summit at the Bellagio Resort & Casino (March 9, 2023 – March 11, 2023). Ms. Scott used her Education Explosion credit card to incur \$10,223 in charges related to the trip. Ms. Scott paid her \$1,495 summit registration fee on February 2, 2023, with her

Education Explosion credit card, which she also used to pay \$4,010 for round trip airfare for herself and Mr. Scott^Q the following day.

Ms. Scott used personal funds to purchase airfare for Courtney Scott to fly to Las Vegas on the same day Ms. Scott also used Education Explosion's credit card to reserve a "Stay Well Corner Strip View Suite" at the Aria Resort & Casino for the three days of the conference. Before the conference started, Ms. Scott used \$2,174 in FICS funds to purchase a summit registration for Courtney Scott and pay for flight upgrades for Courtney Scott. Text message and cloud storage records show Courtney Scott attended the conference as "Director" of FICS (see images below), and Ms. Scott sent messages to Courtney Scott instructing her to sign up for an event as "Director" of FICS. They also attended an Usher concert during the trip.



Mediterranean Cruise

After we started our audit and interviewed Ms. Scott, Ms. Scott used the same travel agency she used for the trips to Disneyland Paris and Egypt to book a \$7,950 12-day Mediterranean Cruise for herself, Mr. Scott, and Courtney Scott in July 2024. Ms. Scott later added an extra night for all three in Athens, Greece for an additional \$720. Email and bank records show Ms. Scott used FICS funds to pay the \$2,700 deposit for the trip on September 2, 2023, and an additional \$360 through February 2024.

When we initially interviewed Ms. Scott, she told us there was one school credit card, which she has custody of and no one else has access to. When we

^Q Text messages indicate Mr. Scott did not travel to Las Vegas.

asked about receipts for credit card transactions, Ms. Scott told us “the statement is the receipt” and they do not keep receipts for all credit card transactions.

We spoke with former Board member Sharon Henderson, who told us she did not know of, or approve, Ms. Scott’s use of the Education Explosion credit card for travel. We also spoke with current Board member Patrick Dickson, who told us conference travel for Ms. Scott was in the approved budget. Ms. Henderson and Mr. Dickson told us they were not aware that Ms. Scott exceeded her budgeted travel and did not approve any specific trips taken by Ms. Scott. Mr. Dickson also told us he was not aware Ms. Scott used credit card rewards points for personal travel and would not have approved that usage had he known. Ms. Henderson and Mr. Dickson further told us they were not aware of Courtney Scott being a director of FICS. Mr. Dickson told us that Courtney Scott is not a director of anything, and Ms. Henderson told us she never saw Courtney Scott at any meeting.

Charter School Funds Used to Lease and/or Purchase Vehicles Used by CEO

Ms. Scott used at least \$166,520 in Education Explosion funds for expenses related to the lease and/or purchase of a 2017 Acura MDX and a 2021 Land Rover Velar from August 2017 to April 2024. It appears Ms. Scott entered into these transactions on behalf of Education Explosion without the knowledge or approval of the Board and may have falsified the signature of a former Board member purportedly authorizing the purchase of the 2021 Land Rover Velar. It further appears that Ms. Scott and her daughter utilized these vehicles for personal purposes without the Board’s knowledge, and the use of these vehicles were not properly recorded as compensation to Ms. Scott. Ms. Scott further appears to have diverted a \$5,278 insurance payment in relation to the 2017 Acura MDX. By entering into these transactions and personally utilizing these vehicles without Board knowledge or approval, Ms. Scott and others may have violated state and federal law.^{1,2,3,6,7,8,9,10,11,12,13,14,15,16,21}

Accounting records show that Ms. Scott used Education Explosion funds totaling at least \$166,520 to lease, purchase, insure, maintain, and repair two vehicles that she and her daughter apparently used for personal purposes from August 2017 to April 2024. Records and statements appear to show the Board did not approve Ms. Scott obtaining or using either vehicle. Although it is unclear if Ms. Scott’s use of these vehicles was reported to the IRS as taxable compensation to her, the cost of providing these vehicles for Ms. Scott’s personal use is not included on the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer contained in Education Explosion’s financial statements as required by La. R.S 24:513(A)(3).²⁶

2017 Acura MDX

Records show that Ms. Scott, purportedly acting on Education Explosion’s behalf, entered into a lease agreement for a 2017 Acura MDX with a capitalized cost

of \$50,329 on August 27, 2017. The lease agreement required a \$5,000 payment at signing and an additional \$22,945 in lease payments over the three-year lease term. The initial \$5,000 was charged to Education Explosion's credit card, and lease payments totaling \$29,920 were drafted from Education Explosion bank accounts between September 2017 and July 2021. Records also show Ms. Scott purchased the vehicle in August 2021 with a \$21,457 electronic payment from an Education Explosion bank account. In addition, Education Explosion's credit card was used to pay \$9,139 in maintenance costs for the vehicle between October 2017 and March 2024.

The Acura MDX and Land Rover Velar (discussed later in this finding) were added to Education Explosion's insurance policy at Ms. Scott's direction. As a result, Education Explosion paid at least \$10,807 in premiums to insure the vehicles between August 2017 and June 2021. Ms. Scott, Mr. Scott, and Marilyn Webb (Ms. Scott's mother) were the only drivers listed on the policy for these vehicles. Records also show Mr. and Ms. Scott's private automobile insurance policy did not cover a vehicle for Ms. Scott in August 2020, during the timeframe she appeared to personally use the Acura MDX.

It appears Ms. Scott used the Acura MDX for personal transportation. Ms. Scott's text messages show she sent messages to various individuals on January 11, 2021, stating she hit a deer on her way home in her car, causing damage to the front end of the vehicle. The day of the accident, Ms. Scott emailed Education Explosion's insurer stating: "A deer ran out in front and hit the school truck. I was driving. How do we file a claim?" Email records show Ms. Scott filed an insurance claim on behalf of Education Explosion and rented a Mercedes GLC 300 from Enterprise Rental Car for two weeks. The rental agreement summary included the last four digits of Ms. Scott's Education Explosion credit card,



and it appears that Ms. Scott's Education Explosion credit card was charged \$1,805 on February 9, 2021, for the cost of the rental. Education Explosion later received \$5,927 in insurance proceeds and paid FF Motors (affiliated with Mr. Nathaniel Harrison, whom was discussed in previous findings) \$6,427 for repairs to the Acura MDX.

Similarly, text messages and emails suggest that the Acura MDX was involved in another accident near Ms. Scott's residence in July 2018. Text messages from July 18, 2018, show

Ms. Scott discussed the cost of repairing a mailbox belonging to a neighbor down the street from her then home address. Bank records show Ms. Scott issued a personal check in the amount of \$1,100 to the neighbor for "brick mailbox repair." Records show that Mr. Harrison emailed Ms. Scott a \$9,339 repair cost estimate for

the 2017 Acura MDX (\$6,904 for parts & material), along with images of damages on July 16, 2018 (see example on previous page).

A few minutes after Ms. Scott received the estimate, she and Mr. Harrison began the text message exchange (see right), during which they appear to discuss listing the vehicle repairs as "Facility Painting" on an invoice. The following day, several iterations

of FFM invoice #1039 were emailed to Ms. Scott. The invoice initially showed \$6,900 for "painting facility," but the invoice amount was increased to \$7,900 in the final version of the invoice. Education

July 16, 2018: 3:18 PM to 10:22 PM	
Chakesha Scott:	I got the estimate 📎
...	
Nathaniel Harrison:	What would u like me to make the invoice out for
Nathaniel Harrison:	.
Chakesha Scott:	The estimate
Nathaniel Harrison:	Yes
Nathaniel Harrison:	I want to start getting parts because they may have to order some
Chakesha Scott:	Ok, I thought you were going to invoice for all parts starting off?
Nathaniel Harrison:	I was the 6900
Chakesha Scott:	Ok
Nathaniel Harrison:	What do u want it to say
Chakesha Scott:	Facility Painting
Nathaniel Harrison:	Ok

Explosion issued a check to FFM in the amount of \$7,900 on July 19, 2018. According to bank records, the check was deposited to an FFM bank account the same day and the funds were transferred to a Friendly Finishing Appraisal (FFA) bank account on the same day. These records further show that FFA issued payment in the amount of \$5,515 to Acura of Baton Rouge on July 23, 2018. As such, it appears that the Acura MDX was damaged while being driven in Ms. Scott's neighborhood and that Ms. Scott and Mr. Harrison fabricated an FFM invoice for facility painting to obtain Education Explosion funds for the vehicle repair.

Records we obtained suggest that Ms. Scott allowed her daughter, Courtney Scott, to use the Acura MDX while she attended school in New Orleans, Louisiana. Education Explosion accounting and credit card records include six separate maintenance charges totaling \$2,342 at a New Orleans-area Acura dealership between March 30, 2022 and April 3, 2023. In addition, text messages and documents from Ms. Scott's cloud storage suggest Courtney Scott received a speeding ticket dated August 17, 2022, showing the 2017 Acura MDX was photographed exceeding the posted speed limit in New Orleans by 5 MPH. Approximately six weeks later, Ms. Scott and Courtney Scott exchanged text messages about Courtney Scott receiving a parking ticket and having her vehicle booted for parking illegally on campus during exams. During the conversation, they discussed proof of insurance for a vehicle that was not in Courtney Scott's name, and Courtney Scott not being on the proof of insurance. Ms. Scott stated "It's commercial insurance and all of my staff and volunteers are under it. You are a volunteer." Several months later, Ms. Scott emailed insurance cards for all Education Explosion vehicles to Courtney Scott with the subject "Print and place in car."

Text messages to various individuals about stolen vehicle	
Good morning. Thanks. At conference this week and been busy....The conference is in NOLA where my daughter lives and out of all days she was robbed while getting groceries out of then her car and her car was stolen from her. I'm thankful to God that I was in Nola and I've been dealing with that all day and yesterday.	
....Courtney got robbed and her car stolen while I was in Nola so I missed a good bit of the remaining conference....	
Yes, they told me about 22 cars get stolen daily. They recovered it yesterday but it's trashed with drugs and lots of other stolen car keys and it wrecks of weed. It's actually my other car (Acura Mdx) that she was driving which is why I have to deal with insurance company today and try to get her a rental. I'm about to head back to Nola shortly. Thank god her key and phone was in her pocket when they jumped in and stole it from her right before her eyes. She called me right when I was leaving the convention center Friday to go eat with my line sisters. They were in the car with me when I changed the direction and went straight there	
It was my car she was driving but I'm thankful to God she's safe and had her phone & key.	

Seven days after this email, Ms. Scott's text messages further show the Acura MDX was stolen from Courtney Scott while in New Orleans. Over the following days, Ms. Scott sent the text messages at the left to several individuals referring to the vehicle as her vehicle or Courtney Scott's vehicle. We obtained copies of incident reports from the New Orleans Police Department (NOPD) for the vehicle theft. The initial report shows Courtney Scott reported the Acura MDX stolen in New Orleans on the evening of April 14, 2023.

According to the initial report, Courtney Scott told the responding officer the car was stolen while she was delivering an Instacart order, and the vehicle was parked unattended, unlocked, and with the engine running. The supplemental report shows the NOPD found the vehicle in New Orleans on April 16, 2023, and the responding officer observed no damage to the vehicle.

Three days later, Ms. Scott and Courtney Scott exchanged messages about towing the Acura MDX to the dealership for a damage assessment, including the exchange at right.

April 19, 2023: 12:07 PM	
Chakesha Scott:	Get receipt. Then you need to drive to Acura, tell them what's going on and you need full assessment of damages and detailed cleaning
Courtney Scott:	They are on the way
Chakesha Scott:	Loved "They are on the way"
Courtney Scott:	I thought u said u were selling it
Chakesha Scott:	It's not that easy bc it's in school name

Email records show Ms. Scott did file an insurance claim with Education Explosion's insurer regarding the theft and told the insurance representative "the Acura was stolen yesterday while I was in New Orleans." A third party assessed the damage and found body damage to the left rear door and right tail light. Education Explosion's insurer issued a \$781 payment on or around April 27, 2023, for the difference between the repair cost for the body damage and the deductible. Ms. Scott also requested reimbursement for \$607 in towing charges, which were paid with her Education Explosion credit card. The Insurance company issued an additional \$5,278 payment to Education Explosion on or around May 9, 2023. Bank records show the \$781

check was deposited to an Education Explosion bank account, but the \$5,278 check was deposited to the FICS bank account.

Email and text messages show Ms. Scott emailed the damage assessment to Nathaniel Harrison, and that the vehicle was towed to the address Mr. Harrison provided for FF Motors. When EBRSO searched the school premises, a copy of a \$13,523 check from Education Explosion to FF Motors, dated May 26, 2023, was found, along with an attached Final Bill from FF Motors in the same amount for work on the Acura MDX. It appears Ms. Scott previously did not provide these records to LLA auditors on the basis these records belonged to FICS, not Education Explosion. The final bill showed FF Motors performed \$7,060 in body repairs, and Acura of Baton Rouge was subcontracted to perform \$6,463 in mechanical repairs.

2021 Land Rover Velar

When we first visited Impact Charter School to begin our audit in August 2023, neither Ms. Scott nor the Land Rover Velar were present when we arrived at the school.

Ms. Scott arrived at the school later that day. Upon exiting the school, we photographed the Land Rover Velar in the school parking spot reserved for the CEO (see at right - the license plate cover appears to represent



Ms. Scott's sorority). During our review of financial and accounting records, we found that Education Explosion paid \$63,353 in monthly payments towards the purchase of the Land Rover Velar and \$4,314 in maintenance costs charged to Ms. Scott's Education Explosion credit card.

Email records show a financing company representative emailed purchase documents for the vehicle to Ms. Scott on May 24, 2021. Ms. Scott apparently filled out the documents and returned them two days later on May 26, 2023. The Equipment Finance Agreement shows Ms. Scott signed the agreement as Education Explosion's CEO. Ms. Scott also signed a payment schedule, as Education Explosion's CEO, authorizing the use of Education Explosion's general fund as the funding source for the financed purchase of the vehicle over a five-year term. The amount financed was \$91,558, which required monthly payments of \$1,810 for a

total cost of \$108,606 including interest. Ms. Scott also signed a Debit Authorization agreement authorizing the lender to automatically initiate electronic payments from an Education Explosion bank account.

The finance company representative responded the following morning at 9:44 a.m. that the contract needed to be signed by an attested signer. Ms. Scott resubmitted the documents to the finance company representative at 5:47 p.m. that evening. The Equipment Finance Agreement resubmitted by Ms. Scott now showed the purported signature of Sharon Henderson, Board Chair of Education Explosion, on the signature line for the attestation by an authorized individual (see image above). Metadata for the document showed it was created the afternoon of May 26, 2021, and last modified at 4:50 p.m. on May 27, 2021. Ms. Henderson's purported signature appears to be an image of a signature inserted into the document, along with her printed name and title. We showed this document to Ms. Henderson, who told us she did not sign it or give Ms. Scott permission to use her signature.



Vehicle Expenses Not Approved by Board or Treated as Compensation to Ms. Scott

Education Explosion purchased the Land Rover Velar in May 2021 and purchased the Acura MDX in August 2021. Near these two dates, the Board held two meetings, one on April 20, 2021 and one on August 17, 2021. Although Ms. Scott told us Board meetings were not recorded, we obtained Zoom video recordings of these meetings from Ms. Scott's emails. These recordings show neither vehicle was discussed at either meeting, and Ms. Scott only discussed school transportation contracts related to bus transportation. For example, the recording of the August 17, 2021, Board meeting shows Ms. Scott talked to the Board for less than one minute regarding bus transportation leases, during which she stated the following:

One of our transportation leases have ended so we need to close that out, we need, and we added a bus, because all our kids are back. So we just need to, uhm, renew our transportation leases and close out any old transportation, uhm, leases, uhm, for this school year. So we did add a fifth, officially a fifth bus to be able to accommodate the growth we, uhm, have.

After Board member Patrick Dickson moved to "renew the transportation leases for 2021 to 2022 and also close out the old leases that are [trails off]," Board member Jackie Huggins seconded the motion. There was no voice vote as required by the Open Meetings Law. It further appears Ms. Scott may have altered copies of the minutes for this meeting to reflect approval of a purchase. We

compared the minutes that Ms. Scott emailed to Board members to the minutes Ms. Scott provided to LLA at the start of our audit. The minutes Ms. Scott provided to LLA are slightly different and read, "Discussed all school transportation leases **and purchase**. Ms. Huggins moved to approve all school transportation leases. Motion passed." (emphasis added to reflect change).

Ms. Scott's compensation, including vehicles provided for her personal use, must be approved by the Board in its annual budget (see discussion on pp. 5-6). The Board must approve the budget in compliance with the Local Government Budget Act (La. R.S. 39:1301 *et seq.*) and Open Meetings Law (La. R.S. 42:11 *et seq.*), and the approved budget must be submitted to LDOE every year. We obtained and reviewed Education Explosion's approved budgets corresponding to the Acura MDX lease, Acura MDX purchase, and Land Rover Velar purchase and found no amounts budgeted for the initial lease of the Acura MDX or for the purchase of either vehicle. We also found the outside accountant included the value of the finance payments (\$21,721) for the Land Rover Velar in a draft of Education Explosion's June 30, 2024 budget; however, this amount (\$21,721) appears to have been removed from the budget before it was provided to and approved by the Board. Therefore, the Board does not appear to have approved the lease and/or purchase of either vehicle.

Louisiana law also requires that the compensation, reimbursements, and benefits provided to Ms. Scott be included in Education Explosion's financial statements in the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer.²⁶ We reviewed these schedules for fiscal years ended June 30, 2017 through June 30, 2023, and found no amounts listed for vehicles provided by Education Explosion to Ms. Scott for her personal use. It also appears Ms. Scott objected to Education Explosion's outside accountants accounting for vehicle expenses as reportable compensation to her. Emails also show one of Education Explosion's outside accountants questioned Ms. Scott in August 2018 about whether the Acura MDX was a school vehicle provided to her that should be reported on the "Agency Head Schedule." Ms. Scott replied "Yes, these charges are for a school car lease or either repairs and maintenance for the school car." Ms. Scott later emailed this outside accountant on November 14, 2018 and July 2, 2019, to state that the vehicle was being coded incorrectly in accounting records as a CEO expense and should be coded as an administrative expense.

We spoke with former Board member Sharon Henderson and current Board member Patrick Dickson about the vehicles. Neither remembered the Board having any discussions about providing Ms. Scott with a vehicle, knew Ms. Scott used either vehicle, or recalled approving transactions associated with either vehicle. We contacted Ms. Scott's attorney about interviewing her and Courtney Scott, and Ms. Scott's attorney told us they would not speak with us.

Charter School Used Funds to Obtain, Repair, and Improve a Building the School Did Not Own

Records show that Education Explosion used school funds totaling at least \$129,493 to move a uniform store it did not own onto school property. This amount included payments Education Explosion made for Internet service, utilities, repairs, and capital improvements for the building from August 2018 to January 2024. We found that Ms. Scott's mother, Marilyn Webb, owned the building; however, tax sale title to the building was transferred to East Baton Rouge Parish (EBR) in 2018 for non-payment of 2017 property taxes. During our audit, Ms. Scott withheld records from the LLA related to some of these transactions on the basis that the records and the building belonged to FICS. By using school funds to pay expenses related to a building that Education Explosion did not own and withholding records from LLA, Ms. Scott and others may have violated the Louisiana Constitution and state and federal law.^{1,2,3,6,7,8,11,12,13,14,15,16,18,21}

Education Explosion's and other records show Impact Charter School uniforms were/are stored in and sold from a building referred to as the uniform store. East Baton Rouge Parish Clerk of Court (CoC) records show Ms. Scott's mother, Marilyn Webb, purchased two buildings for \$15,000 on January 11, 2008: a 28 ft. x 24 ft. building (the uniform store) and a storage building, both located at an address in East Baton Rouge Parish. East Baton Rouge Parish Assessor (Assessor) records show Ms. Webb owns a commercial improvement at this address, valued at \$15,000, and operated a now-defunct business, in the name of Basic Hair Bows.com, from that address. Records indicate Education Explosion began paying for utilities and repairs to the building while it was owned by Ms. Webb and before it was moved onto the school's campus in November 2021. Records also indicate students were required to purchase uniforms from the uniform store during the period the building was owned by Ms. Webb and before the building was moved on campus.

Assessor records show Ms. Webb's property was adjudicated to East Baton Rouge Parish (EBR) on October 16, 2018, for non-payment of 2017 property taxes. When EBR property taxes become delinquent, the East Baton Rouge Parish Sheriff's Office (EBRSO) offers the property for sale at public auction and transfers tax sale title to the property to EBR when it is not purchased at auction. CoC records show EBRSO offered the uniform store for sale at public auction on October 3, 2018, due to delinquent property taxes, and subsequently transferred tax sale title to EBR on October 16, 2018. The tax sale certificate filed with CoC grants EBR the right to take possession of, sell, or donate the property. In order to purchase adjudicated property from EBR, a prospective buyer must file a request with the EBR Attorney's Office and pursue the purchase through a public bid process. We contacted the Assessor, EBR Parish Attorney's Office, and EBRSO and were informed that the uniform store is still adjudicated property.

Education Explosion provided LLA with a copy of a notarized affidavit showing that Ms. Webb donated the uniform store to FICS on March 19, 2019. According to the affidavit, Ms. Scott accepted the donation and possession of the building on behalf of FICS. The affidavit was not recorded with the CoC, and the purported donation took place after the tax sale title was transferred to EBR. Louisiana law for adjudicated property (La. R.S. 47:2196 *et. seq.*) permits the governing body of a political subdivision (here EBR), not the tax debtor (Ms. Webb), to donate adjudicated property in accordance with the Louisiana Constitution, if allowed by ordinance.²⁷ We searched EBR's ordinances and found no ordinance concerning the donation of adjudicated property. Louisiana law treats any sale or donation of adjudicated property as a redemption, which requires the payment of all taxes and costs owed.²⁸ The uniform store building is still listed as adjudicated property, and outstanding taxes have not been paid. Therefore, it does not appear the uniform store was actually donated to FICS.

Records show Education Explosion funds totaling at least \$129,493, were used to pay expenses related to the uniform store between August 2018 and

January 2024, as summarized in the chart to the right. This amount included payments for Internet service, utilities, and

Education Explosion Payments Related to Uniform Store	
Payments to demolition contractor (before move)	\$ 3,125
Payments to Friendly Finishing Maintenance (FFM) (before move)	\$ 12,763
Materials purchased for FFM's use (before move)	\$ 7,258
Payments to building movers (before and after move)	\$ 27,500
Payments to Sam Green & Sons Construction (after move)	\$ 72,157
Utilities payments (before and after move)	\$ 1,626
Internet service payments (before and after move)	\$ 5,064
Total	\$ 129,493

repairs to the building before the building was moved on campus; moving expenses and site preparation costs when the building was moved on campus in November 2021; and additional repairs and construction expenses after the building was moved on campus. Since Education Explosion did not own the building, these payments appear to be prohibited by state law, Education Explosion's contract with BESE, and Education Explosion's Bylaws (see discussion on pp. 5-6, regardless of whether the building was owned by Ms. Webb, owned by FICS (which does not appear to be the case), or adjudicated property.

Accounting records and receipts emailed to Ms. Scott show that Education Explosion paid the monthly bills for Internet services and utilities (electricity) for the uniform store since at least August 2019. Accounting records further show that Ms. Scott used Education Explosion funds to pay two contractors, including Friendly Finishing Maintenance (FFM), a total of \$15,888 for demolition and repairs before the building was moved on campus. In addition, it appears the school's credit card was used to purchase at least \$7,258 in materials for FFM's use in making repairs. Email and text message records show Ms. Scott directed Mr. Scott and another school employee to incur some of those charges.



The Education Explosion Board discussed moving the uniform store building to the school property during its Board meeting held on August 17, 2021. During the meeting, Ms. Scott provided information on two proposals to move the building, including a \$27,500 proposal that was supposed to be a “turnkey” proposal covering all services other than utility connections. Although meeting minutes

show that a quorum of Board members selected the \$27,500 proposal, the recording of the meeting that we obtained did not reflect a quorum or evidence of a vote, by voice, as required by Open Meetings Law. Records show that Education Explosion paid a building moving company \$27,500 between August 2021 and February 2022 to move the uniform store onto school property in November 2021 (see example image from Ms. Scott’s cloud storage provider at the top left).

After the building was moved, Education Explosion paid Sam Green & Sons Construction \$72,157 for work related to moving and repairing the building, as well as making improvements to the building’s location on school property from April 2022 to August 2023. The final invoice (August 2023 in the amount of \$12,600), included the following description of work: “Uniform Storage Water and Sewer Connection w/underground boring.” However, text messages between Ms. Scott and Mr. Green (shown to the right) suggest the invoice included \$4,100 to replace a fence at a property owned by Ms. Scott and Mr. Scott, and Mr. Green instructed Ms. Scott to prepare the invoice. Records show Ms. Scott emailed the invoice on August 11, 2023, to the outside accountant who

Text Messages between Chakesha Scott and Sam Green	
June 24, 2023: 8:37 PM to 8:43 PM	
<i>Chakesha Scott:</i>	Hey, when can the fence on [street name for Ms. Scott's property] be repaired?
<i>Sam Green:</i>	Price to replace is \$4,100. Price to repair \$2,990.
<i>Sam Green:</i>	For the school waiting on material
<i>Chakesha Scott:</i>	Okay thanks. Who’s going to do the replacement?
<i>Sam Green:</i>	Same people doing the school
August 1, 2023: 12:42 PM	
<i>Chakesha Scott:</i>	Be sure they pour concrete to hold those post at the school and at my home
<i>Chakesha Scott:</i>	There is no concrete being poured
August 4, 2023 to August 7, 2023	
<i>Sam Green:</i>	You can make out invoice for fence and sewer line give me a call
<i>Chakesha Scott:</i>	Ok, send me total
<i>Sam Green:</i>	4100 for fence 200 for map 7,000 for plumbing Sam 1,100 total 12,000
	...
<i>Chakesha Scott:</i>	Please send me written quote for plumbing
<i>Sam Green:</i>	Give me a call when you get a chance
	...
<i>Chakesha Scott:</i>	7,200 plumbing 4,100 fence 200 map 1,100 Sam total 12,600

enters invoices in accounting records so Ms. Scott can issue checks. Metadata for the emailed invoice shows Eric Scott was its author. Mr. Green's bank records show he received the \$12,600 payment from Education Explosion and paid the fence company \$4,100.

At the beginning of this audit, LLA auditors requested Ms. Scott provide access to Education Explosion's financial records, including file folders containing copies of invoices from vendors and checks issued to those vendors. State law requires charter schools to provide LLA with access to all of their financial records, and Education Explosion is further required by its contract with BESE to provide LLA auditors with immediate access to those records at any time. Ms. Scott refused to provide some of the requested records, including records related to the payments to the building moving company and Sam Green & Sons Construction, on the basis that the records belonged to FICS. LLA later obtained copies of these documents by reviewing Ms. Scott's Impact Charter School email account and as a result of EBRSO's search of the school premises.

School email records included emails between Ms. Scott and an Education Explosion employee about changing the name on the utility account for the uniform store from Basic Hair Bows to Impact Charter School. Ms. Scott provided the employee with Education Explosion's tax ID number and stated the name associated with the tax ID number "is Education Explosion, Inc. in case they ask. Impact Charter School is the DBA." This is consistent with EBR occupancy records, which show Ms. Scott applied for and obtained an occupancy permit for the uniform store building on or around January 10, 2020. The occupancy records suggest Ms. Scott owned the property, and Impact Charter School was the tenant for the purpose of "Retail Sales of School Uniforms."

CEO May Have Used School Funds for Additional Personal Expenses

Records show Ms. Scott used her Education Explosion credit card to incur charges totaling \$88,607 that appear personal in nature from February 2021 to May 2024. These charges included \$84,570 in personal education expenses to an online university for Ms. Scott and possibly Mr. Scott; \$1,340 in cleaning service charges for Ms. Scott and Mr. Scott's personal residence; and, \$2,697 in charges for online personal training classes for Ms. Scott. If Ms. Scott used her Education Explosion credit card for personal expenses, Ms. Scott and Mr. Scott may have violated the Louisiana Constitution, and state and federal law.^{1,2,3,6,7,8,11,12,14,16,18,21}

Accounting and credit card records show Ms. Scott used her Education Explosion credit card to make 22 payments totaling \$84,570 to an online university between February 2021 and May 2024. Education Explosion's accounting records show the payments were coded as professional development expenses for instructional staff and there was no documentation to support the school purpose for these payments. Text messages between Ms. Scott and Mr. Scott show Ms. Scott researched programs at several universities on January 19, 2021, shared information about the programs with Mr. Scott, and suggested they choose the university later paid with Education Explosion funds. The next day Mr. Scott messaged Ms. Scott a link to enter educational and employment information for the university.

Credit Card records show Ms. Scott used her Education Explosion credit card to make two payments of \$2,365 (\$4,730 in total) to the university on February 16, 2021. According to a payment confirmation emailed to Ms. Scott, one of the payments was for her for the university's spring 2021 term. Mr. and Ms. Scott's emails and text messages show both Ms. Scott and Mr. Scott enrolled in a doctoral program at the university, both participated in class work, and both worked on dissertations during the period Education Explosion funds paid the university. We found receipts in Ms. Scott's email records for nine payments, totaling \$36,141, indicating the payments were on her account across various terms at the university. It is possible some or all of the other payments to the university, totaling \$48,429, were for Mr. Scott's educational expenses.

Credit card and email records also show that Ms. Scott used her Education Explosion credit card for other purchases that appear personal in nature, including maid services for her personal residence and 90 days of personal training. Education Explosion had no documentation to support the school purpose for these payments. According to email receipts, Ms. Scott paid a maid service \$1,340 to clean her and Mr. Scott's personal residence six times from August 2021 to September 2021. Booking confirmations and receipts emailed to Ms. Scott confirmed Ms. Scott's residence as the service location and detailed cleaning services for a five-bedroom residence with laundry service. Receipts emailed to Ms. Scott show that she used her Education Explosion credit card to pay \$2,697 for 90 days of personal training in August 2022. Emails show Education Explosion's outside accountants asked

Ms. Scott to provide details about the personal training transaction in order to code it as an expense of Education Explosion, and Ms. Scott responded that it was "wellness professional development."

Some, or all, of these expenses appear to be taxable fringe benefits to Ms. Scott and Mr. Scott, as detailed in IRS Publication 15-B. The Board-approved Education Explosion budgets do not include line items for education expenses for the CEO and Principal. These expenses were not coded in Education Explosion's accounting records as expenses for Mr. and Ms. Scott or included in the Schedule of Compensation, Benefits and, Other Payments to Agency Head or Chief Executive Officer in Education Explosion's audit reports.

Recommendations

We recommend that Education Explosion management consult with legal counsel to determine the appropriate actions to be taken, including recovery of funds diverted to third parties, amounts paid on behalf of third parties, and amounts spent by Ms. Scott and Mr. Scott for personal purposes. In addition, management should:

- (1) Implement written policies and procedures to ensure that all expenditures comply with the Louisiana Constitution, which prohibits the donation of public funds;
- (2) Implement written policies and procedures to ensure Education Explosion complies with its bylaws and Charter provisions of School Demonstrations Programs Law, including, but not limited to, Louisiana Ethics Law, Open Meetings Law, and the Local Government Budget Act;
- (3) Develop a school policy regarding fees and post that policy to the school's website as required by La. R.S 17:177;
- (4) Require all funds collected be adequately documented, accurately recorded, and deposited in a timely fashion;
- (5) Require the issuance of a receipt for all funds collected;
- (6) Review and compare the daily total deposits to the total receipts on a regular basis and immediately investigate any differences;
- (7) Ensure that employees are properly trained on cash handling policies and procedures;
- (8) Adequately segregate the duties of collecting, recording, and depositing collections;

- (9) Ensure sales taxes collected are remitted to appropriate taxing authorities;
- (10) Ensure that vendors and professional service providers have valid written contracts prior to providing services;
- (11) Require contractors to submit an affidavit of non-collusion as required by state law and/or their written contract;
- (12) Require all contracts with contractors and subcontractors to include an audit provision, whereby all records prepared pursuant to the contract are subject to inspection or audit by representatives of management and any other state or federal authorities;
- (13) Design and implement procedures requiring appropriate personnel to properly monitor professional services and public works contracts to ensure services meet all contractual requirements prior to payment;
- (14) Ensure that contracts and related documentation are maintained in an organized manner and in a central location;
- (15) Ensure that all payments are made in accordance with the terms and conditions of the contract;
- (16) Require detailed invoices and documentation of the business purpose for all expenditures;
- (17) Require proper review of invoices to ensure each payment has a legitimate public purpose as required by the Louisiana Constitution;
- (18) Only pay travel expenses on a reimbursement basis, consistent with the school's current policy;
- (19) Require documented approval by someone other than the employee traveling for all business travel expenses;
- (20) Maintain documentation of the business purpose for all expenditures;
- (21) Maintain itemized receipts for meals, as well as a listing of people attending the meals and the purpose of the meeting/gathering;
- (22) Require timely submission and retention of original receipts. Receipts should be submitted before the monthly statement arrives and in time to adequately review the propriety of the expenditure;
- (23) Review credit card statements each month for reasonableness and compliance with policy before payment is made. Any exceptions or

noncompliance issues should be immediately investigated and resolved;

- (24) Implement written policies and procedures for the use of credit cards to include requiring review of credit card transactions by someone other than the cardholder;
- (25) Requiring secondary approval for transactions over a specified amount to be determined by the Board;
- (26) Impose disciplinary action for noncompliance with policy;
- (27) Develop and implement policies and procedures for the use of school vehicles to ensure that school vehicles are only used for school purposes, which should require that vehicle mileage logs be maintained for all school vehicles; and
- (28) Amend Ms. Scott's earnings previously reported to the IRS to properly include the fringe benefit value of her take-home vehicles.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S) 42:1461** states, "A. Officials, whether elected or appointed and whether compensated or not, and employees of any "public entity", which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish, municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed. B. When, pursuant to a statute, ordinance, resolution, or contract or other agreement, a public entity, as defined in Subsection A, entrusts to a contractor or to a quasi-public entity of any kind the care, administration, allocation, or disposition of funds, property, or other things of value belonging to it or under its custody or control, the contractor or the quasi-public entity, and the officers and employees thereof personally, shall be deemed to have undertaken the obligation of a fiduciary with respect to such funds, property, or other things of value of the public entity. C. The breach of an obligation established under this Section gives rise to an action in favor of the public entity for the recovery of any such funds, property, or other things of value and for any other damages resulting from the breach. This action is prescribed by ten years, reckoning from the date on which the breach occurred."

² **La. R.S 17:3996** states, in part, "B. Notwithstanding any state law, rule, or regulation to the contrary and except as may be otherwise specifically provided for in an approved charter, a charter school established and operated in accordance with the provisions of this Chapter and its approved charter and the school's officers and employees shall be exempt from all statutory mandates or other statutory requirements that are applicable to public schools and to public school officers and employees except for the following laws otherwise applicable to public schools with the same grades:... (9) Open meetings, R.S. 42:11 et seq. (10) Public records, R.S. 44:1 et seq.... (20) Code of Governmental Ethics, R.S. 42:1101 et seq., with the exception of R.S. 42:1119 as it applies to any person employed by a charter school prior to August 15, 2003... (55) Student fees, R.S. 17:177.... G. All charter schools established and operated in accordance with the provisions of this Chapter shall comply with the provisions of R.S. 39:1301 through 1315. Each Type 1, 3, 3B, and 4 charter school annually shall submit its budget to the local school board that approved its charter, and such board shall submit the charter school's budget to the state superintendent of education in accordance with the provisions of R.S. 17:88. Each Type 2 and Type 5 charter school annually shall submit its budget directly to the state superintendent of education."

Louisiana Administrative Code (LAC) Title 28, Part CXXXIX, §2103 states, in part, "A. The board of directors of each charter operator shall be responsible for implementing the public charter school program proposed in its charter application, complying with and carrying out the provisions of the charter school contract and complying with all applicable federal and state laws and policies governing the charter school. B. The board of directors of each charter operator shall operate in accordance with its duly adopted bylaws, which shall include a conflicts of interest policy that is consistent with applicable law including, but not limited to, the Louisiana Code of Governmental Ethics. C. The board of directors of each charter operator shall comply with all requirements set forth by the Louisiana Nonprofit Corporations Law and Louisiana Secretary of State and shall remain in good standing during the term of its charter. D. The board of directors of each charter operator shall comply with all laws applicable to public bodies including, but not limited to, the Louisiana Open Meetings Law, the Louisiana Public Records Law, and the Code of Governmental Ethics...."

Type 2 Renewal Charter Contract entered into by Education Explosion, Inc. and the Louisiana Board of Elementary and Secondary Education, Dated as of July 1, 2022, states, in part, "2.2.2 The Board of Directors of the Charter Operator will adopt by-laws for the charter and operate in accordance with such by-laws. The Board of Directors of the Charter Operator shall meet

the member composition requirements in Bulletin 126....2.2.4 The school's Board of Directors shall establish by-laws consistent with the Louisiana Code of Governmental Ethics, including, but not limited to, the adoption of and adherence to a formal conflict of interest policy that is consistent with applicable law."

³ **La. R.S 42:1112** states, in part, "A. No public servant, except as provided in R.S. 42:1120, shall participate in a transaction in which he has a personal substantial economic interest of which he may be reasonably expected to know involving the governmental entity. B. No public servant, except as provided in R.S. 42:1120, shall participate in a transaction involving the governmental entity in which, to his actual knowledge, any of the following persons has a substantial economic interest: (1) Any member of his immediate family. (2) Any person in which he has a substantial economic interest of which he may reasonably be expected to know. (3) Any person of which he is an officer, director, trustee, partner, or employee. (4) Any person with whom he is negotiating or has an arrangement concerning prospective employment. (5) Any person who is a party to an existing contract with such public servant, or with any legal entity in which the public servant exercises control or owns an interest in excess of twenty-five percent, or who owes any thing of economic value to such public servant, or to any legal entity in which the public servant exercises control or owns an interest in excess of twenty-five percent, and who by reason thereof is in a position to affect directly the economic interests of such public servant."

⁴ **La. R.S 42:1116(A)** states, "No public servant shall use the authority of his office or position, directly or indirectly, in a manner intended to compel or coerce any person or other public servant to provide himself, any other public servant, or other person with any thing of economic value. This Subsection shall not be construed to limit that authority authorized by law, statute, ordinance, or legislative rule in carrying out official duties."

⁵ **La. R.S 12:222(C)** states, "Subject to the provisions of this Chapter, the bylaws may include any provision for the regulation and management of the affairs of the corporation, its rights or powers, the rights, powers or duties of its members, directors or officers, or the directors' qualifications, classification, number or term of office, or fixing their compensation, not inconsistent with law or the articles."

⁶ **Education Explosion, Inc. d.b.a. Impact Charter Elementary BYLAWS** state, in part, "Article II, 2.11 No person shall receive or be paid any compensation for serving as a board member. CEO's and Program Director(s) may be paid for services rendered to the organization's operations that help to achieve the organization's goals and objectives. Salaries for these positions will only be funded upon initial approval by the Board of Directors and if the budget permits. Any salaries paid for these positions will be set by the Board of Directors in the annual budget....

Education Explosion, Inc. D.B.A. Impact Charter Elementary School Fiscal Policies and Procedures Guide states, in part, "203 Organizational Conflict of Interest or Self-Dealing (Related Parties)

Impact Charter Elementary may not be operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity or individuals related to Impact Charter Elementary or members of its management, unless the private benefit is considered merely incidental. Impact Charter Elementary will follow Louisiana conflict of interest laws and disclosures which restrict public officials and employees from taking advantage of their position to gain improper benefits for themselves, relatives, their associates, or their friends. The law also restricts board members from voting on matters affecting their financial interest and limits the circumstances under which they can receive anything of value because of their official position. A board member may not vote or enter into any discussion if one of the following groups will receive financial benefit:

- A. The Trustee, his/her immediate family, or his/her business partner;
- B. A business organization in which the Trustee is serving as an officer, director, trustee, partner or employee; or

- C. Any person or organization with which the Trustee is negotiating or has any arrangement concerning prospective employment.

The private benefit preclusion will extend to:

- A. Sale or exchange, or leasing, of property between the school and an affiliated or unaffiliated organization or a private or related individual.
- B. Lending of money or other extension of credit between the school and an affiliated organization (excluding component units) or unaffiliated organization or a private or related individual.
- C. Furnishing of goods, services or facilities between the school and an affiliated organization (excluding component units) or unaffiliated organization or a private or related individual.
- D. Payment of compensation, unless authorized by the Board of Trustees or its governing body, by the school to an affiliated or unaffiliated organization or a private or related individual.
- E. Transfer to, use by, or for the benefit of a private or related individual of the income or assets of the school.

Thus, Impact Charter Elementary will be guided by the principle of arms-length standards with all affiliated or unaffiliated organizations or with a private or related individual(s). Annually, the Board of Trustees will file a financial disclosure form as required by State law.

Related party transactions shall include transactions between a school and members of the board, management, contracted management organization, employees, related individuals and affiliated companies. Related individuals within the scope of this definition include spouses, parents, children, spouses of children, grandchildren, siblings, father-in-law, mother in law, sister-in-law and brother-in-law of a board member or school employee.

Education Explosion's Articles of Incorporation state, in part, "At all times the following shall operate as conditions restricting the operations and activities of the corporation: 1. No part of the net earnings of the corporation shall inure to any...Director or officer of the corporation, nor to any other private persons, excepting solely such reasonable compensation that the corporation shall pay for services actually rendered to the corporation, or allowed by the corporation as a reasonable allowance for authorized expenditures incurred on behalf of the corporation."

⁷ **La. R.S 14:67(A)** states, "Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential."

⁸ **La. R.S 14:70.8(A)** states, "Whoever with intent to defraud either transmits, attempts to transmit, causes to be transmitted, solicits a transmission, or receives a transmission, by wire or radio signal, any stolen or fraudulently obtained monetary funds shall be imprisoned, with or without hard labor, for not more than ten years, or fined not more than one hundred thousand dollars, or both."

⁹ **La. R.S 14:71.1(A)** states, "Whoever knowingly executes, or attempts to execute, a scheme or artifice to do any of the following shall be imprisoned, with or without hard labor, for not more than ten years, or may be fined not more than one hundred thousand dollars, or both: (1) To defraud a financial institution. (2) To obtain any of the monies, funds, credits, assets, securities, or other property owned by or under the custody or control of a financial institution by means of false or fraudulent pretenses, practices, transactions, representations, or promises."

¹⁰ **La. R.S 14:72** states, in part, "A. It shall be unlawful to forge, with intent to defraud, any signature to, or any part of, any writing purporting to have legal efficacy. B. Issuing, transferring, or possessing with intent to defraud, a forged writing, known by the offender to be a forged writing, shall

also constitute a violation of the provisions of this Section. C. For purposes of this Section: (1) "Forge" means the following: (a) To alter, make, complete, execute, or authenticate any writing so that it purports: (i) To be the act of another who did not authorize that act; (ii) To have been executed at a time or place or in a numbered sequence other than was in fact the case; or (iii) To be a copy of an original when no such original existed. (b) To issue, transfer, register the transfer of, pass, publish, or otherwise utter a writing that is forged in accordance with the meaning of Subparagraph (1)(a). (c) To possess a writing that is forged within the meaning of Subparagraph (1)(a). (2) "Writing" means the following: (a) Printing or any other method of recording information; (b) Money, coins, tokens, stamps, seals, credit cards, badges, and trademarks; and (c) Symbols of value, right, privilege, or identification."

¹¹ **La. R.S. 14:132** states, in part, "A. First degree injuring public records is the intentional removal, mutilation, destruction, alteration, falsification, or concealment of any record, document, or other thing, filed or deposited, by authority of law, in any public office or with any public officer. B. Second degree injuring public records is the intentional removal, mutilation, destruction, alteration, falsification, or concealment of any record, document, or other thing, defined as a public record pursuant to R.S. 44:1 et seq. and required to be preserved in any public office or by any person or public officer pursuant to R.S. 44:36."

¹² **La. R.S. 14:133(A)** states, "A. Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact."

¹³ **La. R.S. 24:518(A)** states, "(1) Any auditee, local auditee, or public officer, employee, or other person of said auditee: (a) Who neglects, fails or refuses, to furnish the legislative auditor with such papers, accounts, books, documents, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, whether confidential or otherwise, that he has the right to inspect and examine, or (b) Who shall deny him access to the office, or to papers, accounts, books, documents, films, tapes, and other forms of recordation, including but not limited to computer and recording devices, whether confidential or otherwise, that he has the right to inspect or examine, or (c) Who refuses, fails, or neglects to transmit to the legislative auditor reports, statements of accounts or other documents upon request as provided by law or (d) Who, otherwise in any manner, obstructs or impedes the legislative auditor in making the examination authorized by law shall be fined not less than five hundred dollars, nor more than five thousand dollars, or imprisoned for not less than ten days, nor more than six months, or both."

¹⁴ **18 U.S.C. §666** states, in part, "(a) Whoever, if the circumstance described in subsection (b) of this section exists—(1) being an agent of an organization, or of a State, local, or Indian tribal government, or any agency thereof—(A) embezzles, steals, obtains by fraud, or otherwise without authority knowingly converts to the use of any person other than the rightful owner or intentionally misapplies, property that— (i) is valued at \$5,000 or more, and (ii) is owned by, or is under the care, custody, or control of such organization, government, or agency; or (B) corruptly solicits or demands for the benefit of any person, or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business, transaction, or series of transactions of such organization, government, or agency involving anything of value of \$5,000 or more; or (2) corruptly gives, offers, or agrees to give anything of value to any person, with intent to influence or reward an agent of an organization or of a State, local or Indian tribal government, or any agency thereof, in connection with any business, transaction, or series of transactions of such organization, government, or agency involving anything of value of \$5,000 or more; shall be fined under this title, imprisoned not more than 10 years, or both. (b) The circumstance referred to in subsection (a) of this section is that the organization, government, or agency receives, in any one year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance."

¹⁵ **18 U.S.C. §1341** states, "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan, exchange, alter, give away, distribute,

supply, or furnish or procure for unlawful use any counterfeit or spurious coin, obligation, security, or other article, or anything represented to be or intimated or held out to be such counterfeit or spurious article, for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation occurs in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially declared major disaster or emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both."

¹⁶ **18 U.S.C. §1343** states, "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation occurs in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially declared major disaster or emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both."

¹⁷ **18 U.S.C. §1001** states, "(a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully— (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, imprisoned not more than 5 years or, if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both. If the matter relates to an offense under chapter 109A, 109B, 110, or 117, or section 1591, then the term of imprisonment imposed under this section shall be not more than 8 years."

¹⁸ **Louisiana Constitution Article VII, Section 14(A)** states, "Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

¹⁹ **La. R.S 42:13(A)** states, in part, "(2) 'Meeting' means the convening of a quorum of a public body to deliberate or act on a matter over which the public body has supervision, control, jurisdiction, or advisory power. It shall also mean the convening of a quorum of a public body by the public body or by another public official to receive information regarding a matter over which the public body has supervision, control, jurisdiction, or advisory power.... (4) 'Quorum' means a simple majority of the total membership of a public body."

²⁰ **La. R.S 42:14** states, in part, "A. Every meeting of any public body shall be open to the public unless closed pursuant to R.S. 42:16, 17, or 18. B. Each public body shall be prohibited from utilizing any manner of proxy voting procedure, secret balloting, or any other means to circumvent the intent of this Chapter. C. All votes made by members of a public body shall be viva voce and shall be recorded in the minutes, journal, or other official, written proceedings of the body, which shall be a public document."

²¹ **La. R.S 14:26(A)** states, "Criminal conspiracy is the agreement or combination of two or more persons for the specific purpose of committing any crime; provided that an agreement or combination to commit a crime shall not amount to a criminal conspiracy unless, in addition to such agreement or combination, one or more of such parties does an act in furtherance of the object of the agreement or combination."

²² **La. R.S 17:3991(E)** states, in part, "A charter school shall not... 3) Charge any pupil any tuition or an attendance fee of any kind."

²³ **La. R.S 17:177** states, in part, "A. By not later than December 1, 2019, the governing authority of each public elementary and secondary school shall adopt and publish on its website a policy for the assessment, collection, and use of fees charged to students or their parents or legal guardians. The policy shall be revised annually as necessary. B. For purposes of this Section, "fees" shall mean any monetary payment or supplies required as a condition of a student being enrolled in school or participating in any curricular or cocurricular activity. Fees shall not mean the cost of school meals. C. Each policy shall contain, at a minimum: (1) A list of all fees, including the purpose, use, and the amount or authorized range for each. Fees charged for the same item or service shall be consistent among all schools under the jurisdiction of the school governing authority. (2) A description of how each fee is collected and spent. (3) A description of how a student or his parent or legal guardian may request and receive a waiver of payment of a fee due to economic hardship and the objective criteria on which the granting of a waiver is based which may include but not be limited to the following relative to the student or his family: (a) Is receiving unemployment benefits or public assistance including Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, supplemental security income, or Medicaid. (b) Is in foster care or is caring for children in foster care. (c) Is homeless. (d) Is serving in, or within the previous year has served in, active military service. (e) Is eligible for free or reduced priced meals in schools not participating in the Community Eligibility Provision Program. (f) Is an emancipated minor. (4) An appeals process to the local superintendent or his designee for a waiver request that is initially denied. (5) A prohibition against assessing a fee not authorized by the policy. (6) A statement that failure to pay any required fee shall not result in the withholding of a student's educational record..."

²⁴ **La. R.S 14:230** states, in part, "A. As used in this Section: (1) "Criminal activity" means any offense, including conspiracy and attempt to commit the offense, that is classified as a felony under the laws of this state or the United States or that is punishable by confinement for more than one year under the laws of another state. (2) "Funds" means any of the following: (a) Coin or paper money of the United States or any other country that is designated as legal tender and that circulates and is customarily used and accepted as a medium of exchange in the country of issue. (b) United States silver certificates, United States Treasury notes, and Federal Reserve System notes. (c) Official foreign bank notes that are customarily used and accepted as a medium of exchange in a foreign country and foreign bank drafts. (d) Electronic or written checks, drafts, money orders, traveler's checks, or other electronic or written instruments or orders for the transmission or payment of money. (e) Investment securities or negotiable instruments, in bearer form or otherwise in such form that title thereto passes upon delivery. (3) "Peace officer" has the same meaning as in R.S. 40:2402(1)(a). (4) "Proceeds" means funds acquired or derived directly or indirectly from or produced or realized through an act. B. It is unlawful for any person knowingly to do any of the following: (1) Conduct, supervise, or facilitate a financial transaction involving proceeds known to be derived from criminal activity, when the transaction is designed in whole or in part to conceal or disguise the nature, location, source, ownership, or the control of proceeds known to be derived from such violation or to avoid a transaction reporting requirement under state or federal law. (2) Give, sell, transfer, trade, invest, conceal, transport, maintain an interest in, or otherwise make available anything of value known to be for the purpose of committing or furthering the commission of any criminal activity. (3) Direct, plan, organize, initiate, finance, manage, supervise, or facilitate the transportation or transfer of proceeds known to be derived from any violation of criminal activity. (4) Receive or acquire proceeds derived from any violation of criminal activity, or knowingly or intentionally engage in any transaction that the person knows involves proceeds from any such violations. (5) Acquire or maintain an interest in, receive, conceal, possess, transfer, or transport the proceeds of criminal activity. (6) Invest, expend, or receive, or offer to invest, expend, or receive, the proceeds of criminal activity."

²⁵ **18 U.S.C. §1956(a)(1)** states, "Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity— (A)(i) with the intent to promote the carrying on of specified unlawful activity; or (ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986; or (B) knowing that the transaction is designed in whole or in part—(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or (ii) to avoid a transaction reporting requirement under State or Federal law, shall be sentenced to a fine of not more than \$500,000 or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than twenty years, or both. For purposes of this paragraph, a financial transaction shall be considered to be one involving the proceeds of specified unlawful activity if it is part of a set of parallel or dependent transactions, any one of which involves the proceeds of specified unlawful activity, and all of which are part of a single plan or arrangement."

²⁶ **La. R.S 24:513(A)(3)** states, "The financial statements of the offices of the independently elected public local officials, including judges, sheriffs, clerks of court, assessors, and district attorneys, all parish governing authorities, all political subdivisions created by parish governing authorities or by law, and all districts, boards, and commissions created by parish governing authorities either independently or in conjunction with other units of government, school boards, district public defender offices, municipalities, all political subdivisions created by municipal governing authorities, and all boards and commissions created by municipalities, either independently or in conjunction with other units of government, city courts, quasi-public agencies, housing authorities, mortgage authorities, or other political subdivisions of the state not included within the annual comprehensive financial reports required pursuant to R.S. 39:80, hereinafter collectively referred to as "local auditee", shall be audited or reviewed by licensed certified public accountants subject to Paragraphs (5) and (6) of this Subsection but may be audited by the legislative auditor pursuant to Paragraph (4) of this Subsection. The total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees, shall be reported as a supplemental report within the financial statement of the local auditee; however, nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report. Any person authorized to conduct an audit of a governmental entity pursuant to R.S. 37:77 shall be permitted to continue auditing that governmental entity subject to the approval of the legislative auditor provided for in Paragraphs (5) and (6) of this Subsection."

²⁷ **La. R.S 47:2205** states, "The governing body of a political subdivision may by ordinance allow the donation of any identified adjudicated property to any person to the extent allowed by the Louisiana Constitution. The donated property can be used only for purposes allowed by the Louisiana Constitution."

Article VII, Section 14(B) of the Louisiana Constitution states, in part, "Authorized Uses. Nothing in this Section shall prevent... (6) the donation of abandoned or blighted housing property by the governing authority of a municipality or a parish to a nonprofit organization which is recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4) nonprofit organization and which agrees to renovate and maintain such property until conveyance of the property by such organization..."

²⁸ **La. R.S 47:2209** states, "Notwithstanding any provision of law to the contrary, when a tax debtor or an owner participates, directly or indirectly, in a post-adjudication sale or donation during or subsequent to expiration of the redemptive period, it shall be treated as a redemption, and the tax debtor or owner shall be required to pay all taxes and costs in accordance with all laws applicable to redemptions. However, if the property is redeemed, all mortgages, liens, privileges, and other encumbrances affecting the property prior to the sale shall remain in full force and effect with the same validity and priority as if the sale had not occurred."

APPENDIX A

Chakesha Scott's Response



LAW OFFICE OF
STEPHEN J. HAEDICKE

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January 29, 2025

Michael J. “Mike” Waguespack, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397
By Certified Mail
Also by Email at responses@lla.la.gov

RE: Draft Audit Report- Education Explosion, Inc.

Dear Mr. Waguespack:

Please accept this letter as Dr. Chakesha Scott’s response to the above-referenced Audit Report.

Dr. Chakesha Scott has worked tirelessly to provide quality education to the young children of Baker since founding Education Explosion, Inc., over 15 years ago. Her efforts and leadership are reflected in the growth and achievements of Impact Charter School over the years, including being recognized as a B-rated school and a Top Gains school five times, and also a Louisiana Comeback School by LDOE. For two consecutive years, *U.S. News & World Report* has also honored Impact Charter School as one of the Best Charter Schools and Best Public Schools in Louisiana. Furthermore, in addition to the nine clean financial audit reports published on the LLA website over the last 10 years, the latest 2023-2024 LDOE annual review found that Impact Charter School “*Meets All Expectations*” for overall financial and overall operational ratings. Dr. Scott stands by her record educating the children of Baker and she is proud of what she has accomplished at Impact Charter School.

Regarding the Legislative Auditor’s investigative report, Dr. Scott believes its purported findings are inaccurate, unsupported, and/or based on incomplete information about the transactions it discusses. Dr. Scott notes that the report reflects a fundamental misunderstanding of the relationship between Education Explosion, Inc., and Friends of Impact Charter, which are two separate and independent legal entities. Furthermore, many of the transactions discussed in the report involve third-party contractors over which Dr. Scott has no control. Moreover, the report selectively uses information to suggest an inaccurate narrative regarding various transactions. For example, the report uses personal pictures to suggest trips did not have a business purpose, but it fails to discuss other information showing that these trips were in fact for business purposes or were partially paid for with personal funds. And it does not acknowledge the commonsense fact that simply taking a personal photo during a business trip does not change the trip’s character.

Dr. Scott also notes that if there were any inadvertent errors in corporate formalities or record-keeping, those errors can be corrected, to the extent they have not already been corrected. Similarly, if there were misunderstandings or innocent mistakes regarding proper accounting or policies governing funds, such mistakes can be corrected to the extent they have not already been addressed. Dr. Scott maintains that she has acted in good faith and for the benefit of the school throughout her tenure, and she believes the boards of both Education Explosion and Friends of Impact Charter stand by her.

At the end of the day, Dr. Scott is an educator whose greatest pride, joy, and achievement has been the growth of Impact Charter School and the contributions it has made to the Baker community. Although Dr. Scott denies the allegations contained in the LLA report, it has become apparent that the LLA will likely issue the report as it is, regardless of what Dr. Scott says, and so this letter is not the proper forum for a detailed refutation of the allegations the report contains. However, to the extent it is necessary, Dr. Scott looks forward to the opportunity to confront any false allegations or improper suggestions made in the report at the appropriate place and time.

Sincerely yours,



Stephen J. Haedicke

APPENDIX B

Education Explosion's Response



January 29, 2025

Via Certified Mail & Email
Mike Waguespack, CPA
Louisiana Legislative Auditor
1600 N. 3rd Street
Baton Rouge, LA 70802

Re: Response to Legislative Audit Report on Behalf of Education Explosion, Inc.

Dear Mr. Waguespack,

On behalf of Education Explosion, Inc., the nonprofit operator of Impact Charter School, we submit this formal response to the Legislative Auditor's investigative report. While we respect the importance of oversight and accountability, this report contains significant mischaracterizations, speculative conclusions, and findings that lack sufficient evidentiary support.

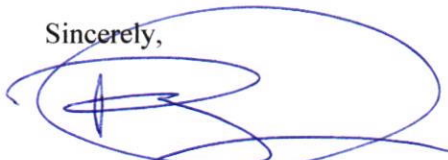
For more than 15 years, Education Explosion, Inc. has remained steadfast in its mission to provide high-quality education and opportunities for students in Baker and the surrounding communities. Under dedicated leadership, the school has grown into a B-rated institution recognized for academic excellence, student achievement, and financial responsibility. Impact Charter School has been named a Top Gains School five times, a Louisiana Comeback School, and, for two consecutive years, one of Louisiana's Best Charter and Public Schools by U.S. News & World Report. In addition, Education Explosion has consistently met financial and operational compliance requirements, successfully undergoing nine consecutive clean audits published by the Legislative Auditor over the last ten years. Most recently, the 2023-24 Louisiana Department of Education (LDOE) Annual Review Report designated Impact Charter School with an overall financial rating and operational rating of "Meets All Expectations" in both categories.

Despite this demonstrated record of academic and financial integrity, the audit report selectively presents information to suggest misleading and inaccurate conclusions. The findings rely on circumstantial assumptions, incomplete data, and misinterpretations of financial records, while failing to acknowledge proper board approvals, financial oversight, and adherence to established governance structures. Furthermore, the report improperly includes references to alleged legal violations by individuals, which fall outside the scope of an organizational financial audit and should not be included in findings related to Education Explosion as an entity.

Education Explosion is committed to transparency, compliance, and continuous improvement and will always take necessary steps to strengthen its policies where warranted. However, we cannot implement recommendations based on unsubstantiated claims. We formally request that all speculative and misleading allegations be removed from the final report to ensure accuracy, fairness, and adherence to proper auditing standards.

The following pages provide detailed responses addressing each of the report's findings. Should the Legislative Auditor proceed with publishing this report in its current form, Education Explosion reserves all rights to take appropriate legal action to protect its reputation, leadership, and operations.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ronald Haley', enclosed within a large, loopy oval flourish.

Ronald Haley, Esq.
Haley and Associates Law Firm

Response to Finding # 1: Chief Executive Officer Diverted Charter School Funds to Nonprofit Corporation

Education Explosion, Inc. strongly refutes the allegation that Dr. Scott improperly diverted funds to Friends of Impact Charter Schools (FOICS) or used funds for personal benefit. These claims are based on incomplete information, mischaracterizations, and a misunderstanding of the financial relationship between Education Explosion and FOICS. Below is a detailed, legally supported response addressing the key points in the finding.

1. Legitimacy of Lease Payments

The lease payments made by Education Explosion to FOICS were lawful, documented, and supported by prudent financial decisions and board-approved agreements:

- **Calculated Lease Rate for Financial Stability:** The lease rate was determined based on the highest potential interest rate stipulated in FOICS's mortgage terms due to the fact that FOICS's mortgage payments could vary month to month with the maximum interest rate at 18%. This ensured FOICS could meet its financial obligations under varying economic conditions while enabling Education Explosion to budget consistently. Far from being "excessive," this approach was a responsible financial strategy that safeguarded both organizations' long-term stability.
 - **Board Oversight and Approval:** The lease agreement (Ex. A) was presented to and approved by Education Explosion's board, with decisions made transparently during board meetings. Contrary to the report's claims, the September 2022 board meeting had a quorum, with members attending virtually and via audio calls, as documented in the minutes (Ex.B). Allegations that the meeting lacked quorum fail to account for established virtual attendance protocols.
 - **Legal Oversight and Administrative Clarifications:** The lease agreement was prepared by legal counsel at Adams and Reese (Ex. C), who advised Dr. Scott to execute the lease as CEO of Education Explosion and Registered Agent of FOICS. A minor correction to her title during the process reflects standard administrative adjustments, not impropriety. Dr. Scott has never claimed to be the CEO of FOICS.
-

2. FOICS's Role as an Independent Entity

FOICS operates as a legally distinct nonprofit organization, governed by its own board of directors and financial policies:

- **Jurisdictional Overreach by Auditors:** Under **La. R.S. 24:513**, the Legislative Auditor's jurisdiction is limited to public funds. FOICS does not receive public funds, and its financial activities fall outside the scope of this audit. Including FOICS in the report misrepresents its independence and exceeds the auditors' authority.
- **Legitimate Operational Activities:** FOICS's funds were used for lawful purposes consistent with its mission, such as mortgage payments on the school property and other operational expenses. These activities were managed independently by FOICS's board, reinforcing the separation between the two entities.

3. Proper Use and Handling of PPP Funds

The treatment of PPP funds during the COVID-19 pandemic was lawful, transparent, and aligned with the program's requirements:

- **Funds Used as Intended:** The PPP funds were used to cover payroll expenses as specified in the loan application. These expenditures were properly documented, resulting in full loan forgiveness by the Small Business Administration (SBA).
 - **Precautionary Financial Safeguard:** As a prudent measure, an equivalent amount of surplus funds was set aside in a FOICS account to ensure financial stability in the event the loan was not forgiven. These funds remain untouched, as confirmed during the audit. Characterizing this precautionary measure as "diversion" is both inaccurate and misleading.
-

4. Mischaracterization of Financial Transactions

The report misrepresents several financial transactions as evidence of impropriety:

- **No Diversion of Funds:** Payments to FOICS were made under a legally binding lease agreement and other board-approved uses. FOICS's role as a supporting organization for Education Explosion underscores the lawful nature of these transactions.
 - **Cash Handling Practices:** While Education Explosion previously collected cash on behalf of FOICS, these funds were promptly handed over and appropriately accounted for. Education Explosion did not take ownership of the funds, and this process was discontinued to streamline operations.
 - **Speculative Claims:** The report relies on incomplete and out-of-context text messages to suggest wrongdoing. These speculative interpretations lack the evidentiary support required to substantiate such serious allegations.
-

5. Red River Charter Academy Partnership

The partnership between Education Explosion and Red River Charter Academy (RRCA) was legitimate, transparent, and board-approved:

- **Board-Approved Expansion Efforts:** The [February 2024 minutes](#) (Ex. B) confirm the board's approval of the RRCA partnership as part of Education Explosion's strategic [expansion plan](#) (Ex. D). Payments received from RRCA were designated for school expansion efforts under FOICS's management, aligning with its mission to support educational initiatives.
- **Proper Handling of Funds:** Revenue earned from RRCA's consulting agreement was deposited into FOICS's account for [expansion efforts](#). (Ex. D) This was consistent with FOICS's role as a supporting organization and did not involve any misuse or diversion of funds.

6. Violations of Legal and Professional Standards by Auditors

The report includes numerous speculative claims and mischaracterizations that violate auditing standards and legal statutes:

- **Violation of GAGAS:** The auditors failed to meet the requirements of **Generally Accepted Government Auditing Standards (GAGAS)**, which mandate that findings be based on sufficient, reliable evidence. The report's reliance on fragmented records, speculative text messages, and assumptions fails to meet this standard.
 - **Jurisdictional Overreach:** The inclusion of FOICS in the audit of Education Explosion exceeds the auditors' jurisdiction under **La. R.S. 24:513**, as FOICS does not handle public funds and operates independently.
 - **Defamation Risk:** Allegations of personal benefit and fund mismanagement lack substantiating evidence, unjustly damaging the reputations of Dr. Scott, Education Explosion, and FOICS. Publishing these claims without adequate proof exposes the auditors to potential defamation claims.
 - **Invasion of Privacy:** The auditors' use of private communications and speculative interpretations constitutes an invasion of privacy and raises significant ethical concerns.
-

Request for Removal of Baseless Allegations

The speculative and unsupported nature of these findings necessitates their immediate removal from the report. The auditors' overreach and reliance on incomplete evidence undermine the credibility of their conclusions and unjustly harm the reputations of Dr. Scott, Education Explosion, and FOICS.

We urge the Legislative Auditor to adhere to the principles of fairness, accuracy, and evidence-based reporting as required under **La. R.S. 24:513** and GAGAS. Any allegations failing to meet these standards must be excluded. Education Explosion and FOICS reserve the right to take necessary steps to protect their reputations and interests should these concerns remain unaddressed.

Response to Finding # 2: CEO Diverted Fees Paid by Parents and Students to Nonprofit Corporation and Financial Accounts Not Associated with the School

Though Education Explosion, Inc. refutes the allegations that Dr. Scott diverted funds as described in Finding #2, Education Explosion, Inc. believes this allegation is outside of the scope of the audit into Education Explosion as it describes activities of a separate non-profit organization that is not subject to the oversight of the Legislative Auditor's Office. FOICS is a separate nonprofit entity with distinct governance and financial oversight, thus Education Explosion, Inc. requests that Finding #2 is removed from the final audit report.

Response to Finding # 3: School Contractor Appears to Have Shared Proceeds from School Contracts With the CEO

After Education Explosion Board's internal investigation into Finding # 3, Education Explosion, Inc. disagrees with the finding that Dr. Scott shared proceeds with the school contractor, Friendly Finishing Maintenance Company, LLC (FFM). Nonetheless, there has been no proof that the funds paid to Dr. Scott by FFM were in fact from Education Explosion's contract with FFM. Additionally, any financial arrangement between Dr. Scott in her personal capacity with a privately owned company is outside of the scope of the LLA audit and should be removed from the final audit report.

Response to Finding # 4: CEO May Have Used Charter School Funds for Work on Personal Residence

Education Explosion, Inc. formally requests the removal of allegations related to construction and landscaping expenditures from the audit report, as they are speculative, misleading, and unsupported by factual evidence. After the Education Explosion Board's internal investigation, it was reconfirmed that all payments to Sam Green & Sons Construction were properly approved, fully documented, and aligned with standard market rates for the work performed. The LLA report incorrectly links personal and school-related projects based on circumstantial timing and speculative interpretations of notes and text messages, rather than verifiable financial records. Additionally, references to alleged legal violations by individuals have no relevance to the financial and operational audit of Education Explosion as an organization and should be excluded. These claims fall outside the proper scope of the audit and create a misleading narrative that could result in unwarranted reputational harm. Given these concerns, Education Explosion urges the removal of these baseless allegations to maintain the integrity and accuracy of the final report.

Response to Finding # 5: CEO Used Charter School Funds for Personal Travel

Education Explosion strongly denies the allegations that school funds were misused for personal travel. These claims rely on speculative assumptions, omissions of key facts, and misrepresentations of legitimate school-related travel expenses and practices.

1. Proof of Personal Ownership of the Credit Card

The report falsely identifies Dr. Scott's personal credit card as a school-owned card, leading to misapplied policies and mischaracterized transactions.

- **Ownership Confirmed:** Documentation from Capital One (Ex. E) confirms that the credit card is owned personally by Dr. Scott, and she is solely responsible for the account. Education Explosion has no financial responsibility or ownership related to this card.

2. Legitimate School-Related Travel Expenses

The LLA report fails to recognize the professional development with documented earned CEU hours granted by the PD company that requires international travel, instructional staff recruitment, and leadership purposes of travel expenses incurred by Dr. Scott and Mr. Scott.

- **Professional Development and Leadership Conferences:**
 - **Disney Paris Trip (Ex. F-K):** This professional development program titled “Disneyland Paris” included structured leadership training, curriculum development, and networking sessions, with an itinerary dedicated to over 24 hours of professional sessions.
 - **Egypt Trip (Ex. F-K):** This trip included over 24 hours of professional development sessions, educational school tours, and networking with educators from across the country, aligning directly with Education Explosion’s goals.
 - **Wellness Resort Conferences (Ex. L):** Leadership and wellness sessions provided at these conferences informed initiatives such as the staff wellness room and “Wellness Wednesday” wellness programs and policies (Ex. M) that are implemented at the school.
 - **Trips Mischaracterized:**
 - **Las Vegas Trip:** Contrary to the report’s implications, this trip involved school tours, teacher recruitment efforts, and professional networking opportunities. Travel costs for non-school leaders, such as Courtney Scott, were paid with personal funds, demonstrating fiduciary responsibility.
 - **Indianapolis Trip:** The report incorrectly states that Mr. Scott did not participate in activities. He was an active participant in a professional learning community of school leaders, which directly supported his role as principal.
 - **New Orleans ISTE Conference:** After the Egypt trip, Mr. Scott stayed in New Orleans to attend the ISTE (International Society for Technology in Education) Conference (Ex. N), an internationally recognized event for educational leaders focusing on technology integration and leadership.
 - **Leadership Conference Mischaracterized:** The report inaccurately labels a leadership-focused conference as a “sorority conference.” This event provided leadership training (Ex. O) and networking opportunities relevant to Dr. Scott’s role as CEO.
-

3. Board Authorization for Spending

The report fails to recognize that Dr. Scott’s travel and related expenditures were authorized by Education Explosion’s board.

- **Board Resolution Authority:** The Board Resolution (Ex. P), dated August 14, 2013, explicitly authorizes Dr. Scott, as CEO, to make all necessary spending and purchasing transactions on behalf of the school, including travel expenses. This authorization provides a clear basis for her financial decisions related to school operations.
-

4. Long History of Personal Payments

The report mischaracterizes Dr. Scott’s financial practices by framing recent credit card payments as reactive to the audit, ignoring her consistent history of using personal funds to cover credit card personal expenses.

- **Personal Payments Confirmed:** Dr. Scott has consistently paid for personal expenses on her card with her own funds, as substantiated by financial records. This long-standing

practice demonstrates her commitment to separating personal and school-related expenditures.

5. Documentation and Receipts Were Maintained

The report inaccurately claims that receipts were not consistently maintained for expenses.

- **Proper Documentation:** Education Explosion retained receipts, itineraries, and conference agendas for most expenses, providing evidence of their professional and school-related nature. The auditors' failure to acknowledge these records results in a distorted narrative.
-

6. FOICS Independence and Unrelated Transactions

The report conflates FOICS' transactions with Education Explosion's public funds, despite FOICS being a separate legal entity.

- **Separate Governance and Financial Oversight:** FOICS operates independently with its own governance and financial controls. Transactions cited in the report, such as payments for wellness trips, were approved under FOICS' policies and unrelated to Education Explosion.
-

7. Misleading Inclusions and Omissions

The report relies on speculative claims and omits critical context, undermining the credibility of its findings.

- **Social Media and Private Photographs:** The report's reliance on private photographs and social media posts is speculative and constitutes an invasion of privacy. Dr. Scott, like any individual, is entitled to personal activities during non-business hours on professional trips without this being misconstrued as misuse of funds.
 - **NCC Reimbursement:** The reimbursement check from the National Charter Collaborative (NCC) was made payable to Dr. Scott personally.
-

8. Legal and Professional Standards Violations by the Auditors

The auditors' handling of this finding raises significant ethical and legal concerns.

- **Speculative and Misleading Claims:** The reliance on incomplete records and speculative assumptions violates **Generally Accepted Government Auditing Standards (GAGAS)**.
 - **Invasion of Privacy:** Including private photographs and social media posts unrelated to the findings breaches Dr. Scott's privacy.
 - **Defamation Risk:** Misleading claims regarding Dr. Scott's financial practices and travel expenses risk reputational harm and expose the auditors to potential defamation claims.
-

Conclusion

The allegations that Dr. Scott misused school funds for personal travel are speculative, misleading, and unsupported by evidence. The credit card in question is personally owned by Dr. Scott, and travel expenses were incurred for professional development, recruitment, and leadership purposes aligned with Education Explosion's mission. Documentation, including receipts, conference agendas, and a Board Resolution, further substantiates the legitimacy of these expenses.

The inclusion of speculative claims, irrelevant FOICS transactions, and private photographs violates auditing standards and constitutes an invasion of privacy. Education Explosion strongly urges the removal of these baseless allegations from the report. Failure to address these concerns may result in legal actions to protect the reputations and rights of Education Explosion, Dr. Scott, and other affected parties.

Response to the Finding # 6: Charter School Funds Used to Lease and/or Purchase Vehicles for CEO

Education Explosion unequivocally denies the allegation that school funds were misused to lease, purchase, or maintain vehicles for Dr. Scott's personal use. The vehicles referenced in the report were acquired with board approval, used exclusively for legitimate school purposes, and properly documented in financial records and audits. Below is a thorough response addressing the inaccuracies in this finding.

1. Vehicles Were Approved and Classified for School Use

- **Board Authorization for Leases and Purchases:** The vehicles, including the 2017 Acura MDX and 2021 Land Rover Velar, were obtained with explicit board approval via [annual school budget approval](#) (Ex. Q) or as part of [board discussions and votes](#) (Ex. R) regarding transportation needs, which included both buses and administrative vehicles. Further, the [Board Resolution](#) (Ex. S) in place gives Dr. Scott the authority to make necessary transportation decisions, including new leases, on behalf of the school.
- **Proper Classification in Financial Records:** The vehicles were classified as "school transportation" assets in Education Explosion's capital asset schedule and annual audits. This classification is consistent with their use for school-related purposes and aligns with best practices for asset management in educational institutions.

2. Misrepresentation of Personal Use and Tax Implications

- **Speculative Claims of Personal Use:** The report's assertion that Dr. Scott and Courtney Scott used the vehicles for personal purposes is speculative and unsupported. Text messages cited by auditors fail to provide concrete evidence of improper use and omit relevant context. The fact that Dr. Scott did not own a personal vehicle during certain periods does not equate to misuse of school vehicles.

- **Appropriate Use by Volunteers:** Courtney Scott's use of the Acura MDX aligns with her role as a long-standing school volunteer. As with employees, volunteers are covered under the school's commercial insurance policy, making her use of the vehicle entirely appropriate.
 - **Rental Car Mischaracterization:** The reference to Dr. Scott renting a Mercedes after an accident is misleading. Rental car companies assign vehicles based on availability, and Dr. Scott had no control over the car provided.
 - **Insurance Reimbursements Handled Properly:** Insurance reimbursements related to vehicle use were deposited into Education Explosion or FOICS accounts as part of routine financial practices. FOICS has a history of supporting Education Explosion through donations, further ensuring proper fund allocation.
-

3. Handling of Board Member Signature

- **Sharon Henderson's Signature:** The report's claim that Ms. Henderson did not authorize or recall signing documents for the vehicle purchase is misleading. After the digital signature was provided, the bank required a wet signature (**Ex. T**), which Ms. Henderson personally provided (**Ex. T**) at the school. Omitting this critical fact creates a false narrative and undermines the accuracy of the report.
-

4. Legitimate Repairs by FFM Motors

- **Use of a Reputable Service Provider:** Repairs to the vehicles were handled by FFM Motors, a reputable company specializing in automotive services. Nathaniel Harrison, the owner, is a well-regarded business professional. Utilizing FFM Motors was consistent with Education Explosion's responsibility to maintain its assets.
 - **Text Message Misinterpretation:** The report misrepresents text messages regarding invoices, ignoring verbal discussions and broader project contexts. The invoice for "facility painting" reflects legitimate school-related work and was not connected to vehicle repairs.
-

5. License Plate Mischaracterization

- **No Sorority Connection:** The report's suggestion that the license plate cover on the Land Rover Velar represented Dr. Scott's sorority is inaccurate. The cover reads "**AKA Administrator**," where "AKA" stands for "**also known as**." This detail has no connection to any sorority and does not imply personal use of the vehicle. The Land Rover Velar is designated for school administrative purposes and is not exclusive to Dr. Scott.
-

6. Allegations of Board Meeting Irregularities and Vehicle Compensation

- **Board Ratification of Actions:** On July 6, 2023 (**Ex. U**), the board ratified all actions from prior meetings, including approvals related to vehicle leases and purchases. This ratification resolved any procedural concerns regarding earlier board discussions or votes.
 - **Proper Financial Reporting:** The vehicles were consistently classified as administrative assets in Education Explosion's financial records. Allegations that these vehicles were improperly categorized or omitted from compensation disclosures misrepresent the meticulous efforts made to ensure accurate reporting.
-

7. Violations of Legal and Professional Standards by Auditors

- **Speculative and Misleading Findings:** The report relies on incomplete records, speculative text message interpretations, and omissions of key context, violating **Generally Accepted Government Auditing Standards (GAGAS)**, which require findings to be supported by sufficient and reliable evidence.
-

Conclusion

The vehicles referenced in the report were obtained with board approval, appropriately classified as school transportation, and used exclusively for legitimate school purposes. Claims of personal use are speculative and unsupported, relying on incomplete and misinterpreted evidence. The report misrepresents key facts, including board meeting actions, the context of repairs, and financial reporting.

Education Explosion strongly urges the removal of these baseless allegations from the report. If these unsupported claims remain, they may result in legal action to protect the reputations and rights of Education Explosion, Dr. Scott, and others involved

Response to Finding # 7: Charter School Used Funds to Obtain, Repair, and Improve a Building the School Did Not Own

Education Explosion strongly denies the finding that school funds were improperly used to obtain, repair, or improve a building not owned by the school. The building in question was integral to the operations of both Education Explosion and Friends of Impact Charter Schools (FOICS), and all expenditures were legitimate, well-documented, and necessary for operational needs.

1. Legitimate Donation of the Uniform Store

The building referred to as the uniform store was donated by Marilyn Webb to FOICS on March 1, 2019, as documented in a notarized affidavit (**Ex. V**). The donation occurred when the land previously leased for the building was sold, making it necessary to relocate the structure.

- **Ownership Misunderstanding:** The auditors appear to have confused the sale of the land with the status of the movable building. In Louisiana, movable property is not typically

subject to adjudication, undermining the claim that the building could not have been donated to FOICS.

- **Purpose of the Building:** The uniform store served as a key asset for school operations, facilitating the storage and distribution of uniforms necessary for students.
-

2. School's Use of the Building and Related Expenditures

The building was critical to the school's operations, and all expenditures associated with its use were justified.

- **Mutual Benefit of the Capital Lease Agreement:** The school operates on property owned by FOICS under a capital lease agreement. As outlined in the [lease agreement \(Ex. A\)](#), Education Explosion is responsible for costs incurred for maintaining and improving the property, including the uniform store.
 - **Board Approval for Relocation Costs:** The board [discussed and approved \(Ex. W\)](#) the relocation of the building to the school property in August 2021 to centralize operations. The \$27,500 cost for moving the building was essential and aligned with the school's needs.
-

3. Misrepresentation of Fence Repairs and Text Messages

The auditors misrepresented text messages between Dr. Scott and Mr. Green, creating a false narrative about the use of school funds for personal purposes.

- **Separate School and Personal Expenses:** Mr. Green performed fence work at both Dr. Scott's home and the school around the same time. However, only school-related expenses were paid for with school funds and with board knowledge as evidenced in [August 2023 board minutes](#). Dr. Scott personally covered any expenses related to her home, consistent with her long-standing practice of ensuring that school funds are used exclusively for school purposes.
 - **Context of Verbal Discussions:** The text messages cited by the auditors omit the context of verbal discussions that clarified the scope of work for school projects. The invoices referenced reflect legitimate work performed for the school, such as plumbing and site improvements, and were properly documented.
-

4. Misrepresentation of Occupancy Records

The auditors' interpretation of the occupancy records to suggest that Dr. Scott owned the building is legally incorrect and misleading.

- **Purpose of Occupancy Application:** Dr. Scott applied for the occupancy permit in January 2020 as a procedural requirement to obtain permits necessary for the building's relocation and operation on school property owned by FOICS. This was not an indication of ownership.
- **Ownership Documentation:** The [notarized donation \(Ex. V\)](#) of the building to FOICS in 2019 confirms that Dr. Scott did not own the property. Any claim suggesting otherwise is speculative and unsupported.

5. Misleading Claims About Uniform Sales

The auditors' claim that parents were required to purchase uniforms from Ms. Webb's business is misleading and omits key context.

- **Uniforms Managed by FOICS:** Uniform sales were managed by FOICS, not Ms. Webb's business. Communication to parents regarding uniforms was intended to prevent the purchase of unauthorized items from third-party vendors.

6. Legal and Professional Standards Violations by Auditors

The auditors' methodology raises significant ethical and legal concerns.

- **Speculative and Misleading Claims:** The reliance on circumstantial evidence, such as handwritten notes and selectively cited text messages, violates **Generally Accepted Government Auditing Standards (GAGAS)**. Findings must be based on sufficient, reliable evidence, which is lacking here.
- **Violation of Privacy:** Publicizing private text messages and misrepresenting financial records constitutes an inappropriate invasion of privacy and risks reputational harm to individuals and organizations.

Conclusion

The expenditures associated with the uniform storage building were legitimate, necessary, and aligned with the operational needs of both Education Explosion and FOICS. The building's relocation, repairs, and maintenance were discussed and approved by the board, consistent with the capital lease agreement between FOICS and the school.

The auditors' findings rely on speculative evidence, omit critical context, and misrepresent key facts. Education Explosion urges the removal of these baseless allegations from the report. Failure to address these concerns may result in legal action to protect the rights and reputations of Education Explosion, FOICS, and their leadership.

Response to Finding # 8: CEO May Have Used School Funds for Additional Personal Expenses

Education Explosion strongly denies the finding that school funds were used for personal expenses by Dr. Scott and Mr. Scott. The expenses cited in the report were legitimate professional development costs, aligned with the school's mission, or reimbursed in instances of personal use.

1. Professional Development for Educational Leadership

- **Doctoral Programs Aligned with Leadership Roles:** The coursework (Ex. X) pursued by Dr. Scott and Mr. Scott in their doctoral programs was directly related to their

responsibilities in educational leadership. These programs enhanced their knowledge and skills in areas critical to the success of the school, including strategic planning, curriculum development, and organizational management.

- **Board Authorization for Professional Development:** Education Explosion's [Board Resolution](#) (Ex. S) authorizes Dr. Scott, as CEO, to make professional development decisions for herself and other staff members. The payments for the doctoral programs were coded as professional development expenses in the school's accounting system, consistent with the board-approved authority.
 - **Not a Fringe Benefit:** The report's claim that these expenses constitute a taxable fringe benefit is incorrect. Professional development expenses for educational leaders are an investment in the school's mission and are not personal compensation under IRS guidelines.
-

2. Wellness Professional Development

- **Wellness Policy (Ex. L) Compliance:** The payments characterized as "personal training" were part of a structured wellness professional development program. This program supported the school's **wellness policy**, which emphasizes staff wellness as a priority for creating a health-promoting learning environment for students and staff.
 - **Mischaracterization of Wellness Initiatives:** The report mislabels this legitimate professional development as a personal expense, ignoring the broader context of the school's wellness initiatives, which include professional learning opportunities related to health and wellness.
-

3. Reimbursement for Personal Expenses and Use of a Personal Credit Card

- **Housekeeping Services Paid with Personal Funds:** The report inaccurately claims that housekeeping services for Dr. Scott and Mr. Scott's personal residence were paid for using school funds. These expenses were charged to Dr. Scott's [personal Capital One credit card](#) (Ex. E), not a school card, as repeatedly mischaracterized in the report. Any personal charges were reimbursed to the school or paid directly to the credit card company using personal funds, consistent with Dr. Scott's long-standing practice of ensuring personal costs are not borne by Education Explosion.
-

4. Legal and Professional Standards Violations by Auditors

- **Speculative and Misleading Claims:** The reliance on incomplete records and speculative interpretations violates **Generally Accepted Government Auditing Standards (GAGAS)**. Findings must be based on sufficient, reliable evidence, which is lacking in this case.
- **Violation of IRS Guidance:** The claim that these expenses are taxable fringe benefits disregards the IRS's recognition of professional development expenses as business-related and deductible when they enhance job-related skills.

Conclusion

The expenses cited in the report were legitimate, necessary, and aligned with the professional responsibilities of Dr. Scott and Mr. Scott. The doctoral programs supported their leadership roles at Education Explosion, and the wellness program was part of the school's broader commitment to promoting staff and student well-being.

Any personal expenses, such as housekeeping services, were charged to Dr. Scott's personal credit card, not a school card, and reimbursed to the school if necessary. There is no evidence of improper financial conduct. Education Explosion strongly urges the removal of this finding.

Response to Recommendations from the Report

Education Explosion appreciates the observations and recommendations outlined in the report and values the opportunity to review and strengthen our policies and practices where needed. We remain committed to operating with transparency, efficiency, and accountability, ensuring that all processes align with applicable legal and operational standards. While we stand by our commitment to compliance and sound financial management, we will carefully review any areas where improvements may be warranted. However, we must also ensure that any proposed measures are necessary, practical, and based on substantiated findings rather than speculation. Below, we address each recommendation with the goal of maintaining clarity and operational effectiveness.

Consultation with Legal Counsel

Education Explosion regularly consults with legal counsel to ensure compliance with applicable laws and policies. No funds were "diverted," and all transactions were lawful, documented, and approved. Therefore, there is no need for recovery actions.

Specific Recommendations

Policies and Procedures

1. **Written Policies on Expenditures:** Education Explosion already ensures compliance with the Louisiana Constitution and prohibitions on the donation of public funds through routine financial reviews and internal controls. No additional policies are required.
2. **Bylaws and Charter Compliance:** Education Explosion operates in full compliance with its bylaws, the Charter Schools Demonstration Programs Law, Louisiana Ethics Law, Open Meetings Law, and the Local Government Budget Act as documented in 10+ years of LLA financial audits and LDOE fiscal reviews. Current policies are sufficient.
3. **School Fee Policy:** Education Explosion clearly indicates on its website that fees are managed and processed by a third-party [FOICS], a separate nonprofit entity. Fees are also addressed and documented in Education Explosion's student handbook policy that the school itself does not require fees as defined in La R.S. 17:177.
4. **Documentation and Handling of Funds:** Education Explosion maintains proper records for funds collected, including receipts and deposits. Procedures for handling cash and

segregating duties are already in place, and employees are trained accordingly. Claims of mismanagement are unsupported by the facts presented in the report.

5. **Sales Tax Compliance:** Sales taxes collected on behalf of FOICS are managed independently by FOICS. Education Explosion is not responsible for these transactions, making this recommendation inapplicable.

Vendor and Contract Management

Written Contracts with Vendors: While Education Explosion does have written agreements for significant expenses and service providers, it is not legally required to execute written contracts for all expenditures. The school's practices are appropriate and consistent with applicable laws.

Non-Collusion Affidavits: Non-collusion affidavits are not legally required for every vendor or service provider. Education Explosion will continue to include such provisions only where applicable.

Contract Oversight and Documentation: Education Explosion maintains organized records and ensures that payments align with contract terms where applicable. The report's suggestion that all expenditures require formal contracts or centralized documentation exceeds legal requirements and operational necessity.

Travel, Credit Card Use, and Expenditure Monitoring

Travel Policies and Expenditure Monitoring: Education Explosion has existing policies requiring proper documentation and review of expenditures.

- **Travel and Credit Card Use:** Policies governing travel reimbursements, credit card use, and expenditure approvals are already in place and adequate. The report's recommendations are unnecessary and based on speculative allegations.
- **Oversight Measures:** Education Explosion ensures that all transactions are reviewed for compliance and propriety. Noncompliance, where applicable, is addressed appropriately.

Vehicle Use and Reporting

Vehicle Use Policies: Education Explosion maintains policies for the use of school vehicles to ensure they are used for legitimate purposes. As vehicles are used exclusively for administrative and school-related purposes, mileage logs are not legally required or operationally necessary.

Fringe Benefit Reporting: The vehicles referenced in the report were not "take-home" vehicles for Dr. Scott's personal use. They were appropriately classified as school transportation assets, and no additional IRS reporting is required.

3. Legal and Professional Concerns with Recommendations

The recommendations are largely predicated on speculative allegations that lack evidence or legal basis:

- **Speculative Claims:** Many recommendations are unnecessary, as they are based on unfounded allegations. Education Explosion already adheres to legal and ethical standards.
 - **Jurisdictional Overreach:** Recommendations attempting to regulate FOICS operations exceed the Legislative Auditor's jurisdiction under **La. R.S. 24:513**, as FOICS operates independently and does not handle public funds.
 - **Defamation Risk:** Speculative claims suggesting improper use of funds unjustly damage reputations and expose the auditors to potential liability.
-

Conclusion

Education Explosion already operates in compliance with applicable laws and governance standards as positively evidenced in 10 years of LLA financial audits and LDOE fiscal reviews. Many of the recommendations are redundant, legally unnecessary, or based on speculative findings that lack evidence. We respectfully request the removal of recommendations predicated on unsupported claims and emphasize our commitment to transparency, accountability, and operational excellence.

COMMERCIAL LEASE AGREEMENT

THIS LEASE, dated the 28th day of September, 2022, by and between Friends of Impact Charter Schools (hereinafter "LESSOR") and Education Explosion, Inc. (hereinafter "LESSEE").

WITNESSETH:

LEASED PREMISES: In consideration of the rental stated herein and their mutual covenants, LESSOR leases to LESSEE and LESSEE leases from LESSOR, on the terms and conditions herein, the following described premises: See Exhibit A.

1. TERM: The term of this lease is fifty (50) years commencing September 28, 2022 and expiring September 30, 2072. The rent will commence on the date hereof (the "Commencement Date").

2. RESERVED.

3. RENTAL: LESSEE agrees to pay to LESSOR, without deduction, set off, prior notice, or demand, rental during said term payable on the first day of each month in advance monthly installments of \$130,000 Dollars per month. Monthly installment shall be due and payable on or before the first day of each calendar month succeeding the Commencement Date during the demised term provided, that if the Commencement Date should be a date other than the first day of a calendar month, the monthly rental set forth above shall be prorated to the end of that calendar month, and all succeeding installments of rent shall be payable on or before the first day of each succeeding calendar month during the demised term. LESSEE will also pay monthly its pro rata share of property taxes, insurance, and CAM outlined herein.

All rentals due under this lease are payable to the order of Friends of Impact Charter Schools and delivered to LESSOR at 4815 Lavey Lane, Baker, La., or as LESSOR or its successor representative may hereafter from time to time designate in writing.

5. RESERVED.

6. PURPOSE & USE: LESSEE shall occupy the Leased Premises throughout the full term of the lease, and the principal business to be conducted is described as a school but for no other purpose that is illegal nor in any manner creating a nuisance or trespass. Neither sidewalks nor loading docks nor any other outside area shall be used for sale, storage or display in any manner whatsoever. LESSEE agrees to comply with (and to indemnify LESSOR from any violation of) all laws or ordinances relative to LESSEE's use of the Leased Premises.

7. COMPLIANCE WITH LAWS & REGULATIONS: LESSEE shall at its own cost and expense obtain any and all licenses and permits necessary of any such use. LESSEE shall comply with all governmental laws, ordinances and regulations applicable to the use of the Leased Premises, and shall promptly comply with all governmental orders and directives for the corrections, preventions and abatement of nuisances in, upon, or connected with Leased Premises, all at LESSEE'S sole expense. Without LESSOR'S prior written consent, LESSEE shall not receive, store or otherwise handle any product, material or merchandise which is explosive or highly inflammable, or considered to be a Hazardous Material (see "Hazardous Materials" below). LESSEE will not permit the Leased Premises to be used for any purpose or in any manner which would render the insurance thereon void or the insurance risk more hazardous.

8. HAZARDOUS MATERIALS: As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents lead cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. LESSEE shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Leased Premises by LESSEE, its agents, employees, contractors, sublessees or invitees without the prior written consent of LESSOR.

LESSOR shall be entitled to take into account such other factors or facts as LESSOR may reasonably determine to be relevant in determining whether to grant or withhold consent to LESSEE'S proposed activity with respect to Hazardous Material. In no event, however, shall LESSOR be required to consent to the installation or use of any storage tanks on the Property.

9. ACCEPTANCE OF PREMISES CONDITION & SUITABILITY. LESSEE hereby accepts the Leased Premises in its existing condition (except as provided in Section 10 and 11) and assumes responsibility for the condition of the Leased Premises. Any improvements or alterations desired by LESSEE shall be at LESSEE'S cost, with LESSOR'S prior written approval, except as hereinafter provided.

10. RESERVED.

11. ALTERATIONS: All alterations, replacements and improvements made upon the Leased Premises during the lease including lighting, electrical wiring, office partitions, all heating and air conditioning, shall be done only with the prior express written consent of LESSOR and shall become the property of LESSOR upon the expiration of the lease. However, those certain trade fixtures, machinery and equipment installed by LESSEE solely for use in his business shall remain the property of LESSEE; such trade fixtures, machinery and equipment installed by LESSEE shall be removed at the expiration date of the lease, provided the lease not then be in default, and provided the premises are returned to the same condition as when let, ordinary wear and tear excepted; in the event LESSEE fails to remove any such fixtures, machinery or equipment installed by it, LESSOR may at their option and at LESSEE'S expense demolish, remove and dispose of all such items or may retain as property of LESSOR without reimbursement to LESSEE. LESSEE undertakes that no lien, privilege, or claim of any kind shall rest against the Leased Premises from any repairs, alterations, additions, or improvements, or from the construction of any building or buildings; and agrees to furnish, at its own cost, to LESSOR, upon LESSOR'S request therefor, the bond of a responsible surety company, qualified to do business in the State of Louisiana, and reasonably acceptable to LESSOR, conditioned to hold LESSOR and the Leased Premises harmless against any such lien, privilege, or claim, said bond to be for an amount equal to the estimated cost of such construction, restoration, alterations, additions or improvements. No consent of LESSOR for LESSEE to make improvements or repairs to the premises shall be deemed to permit LESSOR'S interest to become subject to labor or material liens and privileges. All of LESSEE'S work will be performed by a licensed professional and will adhere to all applicable codes.

12. LESSEE'S SIGNS & SIGN REMOVAL: Unless otherwise agreed in this lease, LESSEE shall not be permitted to place any signs on the Leased Premises without LESSOR'S prior written approval; such approval shall not be unreasonably withheld. Upon termination of this lease, LESSEE shall remove any sign, advertisement or notice painted on or affixed to the leased premises and restore the place it occupied to the condition in which it existed as of the date of this lease. Upon LESSEE'S failure to do so, LESSOR may do so at LESSEE'S expense.

13. UTILITIES: All utility charges on the Leased Premises shall be paid by LESSEE including cost of electricity, water, gas (if applicable), garbage pickup, pest control, sewer and any special fees. In the event the Leased Premises constitute a portion of a multiple occupancy building and a utility is not separately metered, LESSEE will pay a proportionate share of the cost for that utility, such share calculated on the basis of the space occupied by LESSEE as compared to the entire rentable space contained in the building.

14. MAINTENANCE AND REPAIR BY LESSEE: LESSEE will at LESSEE'S sole expense keep and maintain in good repair the entire Leased Premises including without limitation interior walls, floors, ceilings, ducts, utilities, air conditioning, heating and lighting and plumbing and also including any loading dock(s) and any parking area exclusively used by LESSEE

It is specifically acknowledged that safety and replacement of the plate glass is LESSEE'S responsibility, as well as keeping pipes from freezing in the winter.

LESSEE shall immediately repair any damages caused by LESSEE. LESSEE shall also maintain a high degree of neatness and cleanliness. If LESSEE does not correct the damages and/or clean the Leased Premises within five (5) days of written notification by LESSOR, LESSOR may proceed with repairs and/or clean-up at LESSEE's expense.

LESSEE agrees not to store merchandise or leave trash outside the Leased Premises. All trash shall be kept in containers. Should LESSEE be in default in the requirements of this provision, LESSOR may, after notice to

LESSEE, remedy such default at LESSEE'S expense, and such expense shall be treated as additional rental due under this lease by LESSEE.

LESSEE shall at all times during the full term of this lease and during the full term of any extensions, holdovers or other rental agreements, carry and maintain at its own cost and expense a maintenance contract with a reputable heating and air conditioning company. Said contract shall provide for the quarterly maintenance of the heating and air conditioning system and such contract may remain in the possession of the LESSEE, provided that LESSEE furnish satisfactory evidence of such contract to LESSOR, or its agent if so designated.

15. MAINTENANCE AND REPAIR BY LESSOR: LESSOR shall be responsible only to maintain and perform repairs to the roof, foundations, and outside walls (not including doors and floors) of the Leased Premises, and all other parts of and equipment serving the Leased Premises shall be LESSEE's responsibility. However, LESSOR shall not be obligated to make any repair to such roof, foundations, and outside walls unless it shall be notified in writing by LESSEE of the need of such repair and shall have had a reasonable period of time to make such repair, and shall not be liable to make any repair to the roof, foundations, or outside walls occasioned by LESSEE's acts or negligence. LESSOR shall not be liable for any damage or loss in consequence of defects in the Leased Premises causing leaks, stoppage of water, sewer or drains or any other defects about the building and Leased Premises, unless such damage or loss is caused by defects in the roof, foundations, or outside walls (not including doors and floors) that LESSOR shall have failed to repair within a reasonable time following written demand of LESSEE to do so. Where contractors' or manufacturers' warranties are applicable to parts of the Leased Premises other than the roof, foundations, or outside walls, and the LESSEE has advised the LESSOR in writing of the need for enforcement of such warranties, the LESSOR, at its option, will either enforce such warranties for LESSEE's benefit at LESSEE's expense, or assign such warranties to LESSEE for LESSEE to enforce at LESSEE's expense.

16. AMERICANS WITH DISABILITIES ACT OF 1990: LESSEE shall be responsible for, and shall bear all costs and expenses associated with, any and all alterations to the Leased Premises which may be required by any change to the Americans with Disabilities Act of 1990 (the "ADA"), after the Commencement Date for the accommodation of disabled individuals who may be employed from time to time by LESSEE, or any disabled customers, clients, guests, or invitees or sublessees. LESSEE shall indemnify and hold LESSOR harmless from and against any and all liability incurred arising LESSEE's obligation under this Section to conform the Premises to the ADA, including the cost of making any alterations, renovations or accommodations required by the ADA, or any government enforcement agency, or any courts, any and all fines, civil penalties, and damages awarded against LESSOR (or those awarded against LESSEE which could become a lien upon the property upon which the Premises are located) resulting from a violation or violations of the ADA, and all reasonable legal expenses and court costs incurred in defending claims made under the ADA, including without limitation reasonable consultants', reasonable attorneys' and paralegals' fees, expenses and court costs. In no way is LESSEE liable for the failure of the Premises to be in compliance with the ADA as of the Commencement Date

17. INSURANCE AND INDEMNITY:

A. Liability and Property Damage: LESSEE shall at all times during the full term of this lease and during the full term of any holdovers or other rental agreements, carry and maintain at its own cost and expense, General Public Liability Insurance against claims for personal injury or death and property damage occurring on the Leased Premises, such insurance to afford protection to both LESSOR and LESSEE, as their interests may appear, including coverage for the contractual liability of LESSEE to LESSOR assumed hereunder, and is to be maintained in reasonable amounts, having regard to the circumstances, and the usual practice at the time of prudent owners and lessees of comparable facilities in the New Orleans Metropolitan Area, but in no event in amounts less than \$1,000,000 with respect to bodily injury or death to any one person, \$1,000,000 with respect to any one accident, and for property damage not less than \$1,000,000. LESSEE shall deliver to LESSOR evidence of liability and property damage insurance in the limits heretofore proscribed; and shall name LESSOR as additional insured; said evidence to be delivered promptly upon the execution of this lease and when applicable, all renewals thereof.

B. Property Insurance: LESSEE shall also obtain and keep in force during the Lease Term, at LESSEE's expense, "All Risk" insurance coverage, which shall include fire and extended coverage and coverage for sprinkler leakage. This policy shall insure all personal property of every description and kind owned by the LESSEE and located in the Building, and all fittings, installations, fixtures, carpeting, flooring, and other

leasehold improvements made by LESSOR or LESSEE as the case may be, in an amount deemed commercially for their full replacement value. Such insurance shall name LESSOR as an additional insured. LESSEE agrees to look solely to such insurance as compensation for any losses to LESSEE's personal property sustained in the Leased Premises for any reason except LESSOR's gross negligence or willful misconduct, and agrees to hold LESSOR harmless for same.

C. Other Forms Of Insurance: LESSEE shall also obtain and keep in force during the Lease Term, at LESSEE's expense (i) worker's compensation and employer's liability insurance, in statutory amounts and limits, covering all persons employed in connection with any work done on or about the Leased Premises for which claims for death or bodily injury could be asserted against LESSOR, LESSEE or the Premises, (ii) business interruption, loss of income and extra expense insurance covering all perils, failures or interruptions, and (iii) any other forms of insurance as LESSEE or LESSOR or the mortgagees of LESSOR may reasonably require from time to time, in form, amounts and for insurance risks against which a prudent LESSEE would protect itself, but only to the extent such risks and amounts are available in the insurance market at commercially reasonable costs.

D. Fire and Extended Coverage: LESSOR shall, at all times during the full term of this lease, keep all improvements (other than those removable installations which by the terms of this lease LESSEE would be permitted to remove at expiration of this lease) in and on the Leased Premises insured to one hundred percent (100%) of the full replacement value thereof against loss by fire and extended coverage (including loss of rent insurance) and maintain such insurance at all times as specified herein. LESSEE shall pay each month as additional rent one-twelfth of LESSEE'S pro rata share of LESSOR'S insurance premium attributable to the full insurable value of the improvements covered by this lease.

E. Placement of Insurance: Insurance required by LESSEE hereunder shall be in companies rated A- or better as rated by A.M. Best Company or which is otherwise acceptable to LESSOR and licensed to do business in the State of Louisiana and shall name LESSOR as an additional insured under such policy. LESSEE shall deliver to LESSOR prior to taking possession of the Leased Premises copies of policies of such insurance or certificates evidencing the existence and amounts of such insurance with loss payable and additional insured clauses reasonably satisfactory to LESSOR. Failure to deliver such policies, or LESSOR's failure to request such policies, shall not negate LESSEE's insurance obligations under this Section. All insurance required by LESSEE hereunder shall be primary as to all claims thereunder and provide that any insurance carried by LESSOR is excess and is non-contributing with any insurance requirement of LESSEE. No such policy shall be cancelable or subject to reduction of coverage or other modification except after ten (10) days' prior written notice to LESSOR. LESSEE shall, prior to the commencement date and at least thirty (30) days prior to the expiration of such policies, furnish LESSOR with copies of all policies or certificates thereof. If LESSEE shall fail to procure and maintain the insurance required hereunder, or to deliver such policies or certificates, LESSOR, at its sole election may (i) procure such insurance and charge the cost thereof to LESSEE, which amount, together with interest thereon at the interest rate set forth in Section 34 below, shall be Additional Rent and shall be payable within five (5) days after delivery to LESSEE of bills therefor, or (ii) deny LESSEE the right to occupy the Leased Premises until such time as LESSEE delivers such policies or certificates (which denial shall have no effect upon the commencement date or expiration date). LESSEE shall not do or permit to be done anything, which shall invalidate the insurance policies referred to in this Section. LESSEE shall forthwith, upon LESSOR's demand, reimburse LESSOR for any additional premiums attributable to any act or omission or operation of LESSEE causing an increase in the cost of insurance.

F. Voiding Insurance: LESSEE will not permit the herein Leased Premises to be used for any purpose which would render the insurance thereon void.

G. Indemnity: LESSEE shall and will forever indemnify and save harmless LESSOR from and against any and all liability, penalties, expense, cause of action, suits, claims or judgements for death, injury, or damages to persons or property during the term of this lease while on or arising out of the use, occupation, management or control of the Leased Premises, adjacent property, streets and sidewalks, or any act of operation on any thereof, or growing out of the demolition, construction, alternation or repair of any building thereon in any case without regard to whether such death, damage or injury resulted from the negligence of LESSEE or its subleases or their respective agents or employees or otherwise. LESSEE shall and will, at its own expense, defend any and all suits that may be brought against LESSOR, or any of them, or in which LESSOR, or any of them, may be impleaded with others, upon any such above mentioned claim or claims, and shall and will satisfy, pay and discharge any and all

judgements that may be recovered against LESSOR, or any of them, in any such action or actions in which LESSOR, or any of them, may be a party defendant.

18. ACTS OF LESSEE AFFECTING INSURANCE: LESSEE shall not do or cause or suffer anything to be or remain on or about the Leased Premises or carry on or permit upon the Leased Premises any trade or occupation or suffer to be done anything whereby the policy or policies of fire or other casualty insurance covering the Leased Premises shall become void or suspended or that may render an increased or extra premium payable for the insurance of the Leased Premises against fire and the hazards insured under extended coverage, unless such thing or activity is consented to in writing by the LESSOR, and even if LESSOR consents to such thing or activity, LESSEE shall pay such increased or extra premium from time to time, on each occasion within ten (10) days after LESSEE shall have been advised of the amount thereof. Should LESSEE's occupancy cause LESSOR to be unable to obtain fire or other casualty insurance covering the Leased Premises, LESSOR shall have the right to terminate this Lease upon giving LESSEE not less than ten (10) days prior notice, and LESSEE shall be and remain liable to LESSOR for all damages payable upon a default termination under Section 30 hereof. LESSEE shall notify LESSOR at any time the Leased Premises will become unoccupied so that LESSOR may obtain necessary vacancy permits from LESSOR's insurers.

19. TAXES: In addition to the rental provided for hereinabove, LESSEE shall pay each month 1/12 of the pro rata share of real estate taxes and assessments, general and special, levied or imposed, with respect to said building, which for the purposes hereof shall be deemed to include related parking facilities and all the improvements to the Leased Premises, including, without limitation, all land, buildings, and improvements forming a part thereof, which tax and assessment amount will be as estimated by LESSOR. In January of each year, LESSOR shall furnish LESSEE with a statement setting forth the amount of tax levied against the Leased Premises, the LESSEE's share of said tax, and the amount paid by the LESSEE on account of said tax during the prior year. Said statement shall include a copy of the tax bills for the year. If the statement discloses an overpayment by the LESSEE, the statement will include a check for the overpayment. If the statement discloses an underpayment by LESSEE, then LESSEE will pay the deficiency within ten (10) days after its receipt of the statement.

In addition to all other payments required to be paid by LESSEE to LESSOR, LESSEE shall pay in the same manner as set forth in the preceding paragraph all rents, sales and use taxes, if any, levied or imposed with respect to the Leased Premises or this lease and all other taxes, charges, assessments and governmental impositions, extraordinary or otherwise, of every nature and kind, which may, during the lease term, be assessed, levied, or imposed, upon the Leased Premises, or any part thereof, or any improvements thereon, or the leasing thereof, provided only that nothing herein contained shall be construed to require LESSEE to pay any inheritance, estate, or income tax imposed upon LESSOR.

20. DAMAGE AND DESTRUCTION: In case the said Leased Premises shall be so damaged by fire or other cause as to be rendered untenable and necessary repairs cannot be made within 180 days, this lease shall terminate as of the time the Leased Premises were rendered untenable. However, if the damage is such that repairs can be completed within 180 days, LESSOR agrees to make such repairs promptly, and to allow LESSEE an abatement in rent for such time as the Leased Premises remains untenable. In the event of partial loss, the rent shall be abated by the proportion of the Leased Premises rendered unfit for use.

21. WAIVER OF SUBROGATION: Neither the LESSOR nor the LESSEE shall be liable to the other for the loss arising out of damage to or destruction of the Leased Premises, or the building or improvements of which the Leased Premises are a part thereof, when such loss is caused by any of the perils which are or could be included within or are insured against by a standard form of fire insurance with extended coverage, including sprinkler leakage insurance, if any. All such claims for any and all loss, however caused, hereby are waived. Said absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either LESSOR or LESSEE or by any of their respective agents, servants or employees. It is the intention and agreement of the LESSOR and the LESSEE that the rentals reserved by this lease have been fixed in contemplation that each party shall fully provide his own insurance protection at his own expense, and that each party shall look to his respective insurance carriers for reimbursement of any such loss, and further, that the insurance carriers involved shall not be entitled to subrogation under any circumstances against any party to this lease. Neither the LESSOR nor the LESSEE shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless specifically covered therein as a joint assured.

22. LESSOR RIGHT OF ENTRY: LESSOR may enter the premises at reasonable times with advance notice to LESSEE to inspect the same, to make repairs and alterations, or to run pipe or electric wire, as LESSOR may deem

necessary and appropriate provided that LESSOR will not unduly inconvenience LESSEE'S business.

23. QUIET POSSESSION: LESSOR agrees to warrant and defend LESSEE in its quiet and peaceful possession of the Leased Premises so long as the lease is not in default.

24. CONDEMNATION: If all of the Leased Premises are taken by condemnation or eminent domain proceedings, or if so much of the Leased Premises are so taken that the remainder is wholly inadequate for LESSEE's business purposes (a "Total Taking"), this Lease shall terminate. If the taking is not sufficiently extensive to constitute a Total Taking, and if the taking includes a part of the building, then LESSEE's rent shall be reduced in the proportion that the space in the building taken bears to the building space that was originally leased. If the taking does not include a part of the building, then rent will not be reduced by the taking so long as all parking spaces located on the Leased Premises that are lost by the taking are replaced by new parking spaces that serve the building, and if such parking spaces are not replaced, then rent shall be reduced in an amount that is appropriate to compensate LESSEE for the lost parking facilities. In such condemnation proceedings, LESSEE may claim compensation for moving expenses and for the taking of any removable installations which by the terms of this Lease LESSEE would be permitted to remove at the expiration of this Lease, if such award is separately allowed by the condemning authority, but LESSEE shall be entitled to no additional award, and LESSEE hereby waives all right to proceed for, the loss of its leasehold interest, it being agreed that all damages recoverable by reason of the value of the Leased Premises will belong and be payable to the LESSOR.

25. SUBORDINATION; ESTOPPEL CERTIFICATES: This Lease is subject and subordinate to any mortgage that now or hereafter encumbers or affects the Leased Premises or any part thereof. This clause shall be self-operative and no further instrument of subordination need be required by the mortgagee. In confirmation of such subordination, however, LESSEE shall, at LESSOR's request, promptly execute any appropriate certificate or instrument that LESSOR may request, provided that such certificate or instrument contains an agreement by the mortgagee that so long as LESSEE is not in default under this Lease, such mortgagee will not disturb LESSEE's possession of the Leased Premises. In the event of the enforcement by any mortgagee of the remedies provided for by law or by such mortgage or ground lease, LESSEE will, upon request of any person or party succeeding to the interest of LESSOR as a result of such enforcement, automatically become the LESSEE of such successor in interest without change in the terms or other provisions of this Lease. Upon request by such successor in interest, LESSEE shall execute and deliver an instrument or instruments confirming the attornment provided for herein. At either party's request, the other party will execute an estoppel certificate or a three-party agreement certifying that this Lease is in effect, if, in fact, it is in effect, and further certifying that, to the best knowledge of the party giving the certificate, there are no defaults hereunder other than those set out in such certificate.

26. ASSIGNMENT OR SUBLETTING: This lease may not be assigned, and the Leased Premises may not be sublet, partially or fully, without prior written consent of LESSOR; such consent shall not be unreasonably withheld. Even in the event of permitted assignment or sub-letting, LESSEE acknowledges that it shall remain fully responsible for compliance with all terms of the lease. Any sub-lessee occupying any part of this space, shall by the act of subletting formally or informally, assume all obligations of LESSEE, whether or not LESSOR knew of or approved or disapproved of such sub-letting.

27. DELIVERY AT EXPIRATION OF LEASE: At expiration of this lease, LESSEE shall redeliver to LESSOR the Leased Premises in good order and condition clear of all goods and broom cleaned and shall make good all damages to the premises, usual wear and tear damage by the elements excepted, and shall remain liable for holdover rent until the premises with keys shall be returned in such order to LESSOR, provided, however, that the assessment of such holdover rent will not deprive LESSOR of the right to require that LESSEE vacate the Leased Premises immediately upon lease termination, and LESSOR will have and retain the right to commence immediate eviction proceedings or take such other steps as are necessary to secure the removal of LESSEE from the Leased Premises. No demand or notice of such delivery shall be necessary, LESSEE expressly waiving all notices and legal delays. In addition, LESSOR may require LESSEE to remove all and any alterations, additions or improvements (whether or not made with LESSOR'S consent) prior to the expiration of the Lease and to restore the Property to its prior condition, all at LESSEE'S expense. All alterations, additions and improvements which LESSOR has not required LESSEE to remove shall become LESSOR'S property and shall be surrendered to LESSOR upon the expiration or earlier termination of the Lease. To the extent applicable, all obligations of LESSEE contained in this Article shall survive the expiration or other termination of the terms of this lease.

28. LATE CHARGES: LESSEE'S failure to pay rent promptly may cause LESSOR to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to processing and accounting charges and late charges which may be imposed on LESSOR by any ground lease, mortgage or trust deed encumbering the Leased Premises. Therefore, if LESSOR does not receive any rent payment within ten (10) days after it becomes due, LESSEE shall pay LESSOR a late charge equal to ten percent (10%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs LESSOR will incur by reason of such payment.

29. LEASE HOLDOVER: Should LESSEE remain on the Leased Premises after expiration of this lease agreement, LESSOR has the option to interpret such actions as creating a month-to-month lease at a rental of fifty percent (50%) higher than that payable for the last month of the lease term, or to consider the holding over a trespass. Only a new signed leased or extension agreement shall deprive LESSOR of the choice of action.

30. DEFAULT BY LESSEE: Should LESSEE fail to pay any of the rentals provided for herein promptly on the day when the same shall become due and payable hereunder, and shall continue in default for a period of five (5) days after written notice thereof by LESSOR, or should LESSEE fail to comply with any of the other obligations of this lease, within ten (10) days from the mailing by LESSOR of notice demanding same, or in the event of LESSEE's bankruptcy, receivership, insolvency, or assignment for the benefit of creditors, or the attachment of the contents of the Leased Premises by law, or LESSEE's failure to maintain a going business in the Leased Premises, then LESSOR shall have the right, at LESSOR'S option (a) to cancel this lease, in which event there shall be due to LESSOR as liquidated damages, a sum equal to the amount of the guaranteed rent for one year, or alternatively at LESSOR'S option to be reimbursed all actual cost incurred in reentering, renovation and re-letting said premises; (b) to accelerate all rentals due for the unexpired remaining term of this lease and declare same immediately due and payable; and/or (c) to sue for the rents in intervals or as the same accrues.

The foregoing provisions are without prejudice to any remedy which might otherwise be used under the laws of Louisiana for arrears of rent or breaches of contract, or to any lien to which LESSOR may be entitled.

If LESSEE has taken steps to cure any default not curable in ten (10) days, such additional reasonable time as is necessary to cure such default shall be granted LESSEE.

Should LESSOR terminate this lease as provided in this article, LESSOR may re-enter said Leased Premises and remove all persons, or personal property, without legal process, and all claims for damages by reason of such reentry are expressly waived.

IN THE EVENT LESSOR PROCEEDS WITH AN EVICTION OF LESSEE, LESSEE SPECIFICALLY WAIVES ITS RIGHT TO NOTICE, AND LESSOR MAY PROCEED WITH EVICTION OF LESSEE WITHOUT ISSUANCE OF A NOTICE TO VACATE PURSUANT TO LOUISIANA CODE OF CIVIL PROCEDURE ARTICLE 4701. UNDER LOUISIANA CODE OF CIVIL PROCEDURE ARTICLE 4731, LESSEE AUTHORIZES LESSOR TO PROCEED WITHOUT SUCH NOTICE, AND CONSENTS TO BEING CITED SUMMARILY TO SHOW CAUSE WHY LESSEE SHOULD NOT BE ORDERED TO DELIVER POSSESSION OF THE PREMISES TO LESSOR. LESSEE'S WAIVER OF NOTICE AND CONSENT TO A SUMMARY PROCEEDING SHALL SURVIVE TERMINATION OF THIS LEASE.

LESSOR'S failure to strictly and promptly enforce these conditions shall not operate as a waiver of LESSOR'S rights, LESSOR hereby expressly reserving the right to always enforce prompt payment of rent, or to cancel this lease regardless of any indulgences or extensions previously granted.

31. NON-WAIVER: Failure of LESSOR to declare immediately upon occurrence thereof or delay in taking any action in connection therewith shall not waive such default, but LESSOR shall have the right to declare default at any time; no waiver of any default shall alter LESSEE'S obligations under the lease with respect to any other existing or subsequent default.

32. ATTORNEY'S FEES AND EXPENSES: In the event it becomes necessary for either party to employ an attorney to enforce collection of the rents agreed to be paid, or to enforce compliance with any of the covenants and agreements herein contained, the unsuccessful litigant will be liable for reasonable attorney's fees, costs and expenses incurred by the other party.

33. INTEREST ON PAST DUE OBLIGATIONS: Any amount owed by LESSEE to LESSOR which is not paid when due shall bear interest at the rate of fifteen percent (15%) per annum from the due date of such amount. However, interest shall not be payable on late charges to be paid by Lessee under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Lessee under this Lease. If the interest rate specified in this lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by applicable law.

34. ADVANCED PAYMENTS BY LESSOR: Except as may expressly be provided in this Lease to the contrary, any amount paid by LESSOR on behalf of LESSEE in which LESSEE is to reimburse LESSOR shall include in addition to the amounts advanced by LESSOR an administrative fee of ten percent (10%).

35. LEASE COMMISSION: The parties hereto acknowledge that there are no real estate brokers that represented LESSOR and/or LESSEE herein.

36. DEFINITION OF TERM: For all purposes of this lease, references to "term" shall include not only the primary term as set forth on Page 1 hereof, but also any and all extensions or renewal periods, separately and cumulatively. References to dates or time periods in relation to expiration or termination shall relate not only to the expiration or termination of said primary term, but to the expiration or termination of any and all extensions or renewal periods which, at the time in question, shall then have been exercised to otherwise institute.

37. ENTIRETY OF UNDERSTANDING IN WRITTEN LEASE: It is agreed that the entire understanding between the parties is set out in the lease and any riders which are hereto annexed, and that this lease supersedes and voids all prior proposals, letters and agreements, oral or written.

38. CONFLICTS: If there is any conflict between the printed portions and the typewritten or handwritten portions, the typewritten or handwritten portion shall prevail.

39. BENEFITS OF PARTIES: All of the provisions hereof shall be binding upon and shall inure to the benefit of LESSOR and LESSEE, their heirs, executors, administrators, successors, and assigns (as the case may be).

40. GOVERNING LAW: This Lease shall be governed by and construed in accordance with the laws of the State of Louisiana then in effect. LESSEE consents to personal jurisdiction and venue in the State of Louisiana and judicial district in which the Leased Premises is located.

41. LEASE RECORDATION: The parties to this lease may not record this lease; however, either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" or memorandum of this lease for purposes of recordation. The memorandum shall describe the parties, the Leased Premises, and the term of this lease, and shall incorporate this lease by reference.

42. NOTICES: Any notice or demand which, by provision of this Agreement, is required or permitted to be given or served by one party on the other shall be deemed to have been sufficiently given and served for all purposes (if mailed) five calendar days after being deposited, postage prepaid, in the United States Mail, registered or certified mail, or (if delivery by messenger, express courier or overnight courier) one business day after being delivered to such courier, or (if delivered in person) the same day as delivery, in each case addressed (until another address or addresses is given in writing by such party) as follows:

LESSOR: 4815 Lavey Lane
Baker, LA 70714

LESSEE: 4815 Lavey Lane
Baker, LA 70714

Such address may be changed by given written notice to the other party in like manner.

43. FOR SALE AND RENT SIGNS; INSPECTION BY PROSPECTS: LESSOR shall have the right to place the usual "For Sale" signs on the leased premises at any time during the term of this lease and the usual "For Lease"

signs on the leased premises during the last six (6) months of the term of this lease. LESSEE agrees to allow persons authorized by LESSOR to inspect the premises during the term of the lease. LESSEE agrees to allow persons authorized by LESSOR to inspect the leased premises during the term of this lease with the view of purchasing the same and during the last year of the term of this lease with the view of renting the same, such inspections to be at reasonable hours.

44. REVIEW OF DOCUMENT: Notwithstanding any provision to the contrary in this Agreement, the parties hereto acknowledge that (1) they have reviewed this Agreement in detail prior to execution of same, (2) they have had the opportunity to review this Agreement with their respective counsel.

45. Reserved.

46. Reserved.

47. CORPORATE AUTHORITY; PARTNERSHIP AUTHORITY: If LESSEE is a corporation, each person signing this Lease on behalf of LESSEE represents and warrants that he has full authority to do so and that this Lease binds the corporation. Within thirty (30) days after this Lease is signed, LESSEE shall deliver to LESSOR a certified copy of a resolution of LESSEE'S Board of Directors authorizing the execution of this Lease or other evidence of such authority reasonably acceptable to LESSOR. If LESSEE is a partnership, each person or entity signing this Lease or LESSEE represents and warrants that he or it is a general partner of the partnership, that he or it has full authority to sign for the partnership and that this Lease bind the partnership and all general partners of the partnership. LESSEE shall give written notice to LESSOR of any general partner's withdrawal or addition. Within thirty (30) days after this Lease is signed, LESSEE shall deliver to LESSOR a copy of LESSEE's recorded statement of partnership or certificate of limited partnership.

Signature Page to Follow:

IN WITNESS WHEREOF, the parties hereto have hereunto made this lease and set their hands to multiple originals in the Parish of Orleans, State of Louisiana, as to the day and year first above written.

LESSOR:

FRIENDS OF IMPACT CHARTER SCHOOLS

By: Chalesha Scott
Name: Chakesha Scott
Title: Registered Agent

LESSEE:

EDUCATION EXPLOSION, INC.

By: Chalesha Scott
Name: Chakesha Scott
Title: CEO

EXHIBIT A

A CERTAIN LOT OR PARCEL OF GROUND, situated in Sections 30 and 48, Township 5 South, Range 1 East, Greensburg Land District, Parish of East Baton Rouge, State of Louisiana, being designated as TRACT X of the Thomas D. Babin Estate on the Subdivision Plan entitled "Map Showing the Resubdivision of the Remaining 23.55 acre portion of the Thomas D. Babin estate into tract W and X located in Section 30 and 48, Township 5 South, Range 1 East, Greenberg Land District of Louisiana, City of Baker, Louisiana, for estate of Thomas D. Babin", by Gregory Breau, P.L.S., of Sigma Associates, Inc., dated February 10, 2000, approved by the Planning and Zoning Commission of the city of Baker and recorded on March 31, 2000, in Original 853, Bundle 11107, in the official records of East Baton Rouge Parish, LA.

Being the same property purchased by RM ICE LA LLC on November 20, 2019, and recorded with the Clerk of Court for East Baton Rouge Parish at Original: 147, Bundle: 12297.

Education Explosion, Inc.
/d.b.a.
Impact Charter School

February 27, 2024

6:30 p.m.

Attendance:

P	Patrick Dickson	A	Jada J. Netters
P	Chakesha Scott (CEO/Ex-Officio)	A	Jennifer Caldero
P	Lakeisha Robertson	A	Tiffanie Lewis
A	Jackie Williams Huggins	P	Gwendolyn McClain

P-Present | CC – Conference Call | A – Absent

Impact Charter School Attendees

Eric Jones – School Leadership Team Member

1.0 Meeting Opening

1.1 Mrs. Robertson called the meeting to order at 6:35 p.m.

1.2 Roll Call

1.3 Board members read the August 3, 2023 minutes.

1.4 Mr. Dickson moved to approve the minutes. The motion was seconded by Ms. McClain. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

2.0 Old Business

2.1 Mrs. Scott provided an update on school facility payment terms and the need to work with Choice Advisors to explore the best options for facility needs. Mr. Dickson moved to approve the new agreement with Choice Advisors. The motion was seconded by Ms. McClain. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

3.0 New Business

3.1 Mrs. C. Scott provided an update on enrollment numbers and all school benchmark data for midyear. Growth was highlighted for all grade levels and content areas.

3.2 Mrs. Scott presented the school audit report for the 22-23 school year. The board discussed the audit report as well as past and current audits for the school.

3.2 Mrs. Scott discussed school expansion opportunities via school learning pods in neighboring parishes. Mrs. Scott discussed Education Explosion, Inc.'s services to another local charter school. Ms. McClain moved to begin the work of school expansion via learning pods in geographic areas of need. The motion was seconded by Mr. Dickson. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

3.3 Mr. Dickson moved to forward all revenues earned for services provided to other organizations outside of Impact Charter School to Friends of Impact Charter Schools to support school expansion efforts. The motion was seconded by Ms. McClain. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

3.4 Mrs. Scott discussed prior and upcoming school events at Impact Charter School.

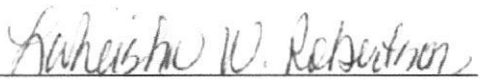
4.0 Impact Charter monthly financials were presented and discussed.

5.0 Meeting Finalization

5.1 Reviewed actions to be taken at the next meeting

5.2 Next Meeting Date: May 16, 2024

6.3 Mr. Dickson moved to adjourn the meeting at 8:51 p.m. Motion passed.


Board Officer Signature

From: Philip Sherman Philip.Sherman@arlaw.com
Subject: RE: Document Needed
Date: October 20, 2022 at 11:12 AM
To: Chakesha Scott chakesha.scott@impactcharter.org

PS

Chakesha,

I hope all is well. I am putting together the closing binder and realized that I never sent you the Notice of Lease to sign. Can you sign the attached and email a copy back to me. You can sign for both entities. The Notice of Lease is filed in the public records and is a notice to third parties that there is a lease on the property.

Please don't hesitate to call if you have any questions.

Thank you,
Philip

Philip Sherman | ADAMS AND REESE LLP

Special Counsel

701 Poydras Street, Suite 4500 | New Orleans LA 70139

P: 504.585.0175

philip.sherman@arlaw.com | Bio | vCard | Twitter | LinkedIn

From: Chakesha Scott <chakesha.scott@impactcharter.org>

Sent: Thursday, October 13, 2022 10:06 PM

To: Philip Sherman <Philip.Sherman@arlaw.com>

Subject: Document Needed

Hi Philip,

Do you have the document needed to take to the Tax Assessor office yet?

Best,

Chakesha Scott, MBA

Founder/CEO

Education Explosion, Inc. dba

Impact Charter School

www.impactcharter.org

Notice of Lease.docx

20 KB





Impact Charter School

The mission of Impact Charter School is to provide a rigorous 21st-Century educational experience for all students in a safe, supportive, and challenging learning environment.

May 17, 2024

Louisiana Department of Education

RE: Letter of Intent to Request a Learning Pod Location per Bulletin 126 §2721

Dear Dr. Brumely,

I am writing on behalf of Impact Charter School to formally express our intent to open a Learning Pod in Avoyelles Parish for the 24-25 school year, with a proposed opening date of August 12, 2024. Our mission at Impact Charter School is to provide a rigorous 21st-century educational experience for all students in a safe, supportive, and challenging learning environment.

The Avoyelles Parish community has shown tremendous support for this school choice option, and we believe it will be a valuable addition to the educational landscape in the area. We are not requesting any material changes to our charter contract and intend to operate under our current enrollment count and grade-level configurations. The method of instruction will occur in person at a physical location with components of a hybrid approach. The same instructional program utilized at the main campus of Impact Charter School will also be used at the learning pod.

We are particularly proud to share that Impact Charter School has recently been recognized with a badge of honor in the esteemed U.S. News and World Report Best Rankings for *Best Elementary Schools* and *Best Elementary Charter Schools* for 2024. This accolade is a testament to our commitment to academic excellence and student success, placing us among the top institutions in the nation. Impact Charter School has achieved remarkable rankings, placing in the Top 10 for *Best Elementary Charter School* and in the top 10% for *Best Elementary School* in Louisiana. As the sole independently operated public Charter School in Baker, LA, we have a deep understanding of driving success in rural communities. Our school has consistently outperformed all schools in the City of Baker based on the school's assessment index scores provided by the Louisiana Department of Education (LDOE). With a B-rating, Impact Charter School has been honored as a Top Gains School four times and as a Louisiana Comeback School of Excellence by LDOE.

Impact Charter School has also maintained strong operations and financial health. Over our 10 years of operation, we have engaged with three different audit firms on the Louisiana Legislative Auditors approved list, all of whom have concluded their reports with zero findings and documented strong financials every year. We are confident that any future audit will yield the same outcome. Our CEO has consistently demonstrated excellence in leadership and integrity across all school facets and functions.

We have also already invested a significant amount of time, effort, resources, commitment, and camaraderie with stakeholders from the Avoyelles Parish community to bring this option to their community, which they are extremely excited about. Any delay or barrier in this process would forever deprive a group of families of a transformative educational opportunity that could positively impact their lives and community for years to come.

We kindly request that you consider this request with care and prayerfully favorably so we can continue the great work that has already begun. Thank you for your time and consideration. We look forward to hearing from you soon.

Sincerely,

Lakeisha Robertson, MBA
Board President



-E8A1-40B1-AF9E-8FDA1FB1D0DE

P.O. Box 30285
Salt Lake City, UT 84130-0285

September 28, 2024

CHAKESHA SCOTT
[REDACTED]
[REDACTED]

Re: Account ending in 0371
Case Number: [REDACTED] 98609

Dear CHAKESHA SCOTT,

Thank you for contacting us about your Capital One® account.

We have reviewed our records and found that CHAKESHA SCOTT is the only financially responsible party listed on this account. Additionally, our records do not reflect any authorized users on your account.

If this account appears on another party's credit file, please have that party send a copy of any documentation that reflects this information to the following address:

Capital One
PO Box 31293
Salt Lake City, UT 84131-1293

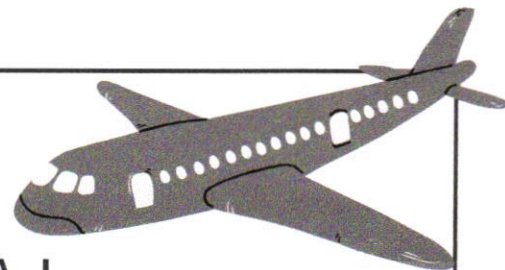
For additional questions, give us a call at 1-800-955-7070. We're available anytime, 7 days a week.

Sincerely,

Capital One
Customer Care Team



CERTIFICATE OF PROFESSIONAL DEVELOPMENT



THIS CERTIFIES THAT
CHAKESHA SCOTT

HAS COMPLETED 25 HOURS OF PROFESSIONAL DEVELOPMENT WITH
BOOKBAG TOURS IN
GLOBALIZING THE CLASSROOM

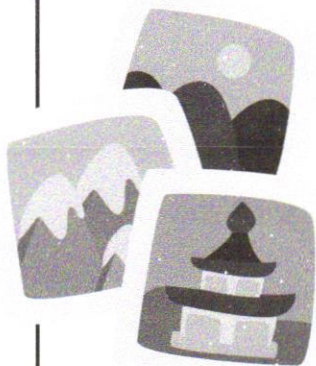
JULY 10, 2023



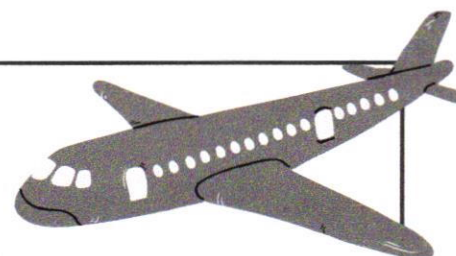
Ken George
PD COORDINATOR



Juan Edgar Gonzalez Jr
PRESENTER



CERTIFICATE OF PROFESSIONAL DEVELOPMENT



THIS CERTIFIES THAT
ERIC SCOTT

HAS COMPLETED 25 HOURS OF PROFESSIONAL DEVELOPMENT WITH
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GLOBALIZING THE CLASSROOM

JULY 10, 2023



Ken George
PD COORDINATOR



Juan Edgar Gonzalez Jr
PRESENTER



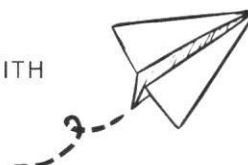
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JULY 12, 2024



Ken George
PD COORDINATOR



Samantha McCormack
PRESENTER



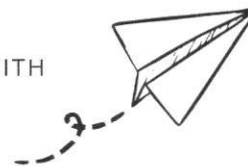
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Ken George
PD COORDINATOR



Samantha McCormack
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JUNE, 15 2022

Ken George
PD COORDINATOR



Ken George
PRESENTER



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Ken George
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Juan Edgar Gonzalez Jr
PRESENTER





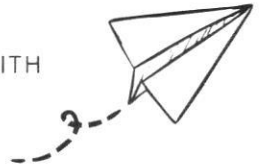
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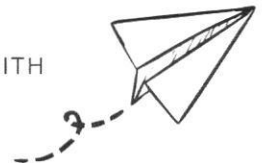
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JUNE, 15 2022

Ken George
PD COORDINATOR



Ken George
PRESENTER



K



2024 Presentation Videos and Slides

It All Begins with Inspiration

4 Person Panel

Moderator: Kemi Akinsanya-Rose

Panelists: Colleen Carroll,

Ilsa Garza-Gonzalez, Jamie MacDougall,
& Lynda Parker

VIDEO

B.40

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SLIDES

Extravagant

**Breaking Free from Fear and
Doubt to Walk into a Bold and
Brave Life**

Jill Siler

VIDEO

SLIDES



Rethinking Roles

To Lead with Adaptability

Courtney Flanders
Gabby Hewitt



Balancing Act: AI in K–12

Ensuring Equity, Privacy, and Responsible Use for Education

Marlo Gaddis

VIDEO

SLIDES



**Creating Authentic Relationships
with Nontraditional Partners**

THRIVE: Together Harnessing Resources for Individuals' Voice & Empowerment

Dr. Ann Hughes

VIDEO

SLIDES



You've Got This!

Science is a Living Thing



From Inspiration to Action:

Building a Wellness Culture

Magda Hernández

VIDEO

SLIDES



Cultivating the Next Generation of Education Leadership

Brittany Martin

VIDEO



Empowering Young Girls and Shaping the Future of STEM

Talia Levin
Rachel Martin
Kamela Patton

VIDEO

SLIDES

Giving Every Child a Personal Reading Tutor and Getting Outstanding Results

Dr. Lisa McCall
Jessica Sliwerski


VIDEO

SLIDES



Powerful Connections: Mastering Superintendent Communication and Leadership Branding

Gia Harrison
Rebecca Jenkins



Unveiling Identity: Leading with Authenticity & Adaptability

Rachel Langenhorst

VIDEO

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Inspiring & Thriving in a “VUCA” World

Kemi Akinsanya-Rose

VIDEO

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2019-
2020

Local School Wellness Policy

EDUCATION EXPLOSION

2019-2020

Education Explosion School Wellness Policy

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Education Explosion School Wellness Policy

Impact Charter School

Preamble

Education Explosion (hereto referred to as the District) is committed to the optimal development of every student. The District believes that for students to have the opportunity to achieve personal, academic, developmental and social success, we need to create positive, safe and health-promoting learning environments at every level, in every setting, throughout the school year.

Research shows that two components, good nutrition and physical activity before, during and after the school day, are strongly correlated with positive student outcomes. For example, student participation in the U.S. Department of Agriculture's (USDA) School Breakfast Program is associated with higher grades and standardized test scores, lower absenteeism and better performance on cognitive tasks.^{1,2,3,4,5,6,7} Conversely, less-than-adequate consumption of specific foods including fruits, vegetables and dairy products, is associated with lower grades among students.^{8,9,10} In addition, students who are physically active through active transport to and from school, recess, physical activity breaks, high-quality physical education and extracurricular activities – do better academically.^{11,12,13,14} Finally, there is evidence that adequate hydration is associated with better cognitive performance.^{15,16,17}

This policy outlines the District's approach to ensuring environments and opportunities for all students to practice healthy eating and physical activity behaviors throughout the school day while minimizing commercial distractions. Specifically, this policy establishes goals and procedures to ensure that:

- Students in the District have access to healthy foods throughout the school day – both through reimbursable school meals and other foods available throughout the school campus– in accordance with Federal and state nutrition standards;
- Students receive quality nutrition education that helps them develop lifelong healthy eating behaviors;
- Students have opportunities to be physically active before, during and after school;
- Schools engage in nutrition and physical activity promotion and other activities that promote student wellness;
- School staff are encouraged and supported to practice healthy nutrition and physical activity behaviors in and out of school;
- The community is engaged in supporting the work of the District in creating continuity between school and other settings for students and staff to practice lifelong healthy habits; and
- The District establishes and maintains an infrastructure for management, oversight, implementation, communication about and monitoring of the policy and its established goals and objectives.

This policy applies to all students, staff and schools in the District. Specific measurable goals and outcomes are identified within each section below.

- The District will coordinate the wellness policy with other aspects of school management, including the District's School Improvement Plan, when appropriate.

- NOTE: Will also include any relevant data or statistics from state or local sources supporting the need for establishing and achieving the goals in this policy.]

I. School Wellness Committee

Committee Role and Membership

The District will convene a representative district wellness committee (hereto referred to as the DWC or work within an existing school health committee) that meets at least bi-annually (two times per year) to establish goals for and oversee school health and safety policies and programs, including development, implementation and periodic review and update of this district-level wellness policy (heretofore referred as "wellness policy").

The DWC membership will represent all school levels (elementary and secondary schools) and include (to the extent possible), but not be limited to: parents and caregivers; students; representatives of the school nutrition program (e.g., school nutrition director); physical education teachers; health education teachers; school health professionals (e.g., health education teachers, school health services staff [e.g., nurses, physicians, dentists, health educators, and other allied health personnel who provide school health services], and mental health and social services staff [e.g., school counselors, psychologists, social workers, or psychiatrists]; school administrators (e.g., superintendent, principal, vice principal), school board members; health professionals (e.g., dietitians, doctors, nurses, dentists); and the general public. When possible, membership will also include Supplemental Nutrition Assistance Program Education coordinators (SNAP-EDEDSNAP-Ed). To the extent possible, the DWC will include representatives from each school building and reflect the diversity of the community.

Leadership

The Superintendent or designee(s) will convene the DWC and facilitate development of and updates to the wellness policy, and will ensure each school's compliance with the policy.

The designated official for oversight is Chakesha Scott, CEO, chakesha.scott@impactcharter.org.

The name(s), title(s), and contact information of this/these individual(s) is(are):

Name	Title / Relationship to the School or District	Role on Committee
Chakesha Scott	CEO	Assists in the evaluation of the wellness policy implementation
Linda Jackson	Cafeteria Manager	Assists in the evaluation of the wellness policy implementation
Jeffrey Fields	Parent Representative	Assists in the evaluation of the wellness policy implementation

Armani Brown	Student Representative	Assists in the evaluation of the wellness policy implementation
Minnie Dunn	School Nurse	Assists in the evaluation of the wellness policy implementation
Shedrick Coston	PE Teacher	Assists in the evaluation of the wellness policy implementation
Cardiss Beathley	Counselor	Assists in the evaluation of the wellness policy implementation

Each school will designate a school wellness policy coordinator, who will ensure compliance with the policy.

II. Wellness Policy Implementation, Monitoring, Accountability and Community Engagement

Implementation Plan

The District will develop and maintain a plan for implementation to manage and coordinate the execution of this wellness policy. The plan delineates roles, responsibilities, actions and timelines specific to each school; and includes information about who will be responsible to make what change, by how much, where and when; as well as specific goals and objectives for nutrition standards for all foods and beverages available on the school campus, food and beverage marketing, nutrition promotion and education, physical activity, physical education and other school-based activities that promote student wellness. It is recommended that the school use the Healthy Schools Program online tools to complete a school-level assessment based on the Centers for Disease Control and Prevention's School Health Index, create an action plan that fosters implementation and generate an annual progress report.

This wellness policy and the progress reports can be found at: <https://www.impactcharter.org/>

Recordkeeping

The District will retain records to document compliance with the requirements of the wellness policy at Impact Charter School and/or on Impact Charter's central computer network. Documentation maintained in this location will include but will not be limited to:

- The written wellness policy;
- Documentation demonstrating that the policy has been made available to the public;
- Documentation of efforts to review and update the Local Schools Wellness Policy; including an indication of who is involved in the update and methods the district uses to make stakeholders aware of their ability to participate on the DWC;
- Documentation to demonstrate compliance with the annual public notification requirements;

- The most recent assessment on the implementation of the local school wellness policy;
- Documentation demonstrating the most recent assessment on the implementation of the Local School Wellness Policy has been made available to the public.

Annual Notification of Policy

The District will actively inform families and the public each year of basic information about this policy, including its content, any updates to the policy and implementation status. The District will make this information available via the district website and/or district-wide communications. The District will provide as much information as possible about the school nutrition environment. This will include a summary of the District's (Impact Charter) events or activities related to wellness policy implementation. Annually, the District will also publicize the name and contact information of the District leading and coordinating the committee, as well as information on how the public can get involved with the school wellness committee.

Triennial Progress Assessments

At least once every three years, the District will evaluate compliance with the wellness policy to assess the implementation of the policy and include:

- The extent to which schools under the jurisdiction of the District are in compliance with the wellness policy;
- The extent to which the District's wellness policy compares to the Alliance for a Healthier Generation's model wellness policy; and
- A description of the progress made in attaining the goals of the District's wellness policy.

The position/person responsible for managing the triennial assessment and contact information is Chakesha Scott, CEO, chakesha.scott@impactcharter.org.

The DWC, in collaboration with individual schools, will monitor schools' compliance with this wellness policy.

The District (Impact Charter) will actively notify households/families of the availability of the triennial progress report.

Revisions and Updating the Policy

The DWC will update or modify the wellness policy based on the results of the annual School Health Index and triennial assessments and/or as District priorities change; community needs change; wellness goals are met; new health science, information, and technology emerges; and new Federal or state guidance or standards are issued. **The wellness policy will be assessed and updated as indicated at least every three years, following the triennial assessment.**

Community Involvement, Outreach and Communications

The District is committed to being responsive to community input, which begins with awareness of the wellness policy. The District will actively communicate ways in which representatives of DWC and others can participate in the development, implementation and periodic review and update of the wellness policy through a variety of means appropriate for that district. The District will also inform parents of the improvements that have been made to school meals and compliance with school meal standards, availability of child nutrition programs and how to apply, and a description of and compliance with Smart Snacks in School nutrition standards. The District will use

electronic mechanisms, such as email or displaying notices on the district's website, as well as non-electronic mechanisms, such as newsletters, presentations to parents, or sending information home to parents, to ensure that all families are actively notified of the content of, implementation of, and updates to the wellness policy, as well as how to get involved and support the policy. The District will ensure that communications are culturally and linguistically appropriate to the community, and accomplished through means similar to other ways that the district and individual schools are communicating important school information with parents.

The District will actively notify the public about the content of or any updates to the wellness policy annually, at a minimum. The District will also use these mechanisms to inform the community about the availability of the annual and triennial reports.

III. Nutrition

School Meals

Our school district is committed to serving healthy meals to children, with plenty of fruits, vegetables, whole grains, and fat-free and low-fat milk; that are moderate in sodium, low in saturated fat, and have zero grams *trans* fat per serving (nutrition label or manufacturer's specification); and to meeting the nutrition needs of school children within their calorie requirements. The school meal programs aim to improve the diet and health of school children, help mitigate childhood obesity, model healthy eating to support the development of lifelong healthy eating patterns and support healthy choices while accommodating cultural food preferences and special dietary needs.

All schools within the District participate in USDA child nutrition programs, including the National School Lunch Program (NSLP), and the School Breakfast Program (SBP). All schools within the District are committed to offering school meals through the NSLP and SBP programs, and other applicable Federal child nutrition programs, that:

- Are accessible to all students;
- Are appealing and attractive to children;
- Are served in clean and pleasant settings;
- Meet or exceed current nutrition requirements established by local, state, and Federal statutes and regulations. (The District offers reimbursable school meals that meet USDA nutrition standards.)
- Promote healthy food and beverage choices using at least ten of the following Smarter Lunchroom techniques:
 - Whole fruit options are displayed in attractive bowls or baskets (instead of chaffing dishes or hotel pans).
 - Sliced or cut fruit is available daily.
 - Daily fruit options are displayed in a location in the line of sight and reach of students.
 - All available vegetable options have been given creative or descriptive names.
 - Daily vegetable options are bundled into all grab-and-go meals available to students.
 - All staff members, especially those serving, have been trained to politely prompt students to select and consume the daily vegetable options with their meal.
 - White milk is placed in front of other beverages in all coolers.
 - Alternative entrée options (e.g., salad bar, yogurt parfaits, etc.) are highlighted on posters or signs within all service and dining areas.
 - A reimbursable meal can be created in any service area available to students (e.g., salad bars, snack rooms, etc.).

- Student surveys and taste testing opportunities are used to inform menu development, dining space decor and promotional ideas.
- Student artwork is displayed in the service and/or dining areas.
- Daily announcements are used to promote and market menu options.
- Menus will be posted on the District website or individual school websites, and will include nutrient content and ingredients.
- Menus will be created/reviewed by a Registered Dietitian or other certified nutrition professional.
- The District child nutrition program will accommodate students with special dietary needs.
- Students are served lunch at a reasonable and appropriate time of day.
- Participation in Federal child nutrition programs will be promoted among students and families to help ensure that families know what programs are available in their children's school.

Staff Qualifications and Professional Development

All school nutrition program directors, managers and staff will meet or exceed hiring and annual continuing education/training requirements in the USDA professional standards for child nutrition professionals. These school nutrition personnel will refer to USDA's Professional Standards for School Nutrition Standards website to search for training that meets their learning needs.

Water

To promote hydration, free, safe, unflavored drinking water will be available to all students throughout the school day* and throughout every school campus* ("school campus" and "school day" are defined in the glossary). The District will make drinking water available where school meals are served during mealtimes.

- All water sources and containers will be maintained on a regular basis to ensure good hygiene and health safety standards. Such sources and containers may include drinking fountains, water jugs, hydration stations, water jets and other methods for delivering drinking water.
- Students will be allowed to bring and carry water bottles filled with only water with them throughout the day.

Competitive Foods and Beverages

The District is committed to ensuring that all foods and beverages available to students on the school campus* during the school day* support healthy eating. The foods and beverages sold and served outside of the school meal programs (e.g., "competitive" foods and beverages) will meet the USDA Smart Snacks in School nutrition standards, at a minimum. Smart Snacks aim to improve student health and well-being, increase consumption of healthful foods during the school day and create an environment that reinforces the development of healthy eating habits. A summary of the standards and information, as well as a Guide to Smart Snacks in Schools are available at: <http://www.fns.usda.gov/healthierschoolday/tools-schools-smart-snacks>. The Alliance for a Healthier Generation provides a set of tools to assist with implementation of Smart Snacks available at www.foodplanner.healthiergeneration.org.

To support healthy food choices and improve student health and well-being, all foods and beverages outside the reimbursable school meal programs that are sold to students on the school campus during the school day will meet or exceed the USDA Smart Snacks nutrition standards. These standards will apply in all locations and through all services where foods and beverages

are sold, which may include, but are not limited to, à la carte options in cafeterias, vending machines, school stores and snack or food carts.

Celebrations and Rewards

All foods offered on the school campus will meet or exceed the USDA Smart Snacks in School nutrition standards, including through:

1. Rewards and incentives. The District will provide teachers and other relevant school staff a list of alternative ways to reward children. Foods and beverages will not be used as a reward, or withheld as punishment for any reason, such as for performance or behavior.

Fundraising

Foods and beverages that meet or exceed the USDA Smart Snacks in Schools nutrition standards may be sold through fundraisers on the school campus* during the school day*. The District will make available to parents and teachers a list of healthy fundraising ideas [examples from the Alliance for a Healthier Generation and the USDA].

Nutrition Promotion

Nutrition promotion and education positively influence lifelong eating behaviors by using evidence-based techniques and nutrition messages, and by creating food environments that encourage healthy nutrition choices and encourage participation in school meal programs. Students and staff will receive consistent nutrition messages throughout schools, classrooms, gymnasiums, and cafeterias. Nutrition promotion also includes marketing and advertising nutritious foods and beverages to students and is most effective when implemented consistently through a comprehensive and multi-channel approach by school staff, teachers, parents, students and the community.

The District will promote healthy food and beverage choices for all students throughout the school campus, as well as encourage participation in school meal programs. This promotion will occur through at least:

- Implementing at least ten or more evidence-based healthy food promotion techniques through the school meal programs using Smarter Lunchroom techniques; and
- Ensuring 100% of foods and beverages promoted to students meet the USDA Smart Snacks in School nutrition standards. Additional promotion techniques that the District and individual schools may use are available at <http://www.foodplanner.healthiergeneration.org/>.

Nutrition Education

The District will teach, model, encourage and support healthy eating by all students. Schools will provide nutrition education and engage in nutrition promotion that:

- Is designed to provide students with the knowledge and skills necessary to promote and protect their health;
- Is part of not only health education classes, but also integrated into other classroom instruction through subjects such as math, science, language arts, social sciences and elective subjects;

- Includes enjoyable, developmentally-appropriate, culturally-relevant and participatory activities, such as cooking demonstrations or lessons, promotions, taste-testing, farm visits and school gardens;
- Promotes fruits, vegetables, whole-grain products, low-fat and fat-free dairy products and healthy food preparation methods;
- Links with school meal programs, cafeteria nutrition promotion activities, school gardens, Farm to School programs, other school foods and nutrition-related community services;

Essential Healthy Eating Topics in Health Education

The District will include in the health education curriculum a minimum of 12 of the following essential topics on healthy eating:

- Relationship between healthy eating and personal health and disease prevention
- Food guidance from MyPlate
- Eating a variety of foods every day
- Balancing food intake and physical activity
- Eating more fruits, vegetables and whole grain products
- Choosing foods that are low in fat, saturated fat, and cholesterol and do not contain *trans* fat
- Choosing foods and beverages with little added sugars
- Preparing healthy meals and snacks
- Risks of unhealthy weight control practices
- Accepting body size differences
- Food safety
- Importance of water consumption
- Importance of eating breakfast
- Making healthy choices when eating at restaurants
- Eating disorders
- The Dietary Guidelines for Americans
- Social influences on healthy eating, including media, family, peers and culture
- Resisting peer pressure related to unhealthy dietary behavior
- Influencing, supporting, or advocating for others' healthy dietary behavior

Food and Beverage Marketing in Schools

The District is committed to providing a school environment that ensures opportunities for all students to practice healthy eating and physical activity behaviors throughout the school day while minimizing commercial distractions. The District strives to teach students how to make informed choices about nutrition, health and physical activity. These efforts will be weakened if students are subjected to advertising on District property that contains messages inconsistent with the health information the District is imparting through nutrition education and health promotion efforts. It is the intent of the District to protect and promote student's health by permitting advertising and marketing for only those foods and beverages that are permitted to be sold on the school campus, consistent with the District's wellness policy.

Any foods and beverages marketed or promoted to students on the school campus* during the school day* will meet or exceed the USDA Smart Snacks in School nutrition standards, such that only those foods that comply with or exceed those nutrition standards are permitted to be marketed or promoted to students.

Food and beverage marketing is defined as advertising and other promotions in schools. Food and beverage marketing often includes an oral, written, or graphic statements made for the purpose of promoting the sale of a food or beverage product made by the producer, manufacturer, seller or any other entity with a commercial interest in the product.¹⁵ This term includes, but is not limited to the following:

- Brand names, trademarks, logos or tags, except when placed on a physically present food or beverage product or its container.
- Displays, such as on vending machine exteriors
- Corporate brand, logo, name or trademark on school equipment, such as marquees, message boards, scoreboards or backboards (Note: immediate replacement of these items are not required; however, districts will replace or update scoreboards or other durable equipment when existing contracts are up for renewal or to the extent that is in financially possible over time so that items are in compliance with the marketing policy.)
- Corporate brand, logo, name or trademark on cups used for beverage dispensing, menu boards, coolers, trash cans and other food service equipment; as well as on posters, book covers, pupil assignment books or school supplies displayed, distributed, offered or sold by the District.
- Advertisements in school publications or school mailings.
- Free product samples, taste tests or coupons of a product, or free samples displaying advertising of a product.

As the District/school nutrition services/Athletics Department/PTA/PTO reviews existing contracts and considers new contracts, equipment and product purchasing (and replacement) decisions should reflect the applicable marketing guidelines established by the District wellness policy.

IV. Physical Activity

Children and adolescents should participate in at least 60 minutes of physical activity every day. A substantial percentage of students' physical activity can be provided through a comprehensive school physical activity program (CSPAP). A CSPAP reflects strong coordination and synergy across all of the components: quality physical education as the foundation; physical activity before, during and after school; staff involvement and family and community engagement and the district is committed to providing these opportunities. Schools will ensure that these varied physical activity opportunities are in addition to, and not as a substitute for, physical education (addressed in "Physical Education" subsection). All schools in the district will be encouraged to participate in *Let's Move! Active Schools* (www.letsmoveschools.org) in order to successfully address all CSPAP areas.

Physical activity during the school day (including but not limited to recess, classroom physical activity breaks or physical education) **will not be withheld** as punishment for any reason this does not include participation on sports teams that have specific academic requirements. The district will provide teachers and other school staff with a list of ideas for alternative ways to discipline students.

To the extent practicable, the District will ensure that its grounds and facilities are safe and that equipment is available to students to be active. The District will conduct necessary inspections and repairs.

Physical Education

The District will provide students with physical education, using an age-appropriate, sequential physical education curriculum consistent with national and state standards for physical education. The physical education curriculum will promote the benefits of a physically active lifestyle and will help students develop skills to engage in lifelong healthy habits, as well as incorporate essential health education concepts (discussed in the "*Essential Physical Activity Topics in Health Education*" subsection). The curriculum will support the essential components of physical education.

All students will be provided equal opportunity to participate in physical education classes. The District will make appropriate accommodations to allow for equitable participation for all students and will adapt physical education classes and equipment as necessary.

All District **elementary students** in each grade will receive physical education for at least 60-89 minutes per week throughout the school year

All Impact Charter **secondary students** (middle school) are required to take the equivalent of one academic year of physical education.

The District physical education program will promote student physical fitness through individualized fitness and activity assessments (via the Presidential Youth Fitness Program or other appropriate assessment tool) and will use criterion-based reporting for each student.

- All physical education classes at Impact Charter are taught by licensed teachers who are certified or endorsed to teach physical education.

Essential Physical Activity Topics in Health Education

Health education will be required in all grades (elementary) and the district will require middle and high school students to take and pass at least one health education course. The District will include in the health education curriculum a minimum of 12 the following essential topics on physical activity:

- The physical, psychological, or social benefits of physical activity
- How physical activity can contribute to a healthy weight
- How physical activity can contribute to the academic learning process
- How an inactive lifestyle contributes to chronic disease
- Health-related fitness, that is, cardiovascular endurance, muscular endurance, muscular strength, flexibility, and body composition
- Differences between physical activity, exercise and fitness
- Phases of an exercise session, that is, warm up, workout and cool down
- Overcoming barriers to physical activity
- Decreasing sedentary activities, such as TV watching
- Opportunities for physical activity in the community
- Preventing injury during physical activity
- Social influences on physical activity, including media, family, peers and culture
- How to influence, support, or advocate for others to engage in physical activity
- How to resist peer pressure that discourages physical activity.

Recess (Elementary)

All elementary schools will offer at least **20 minutes of recess** on all days during the school year. If recess is offered before lunch, schools will have appropriate hand-washing facilities and/or hand-sanitizing mechanisms located just inside/outside the cafeteria to ensure proper hygiene prior to eating and students are required to use these mechanisms before eating. Hand-washing time, as well as time to put away coats/hats/gloves, will be built in to the recess transition period/timeframe before students enter the cafeteria.

Outdoor recess will be offered when weather is feasible for outdoor play.

In the event that the school or district must conduct **indoor recess**, teachers and staff will follow the indoor recess guidelines that promote physical activity for students, to the extent practicable. Each school will maintain and enforce its own indoor recess guidelines.

Recess will complement, not substitute, physical education class. Recess monitors or teachers will encourage students to be active, and will serve as role models by being physically active alongside the students whenever feasible.

Classroom Physical Activity Breaks (Elementary and Secondary)

The District recognizes that students are more attentive and ready to learn if provided with periodic breaks when they can be physically active or stretch. Thus, students will be offered **periodic opportunities** to be active or to stretch throughout the day on all or most days during a typical school week. The District recommends teachers provide short (3-5-minute) physical activity breaks to students during and between classroom time at least three days per week. These physical activity breaks will complement, not substitute, for physical education class, recess, and class transition periods.

The District will provide resources and links to resources, tools, and technology with ideas for classroom physical activity breaks. Resources and ideas are available through [USDA](#) and the [Alliance for a Healthier Generation](#).

Active Academics

Teachers will incorporate movement and kinesthetic learning approaches into "core" subject instruction when possible (e.g., science, math, language arts, social studies and others) and do their part to limit sedentary behavior during the school day.

The District will support classroom teachers incorporating physical activity and employing kinesthetic learning approaches into core subjects by providing annual professional development opportunities and resources, including information on leading activities, activity options, as well as making available background material on the connections between learning and movement.

Teachers will serve as role models by being physically active alongside the students whenever feasible.

Before and After School Activities

The District offers opportunities for students to participate in physical activity either before and/or after the school day (or both) through a variety of methods. The District will encourage students to

be physically active before and after school by: offering and encouraging *physical activity clubs, and intramurals or interscholastic sports teams*.

V. Other Activities that Promote Student Wellness

The District will integrate wellness activities across the entire school setting, not just in the cafeteria, other food and beverage venues and physical activity facilities. The District will coordinate and integrate other initiatives related to physical activity, physical education, nutrition and other wellness components so all efforts are complementary, not duplicative, and work towards the same set of goals and objectives promoting student well-being, optimal development and strong educational outcomes.

Schools in the District are encouraged to coordinate content across curricular areas that promote student health, such as teaching nutrition concepts in mathematics, with consultation provided by either the school or the District's curriculum experts.

All efforts related to obtaining federal, state or association recognition for efforts, or grants/funding opportunities for healthy school environments will be coordinated with and complementary of the wellness policy, including but not limited to ensuring the involvement of the DWC/SWC.

All school-sponsored events will adhere to the wellness policy guidelines. All school-sponsored wellness events will include physical activity and healthy eating opportunities when appropriate.

Community Partnerships

The District will enhance, and/or continue relationships with community partners (e.g., hospitals, universities/colleges, local businesses, SNAP-Ed providers and coordinators, etc.) in support of this wellness policy's implementation. Existing and new community partnerships and sponsorships will be evaluated to ensure that they are consistent with the wellness policy and its goals.

Community Health Promotion and Family Engagement

The District will promote to parents/caregivers, families, and the general community the benefits of and approaches for healthy eating and physical activity throughout the school year. Families will be informed and invited to participate in school-sponsored activities and will receive information about health promotion efforts.

As described in the "Community Involvement, Outreach, and Communications" subsection, the District will use electronic mechanisms (e.g., email or displaying notices on the district's website), as well as non-electronic mechanisms, (e.g., newsletters, presentations to parents or sending information home to parents), to ensure that all families are actively notified of opportunities to participate in school-sponsored activities and receive information about health promotion efforts.

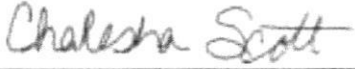
Professional Learning

When feasible, the District will offer annual professional learning opportunities and resources for staff to increase knowledge and skills about promoting healthy behaviors in the classroom and school (e.g., increasing the use of kinesthetic teaching approaches or incorporating nutrition lessons into math class). Professional learning will help District staff understand the connections

between academics and health and the ways in which health and wellness are integrated into ongoing district reform or academic improvement plans/efforts.

Local School Wellness Policy

Chakesha Scott
School Representative Name (printed)


School Representative Signature

Date of LSWP implementation: 8/1/2019

Glossary:

Extended School Day – the time during, before and afterschool that includes activities such as clubs, intramural sports, band and choir practice, drama rehearsals and more.

School Campus - areas that are owned or leased by the school and used at any time for school-related activities, including on the outside of the school building, school buses or other vehicles used to transport students, athletic fields and stadiums (e.g., on scoreboards, coolers, cups, and water bottles), or parking lots.

School Day – the time between midnight the night before to 30 minutes after the end of the instructional day.

Triennial – recurring every three years.

-
- ¹ Bradley, B, Green, AC. Do Health and Education Agencies in the United States Share Responsibility for Academic Achievement and Health? A Review of 25 years of Evidence About the Relationship of Adolescents' Academic Achievement and Health Behaviors, *Journal of Adolescent Health*. 2013; 52(5):523–532.
- ² Meyers AF, Sampson AE, Weitzman M, Rogers BL, Kayne H. School breakfast program and school performance. *American Journal of Diseases of Children*. 1989;143(10):1234–1239.
- ³ Murphy JM. Breakfast and learning: an updated review. *Current Nutrition & Food Science*. 2007; 3:3–36.
- ⁴ Murphy JM, Pagano ME, Nachmani J, Sperling P, Kane S, Kleinman RE. The relationship of school breakfast to psychosocial and academic functioning: Cross-sectional and longitudinal observations in an inner-city school sample. *Archives of Pediatrics and Adolescent Medicine*. 1998;152(9):899–907.
- ⁵ Pollitt E, Mathews R. Breakfast and cognition: an integrative summary. *American Journal of Clinical Nutrition*. 1998; 67(4), 804S–813S.
- ⁶ Rampersaud GC, Pereira MA, Girard BL, Adams J, Metz J. Breakfast habits, nutritional status, body weight, and academic performance in children and adolescents. *Journal of the American Dietetic Association*. 2005;105(5):743–760, quiz 761–762.
- ⁷ Taras, H. Nutrition and student performance at school. *Journal of School Health*. 2005;75(6):199–213.
- ⁸ MacLellan D, Taylor J, Wood K. Food intake and academic performance among adolescents. *Canadian Journal of Dietetic Practice and Research*. 2008;69(3):141–144.
- ⁹ Neumark-Sztainer D, Story M, Dixon LB, Resnick MD, Blum RW. Correlates of inadequate consumption of dairy products among adolescents. *Journal of Nutrition Education*. 1997;29(1):12–20.
- ¹⁰ Neumark-Sztainer D, Story M, Resnick MD, Blum RW. Correlates of inadequate fruit and vegetable consumption among adolescents. *Preventive Medicine*. 1996;25(5):497–505.
- ¹¹ Centers for Disease Control and Prevention. *The association between school-based physical activity, including physical education, and academic performance*. Atlanta, GA: US Department of Health and Human Services, 2010.
- ¹² Singh A, Uijtdewilligne L, Twisk J, van Mechelen W, Chinapaw M. *Physical activity and performance at school: A systematic review of the literature including a methodological quality assessment*. *Arch Pediatr Adolesc Med*, 2012; 166(1):49–55.
- ¹³ Haapala E, Poikkeus A-M, Kukkonen-Harjula K, Tompuri T, Lintu N, Väistö J, Leppänen P, Laaksonen D, Lindi V, Lakka T. *Association of physical activity and sedentary behavior with academic skills – A follow-up study among primary school children*. *PLoS ONE*, 2014; 9(9): e107031.
- ¹⁴ Hillman C, Pontifex M, Castelli D, Khan N, Raine L, Scudder M, Drollette E, Moore R, Wu C-T, Kamijo K. *Effects of the FITKids randomized control trial on executive control and brain function*. *Pediatrics* 2014; 134(4): e1063-1071.
- ¹⁵ Change Lab Solutions. (2014). *District Policy Restricting the Advertising of Food and Beverages Not Permitted to be Sold on School Grounds*. Retrieved from <http://changelabsolutions.org/publications/district-policy-school-food-ads>



Certificate of attendance

Name Eric Scott
Organization Impact Charter School
Registration # 14577282

Data Driven Professional Development (Poster) Sunday, June 26, 12:30 – 2 p.m.	0.33 hours
Creating and Using Formative Assessments in Nearpod (Creation lab) Monday, June 27, 11 a.m. – 12 p.m.	1 hour
Louisiana Environmental Education Commission - Serving Louisiana through Technology (Ed talk) Monday, June 27, 1:30 – 2:15 p.m.	0.75 hours
The Well-Rounded Leader: CTO Forum With CoSN, ATLIS and ISTE (Forum) Tuesday, June 28, 11 a.m. – 12:30 p.m.	1.5 hours
Seeds to Success: The Louisiana Farm to School Program (Ed talk) Tuesday, June 28, 11:30 a.m. – 12:15 p.m.	0.75 hours
Take Your Data to New Heights With Google Tools (Creation lab) Wednesday, June 29, 11 a.m. – 12 p.m.	1 hour
Total	5.33 hours

This certificate serves as confirmation of your participation in the ISTE Live 22 Conference and Expo in New Orleans, Louisiana and virtually, June 26–June 29, 2022. By signing this document, you are certifying that the information you have provided is accurate and true.

I certify that I attended the specified number of hours in general conference sessions and/or workshops at ISTE Live 22.

Attendee signature

Date

The ISTE Live 22 Conference and Expo is presented by the International Society for Technology in Education (ISTE). The program comprises submissions from around the world selected by an independent panel of expert local, regional, national and international reviewers. The program reflects best practices and research to harness the power of technology to improve students' learning. Solutions are proposed for a variety of learning environments, districts, community colleges, educational agencies and university programs.

Thank you for your support of ISTE Live 22; we hope to see you at future conferences!

A handwritten signature in black ink, reading "Jennifer Ragan-Fore". The script is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent style than the last name.

Jennifer Ragan-Fore
ISTE Chief Events and Marketing Officer
Conference Services

A handwritten signature in black ink, reading "Camilla Gagliolo". The script is elegant and cursive, with the first name "Camilla" written in a larger, more prominent style than the last name.

Camilla Gagliolo
ISTE Senior Director of Event Content

From: Alpha Kappa Alpha Sorority, Inc. eblasts@aka1908.com
Subject: Leadership Seminar Will Launch Pathways To Soar - July 12-16
Date: February 23, 2023 at 8:53 PM
To: chakesha.scott@impactcharter.org

IA



Alpha Kappa Alpha Sorority, Incorporated®



From the
Supreme *Business*

February 23, 2023

Greetings Sorors,

Since our founding, Alpha Kappa Alpha Sorority, Incorporated® has invested in providing leadership development opportunities for our members at every stage of their AKA journey. Now, in our 115th year, that continued investment is even more critical as we develop the next generation of leaders for our campuses, communities, chapters, corporations, and global presence.

I am pleased to announce the 2022 – 2026 International Leadership Development Program, **PATHWAYS TO SOAR**, a modern, interactive, and high-impact approach to developing Alpha Kappa Alpha Sorority members and the world's current and future leaders.

The Program will:

- Assist sorors in recognizing and elevating their own leadership potential with a focus on elevating their professional and personal areas of growth and their physical and mental well-being;
- Outline training curriculum guidance for new initiates, chapter officers, seasoned leaders, and sorors seeking international officer positions;
- Grant access to employers seeking to hire interns who are early in their careers and/or senior-level talent within their organizations;
- Create Networking Squads to connect sorors in similar professions and life stages (retired, caregivers, career moms, Home CEO (stay-at-home moms), recent graduates, etc.);
- Include more hands-on labs, simulations, gamification, and real-world scenarios to provide sorors with opportunities to practice new skills in a safe and nurturing environment; and
- Issue Continuing Education Units (CEUs) for certain sorority and professional certifications offered during Regional Conferences, Leadership Seminars, and Boules.

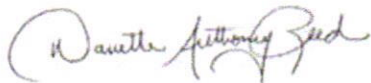
An overview of the 2022 – 2026 Leadership Development program, **PATHWAYS TO SOAR** is located [HERE](#). In addition, the *Leadership Development Resource Guide* was included in the Fall mailing.

Over the coming weeks and months, the International Leadership Development Committee will begin rolling out key components of **PATHWAYS TO SOAR**, including launching registration for the 2023 Leadership Seminar, July 12 – 16, 2023 in Chicago.

If you have any questions pertaining to the 2022 – 2026 Leadership Development Program, please contact the International Leadership Development Committee at leadershipdevelopment@aka1908.com.

I look forward to seeing each soror soar to greater heights of leadership development!

Sisterly,



Soror Danette Anthony Reed
Supreme Basileus



Alpha Kappa Alpha Sorority, Incorporated

5656 South Stony Island Avenue
Chicago, IL 60637

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Impact Charter Elementary



BOARD RESOLUTION

A meeting of the Board of Directors of Education Explosion, Inc. was held on August 14, 2013, whereby a resolution was passed authorizing Chakesha Scott, President and CEO, by her signature, to enter into any and all contractual obligations including opening banking accounts in reference to the BESE authorized Type 2 Charter School, Impact Charter Elementary and on behalf of this corporation.

A handwritten signature in black ink, appearing to read "Sharon Henderson", is written over a horizontal line.

Sharon Henderson
Board Secretary

P.O. Box 73608 * Baton Rouge, LA 70874 * (T) 1-888-486-8253
(O) 225-308-9565 * (F) 225-308-4239
www.impactcharter.org * www.educationexplosion.com



Education Explosion, Inc. d.b.a.

Impact Charter Elementary

July 27, 2017

6:00 p.m.

Attendance:

P	Patrick Dickson	A	Jada J. Netters
P	Chakesha Scott (CEO/Ex-Officio)	A	James Peltier
P	Sharon B. Henderson	P	Lakeisha Womack
P	Jackie Williams-Huggins	A	Tiffanie Lewis

P-Present | CC – Conference Call | A – Absent

I.0 Meeting Opening

- 1.1 Ms. Henderson called the meeting to order at 6:48p.m. at Impact Charter Elementary, 4815 Lavey Lane Baker, Louisiana, 70714
- 1.2 Roll Call
- 1.3 Mrs. Scott read the June 28, 2017 minutes.
 - 1.3.1 Mrs. Womack moved to approve the minutes. Motion passed.

2.0 Old Business

- 2.1 Facility Update
 - 2.1.1 Mrs. Scott gave an update regarding the remaining repairs, which includes the hole in the rear driveway.
 - 2.1.2 The board discussed utilizing a modular building to temporarily house the 6th grade Program. The discussion included costs, timeline and permitting requirements.
- 2.2 Public Comment
 - 2.2.1 No Public Comment.

3.0 New Business

- 3.1 CEO Update

3.1.1 School Update

- a. The student population at Impact continues to grow each year. Currently, student enrollment for kindergarten thru 6th grade is 401 students. Prek has 20 students for a total of 421 students.
- b. School Orientation will be held on August 3rd, 2017 at 5:00 p.m. for 6th grade and 6:00 p.m. for all students.
- c. The first day of school is August 7th, 2017.
- d. Mrs. Scott presented the LEAP score's data for the 3rd, 4th, and 5th grade. The school's letter grade and Social Studies scores has not yet been released by LDOE.
- e. Ms. Womack moved to approve the 2017-18 School Calendar with needed changes. Motion passed.
- f. Mrs. Scott proposed updates to the Human Resource Manual and Family Handbook.
- g. Ms. Womack made a motion to accept the changes to the Human Resource Manual and Family Handbook. Motion passed.

3.2 Board Officers


3.3 Budget Hearing and Approval

- a. Board reviewed the budget for 2017-18 school year.
- b. Mrs. Huggins moved to accept the 2017-18 budget. Motion passed.
- c. Mrs. Womack moved to close the budget hearing and resume the regular meeting.
- d. The budget will be submitted on Monday, July 31st, 2017 based on a student count of 400 students.

4.0 Meeting Finalization

- 4.1 Review actions to be taken at next meeting: (1) facility update (2) school update
- 4.2 Next Meeting Date August 15, 2017
- 4.3 Meeting Close

Mr. Dickson moved to adjourn the meeting at 8:33 p.m. Motion passed



Board Officer

Education Explosion, Inc.
/d.b.a.
Impact Charter School
August 17, 2021
6:00 p.m.

Attendance:

P	Patrick Dickson	A	Jada J. Netters
P	Chakesha Scott (CEO/Ex-Officio)	P	Jennifer Caldero
A	Sharon B. Henderson	P	Lakeisha Robertson
P	Jackie Williams-Huggins	A	Tiffanie Lewis

P-Present | CC – Conference Call | A – Absent

I.0 Meeting Opening

1.1 Mrs. Robertson called the meeting to order at 6:05 p.m. virtually via Zoom.

1.2 Roll Call

1.3 Board members read the May 18, 2021 minutes.

1.3.1 Jackie Williams-Huggins moved to approve the minutes. Motion passed.

2.0 Old Business

2.1 Facility Update

2.1.1 Mrs. Scott discussed updates regarding AC repairs and ongoing errors regarding the water bills.

2.1.3 Discussed updates regarding facility financing structure options.

2.1.4 Discussed the need for a new Auditor. Board discussed options regarding a new auditor. Mr. Dickson moved to approve Bobbie Howard, CPA as the new auditor. Motion passed.

2.1.5 Student data was presented and discussed.

2.1.6 Discussed the need to move school uniform storage building. Ms. Huggins moved to contract with Sam Green and Plank Road Movers moved to the storage building on the school site. Motion passed.

2.1.7 Discussed vendors for vendor partners for instructional professional development. Ms. Huggins moved to approve the instructional contracts for the new school year. Motion passed.

2.1.8 Discussed the annual proposals for school insurance policies. Ms. Huggins moved to accept and approve the insurance proposals. Motion passed.

2.1.9 Discussed changes to updated school policies. Mr. Dickson moved to approve the changes to school policies. Motion passed.

2.1.10 Discussed all school transportation leases. Ms. Huggins moved to approve all school transportation leases. Motion passed.

2.1.7 Impact Charter monthly financials was presented and discussed.

2.1.7 Jackie Williams-Huggins moved to suspend the board meeting and open public budget hearing. Motion passed.

2.3 Budget Hearing

2.3.1 Budget highlights and details were presented and discussed including:

a. Top 3 Expenditures (Salaries, Facility, and Transportation)

b. 70% Compliance Test – Passed

c. Approval of federal, state and local grants

2.3.2 Jackie Williams-Huggins moved to close public hearing and reconvene the regular board meeting. Motion Passed.

2.3.3 Patrick Dickson moved to pass the 2021-22 budget. Motion passed

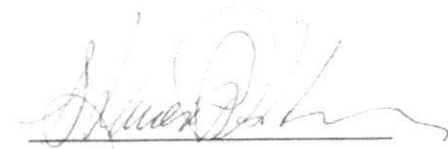
2.4 Public Comment - None

3.0 Meeting Finalization

3.1 Review actions to be taken at next meeting: (1) Facility Updates

3.2 Next Meeting Date: November 16, 2021

3.3 Jackie Huggins moved to adjourn the meeting at 7:24 p.m. Motion passed.



Board Officer

Impact Charter Elementary



BOARD RESOLUTION

A meeting of the Board of Directors of Education Explosion, Inc. was held on August 14, 2013, whereby a resolution was passed authorizing Chakesha Scott, President and CEO, by her signature, to enter into any and all contractual obligations including opening banking accounts in reference to the BESE authorized Type 2 Charter School, Impact Charter Elementary and on behalf of this corporation.

A handwritten signature in black ink, appearing to read "Sharon Henderson", is written over a horizontal line.

Sharon Henderson
Board Secretary

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Section 10.04 Amendments, Addenda, Changes or Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Creditor and Debtor. Furthermore, Creditor reserves the right to directly charge or amortize into the remaining balance due from Debtor, a reasonable fee, to be determined at that time, as compensation to Creditor for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Debtor.

Section 10.05 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.06 Captions. The captions or headings in this Agreement do not define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 10.07 Master Equipment Finance Agreement. This Agreement can be utilized as a Master Equipment Finance Agreement. This means that the Creditor and the Debtor may agree to the financing of additional Equipment under this Agreement at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Creditor. Additional schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Agreement shall govern each Additional Schedule.

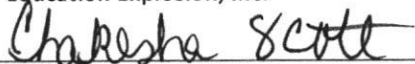
Section 10.08 Entire Writing. This Agreement constitutes the entire writing between Creditor and Debtor. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Agreement or the equipment financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Debtor in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Creditor and will not apply to this Agreement.

Section 10.09 Acceptance of Equipment Certification. By signing and attesting directly below, Debtor hereby certifies that the Equipment described directly below in Exhibit A has been delivered and installed in accordance with Debtor's specifications. Debtor further certifies that they have conducted such inspection and/or testing of the Equipment as it deems necessary and hereby acknowledges that it accepts the Equipment for all intended purposes.

Section 10.10 Resolution and Authorization. By signing and attesting directly below, Debtor hereby warrants and certifies that the Governing Body of the Debtor at either a special or regular meeting or through some other approved method of authorization has determined that this Agreement is in the best interests of the Debtor and the Governing Body did at such meeting or through some other approval method approve the entering into of the Agreement by the Debtor and specifically designated and authorized the individual(s) who have signed directly below to execute this Agreement on Debtor's behalf along with any related documents (including any Escrow Agreement) necessary to the consummation of the transaction contemplated by the Agreement.

Creditor and Debtor have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

Education Explosion, Inc.



Signature

Chakesha Scott, CEO

Printed Name and Title

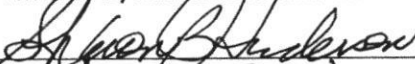
KS StateBank

Signature

Marsha Jarvis, Senior Vice President

Printed Name and Title

Attested By Authorized Individual



Signature

Sharon B. Henderson

Printed Name and Title

Education Explosion, Inc.
/d.b.a.
Impact Charter School

July 6, 2023

6:30 p.m.

Attendance:

P	Patrick Dickson	A	Jada J. Netters
P	Chakesha Scott (CEO/Ex-Officio)	A	Jennifer Caldero
P	Lakeisha Robertson	A	Tiffanie Lewis
P	Jackie Williams-Huggins	P	Gwendolyn McClain

P-Present | CC – Conference Call | A – Absent

Public and Guest Attendees:

Christina Woods - LDOE

1.0 Meeting Opening

1.1 Mrs. Robertson called the meeting to order at 6:35 p.m.

1.2 Roll Call

1.3 Board members read the May 16, 2023 minutes.

1.4 Mrs. Huggins moved to approve the minutes. Motion passed.

2.0 Old Business

2.1

2.1.1 Mrs. Scott provided an update on the fence that will be constructed behind the school.

2.1.2 Mrs. Robertson proposed to ratify all actions taken at board meetings during the 2022-23 school year. She read all actions that were taken during those meetings. Mr. Dickson moved to ratify all meeting actions from all meetings held during the 22-23 school year. The motion was

seconded by Ms. Huggins. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

3.0 New Business

3.1 Mrs. C. Scott provided an update on enrollment, school legal matters, HVAC concerns and discussed the option of installing a system to centrally control and automate all HVAC units to reduce energy costs and repair costs. Board members requested that the proposed vendor formally present at a future board meeting with the goal of obtaining more thorough answers to their questions before deciding to approve the investment.

3.2 Mr. Dickson moved to approve the 23-24 board meeting calendar. The motion was seconded by Mrs. Huggins. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

3.3 Mrs. Huggins moved to approve the proposed insurance policies for the 23-24 school year. The motion was seconded by Ms. McClain. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

3.4 Mrs. Huggins moved to approve and renew all proposed instructional and operational contracts and services for the 23-24 school year. The motion was seconded by Mr. Dickson. After Board discussion and public comment, the motion passed by unanimous vote of the Board.

3.5 The 2023-24 school year draft budget was discussed.

4.0 Public Comment – No public comment.

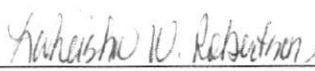
5.0 Impact Charter monthly financials were presented and discussed.

6.0 Meeting Finalization

6.1 Reviewed actions to be taken at the next meeting: Budget Meeting, enrollment, LEAP data

6.2 Next Meeting Date: August 3, 2023

6.3 Mr. Dickson moved to adjourn the meeting at 8:03 p.m. Motion passed.



Board Officer Signature

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

Before me, the undersigned Notary Public, duly commissioned and qualified within and for the State and Parish aforesaid, personally came and appeared:

Marilyn Diana C. Davis and Chakesha Webb Scott

Who, being by me first duly sworn, deposed and said:

I, Marilyn Diana C. Davis, own a 24 x 48 building, wood construction, located at 11560 Plank Road, Baton Rouge, La 70811. I am donating this building to Friends of Impact Charter Schools, located at 4815 Lavey Lane, Baker, LA 70714. I, Chakesha Webb Scott, sign accepting the donation and acknowledge possession of the building.

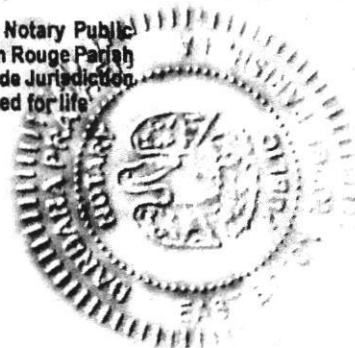
Marilyn Diana C. Davis
Affiant

Chakesha Webb Scott
Affiant

Sworn to and subscribed before me this 1 day of March, 2019.

[Signature]
Notary Public – Commissioned for Life

Barbara Prather, Notary Public
#10112 East Baton Rouge Parish
Louisiana Statewide Jurisdiction
Commissioned for life



Apple Notaries, Inc

Zachary, Louisiana

Education Explosion, Inc.
/d.b.a.
Impact Charter School
August 17, 2021
6:00 p.m.

Attendance:

P	Patrick Dickson	A	Jada J. Netters
P	Chakesha Scott (CEO/Ex-Officio)	P	Jennifer Caldero
A	Sharon B. Henderson	P	Lakeisha Robertson
P	Jackie Williams-Huggins	A	Tiffanie Lewis

P-Present | CC – Conference Call | A – Absent

I.0 Meeting Opening

1.1 Mrs. Robertson called the meeting to order at 6:05 p.m. virtually via Zoom.

1.2 Roll Call

1.3 Board members read the May 18, 2021 minutes.

1.3.1 Jackie Williams-Huggins moved to approve the minutes. Motion passed.

2.0 Old Business

2.1 Facility Update

2.1.1 Mrs. Scott discussed updates regarding AC repairs and ongoing errors regarding the water bills.

2.1.3 Discussed updates regarding facility financing structure options.

2.1.4 Discussed the need for a new Auditor. Board discussed options regarding a new auditor. Mr. Dickson moved to approve Bobbie Howard, CPA as the new auditor. Motion passed.

2.1.5 Student data was presented and discussed.

2.1.6 Discussed the need to move school uniform storage building. Ms. Huggins moved to contract with Sam Green and Plank Road Movers moved to the storage building on the school site. Motion passed.

2.1.7 Discussed vendors for vendor partners for instructional professional development. Ms. Huggins moved to approve the instructional contracts for the new school year. Motion passed.

2.1.8 Discussed the annual proposals for school insurance policies. Ms. Huggins moved to accept and approve the insurance proposals. Motion passed.

2.1.9 Discussed changes to updated school policies. Mr. Dickson moved to approve the changes to school policies. Motion passed.

2.1.10 Discussed all school transportation leases. Ms. Huggins moved to approve all school transportation leases. Motion passed.

2.1.7 Impact Charter monthly financials was presented and discussed.

2.1.7 Jackie Williams-Huggins moved to suspend the board meeting and open public budget hearing. Motion passed.

2.3 Budget Hearing

2.3.1 Budget highlights and details were presented and discussed including:

a. Top 3 Expenditures (Salaries, Facility, and Transportation)

b. 70% Compliance Test – Passed

c. Approval of federal, state and local grants

2.3.2 Jackie Williams-Huggins moved to close public hearing and reconvene the regular board meeting. Motion Passed.

2.3.3 Patrick Dickson moved to pass the 2021-22 budget. Motion passed

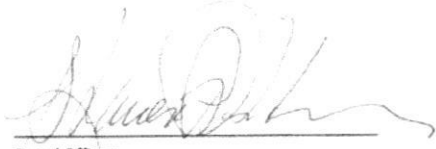
2.4 Public Comment - None

3.0 Meeting Finalization

3.1 Review actions to be taken at next meeting: (1) Facility Updates

3.2 Next Meeting Date: November 16, 2021

3.3 Jackie Huggins moved to adjourn the meeting at 7:24 p.m. Motion passed.



Board Officer

[REDACTED]
[REDACTED]
Mrs. Chakesha Scott ID Number: [REDACTED]
[REDACTED]
[REDACTED]

Hrs Hrs Hrs Grade
Course Title Grd R Att Cmpt Gpa Points Course Dates Term -----

ELI 806 ACCOUNTABILITY IN A 3.00 3.00 3.00 12.00000 03/13/21-05/07/21 21/SP2
21/SP2 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 3.00 3.00
3.00 12.0000 GPA = 4.0000
ELI 817 MGTING SOCIAL MEDI A 3.00 3.00 3.00 12.00000 05/15/21-06/25/21 21/SU1
21/SU1 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 6.00 6.00
6.00 24.0000 GPA = 4.0000
ELI 814 CROSS CULTURAL REL A 3.00 3.00 3.00 12.00000 06/26/21-08/06/21 21/SU2
21/SU2 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 9.00 9.00
9.00 36.0000 GPA = 4.0000
RES 819 FOUNDATIONS OF RES A- 3.00 3.00 3.00 11.01000 08/21/21-10/15/21 21/FL1
21/FL1 Totals: 3.00 3.00 3.00 11.0100 GPA = 3.6700 Cumulative Totals: 12.00 12.00
12.00 47.0100 GPA = 3.9175
ELI 816 CONSULTING PRACTIC A 3.00 3.00 3.00 12.00000 10/16/21-12/10/21 21/FL2
21/FL2 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 15.00 15.00
15.00 59.0100 GPA = 3.9340
ELI 801 THEORY & PRACTICE A 3.00 3.00 3.00 12.00000 01/08/22-03/04/22 22/SP1
22/SP1 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 18.00 18.00
18.00 71.0100 GPA = 3.9450
RES 821 QUALITATIVE RESEAR A 3.00 3.00 3.00 12.00000 03/12/22-05/06/22 22/SP2
22/SP2 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 21.00 21.00
21.00 83.0100 GPA = 3.9529
ELI 803 INFORMATION MANAGE A 3.00 3.00 3.00 12.00000 05/14/22-06/24/22 22/SU1
22/SU1 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 24.00 24.00
24.00 95.0100 GPA = 3.9588
ELI 804 LEADERSHIP FOR CHA A- 3.00 3.00 3.00 11.01000 06/25/22-08/05/22 22/SU2
01/08/25 Graduate Page 2 St. Thomas University
Miami Gardens, FL
Mrs. Chakesha Scott ID Number: [REDACTED]

Hrs Hrs Hrs Grade
Course Title Grd R Att Cmpst Gpa Points Course Dates Term -----
----- 22/SU2 Totals: 3.00 3.00 3.00 11.0100
GPA = 3.6700 Cumulative Totals: 27.00 27.00 27.00 106.0200 GPA = 3.9267

ELI 805 GLOBALIZATION STRA A- 3.00 3.00 3.00 11.01000 08/20/22-10/14/22 22/FL1

22/FL1 Totals: 3.00 3.00 3.00 11.0100 GPA = 3.6700 Cumulative Totals: 30.00 30.00
30.00 117.0300 GPA = 3.9010

ELI 809 INNOVATION & LEADE A 3.00 3.00 3.00 12.00000 10/15/22-12/09/22 22/FL2

22/FL2 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 33.00 33.00
33.00 129.0300 GPA = 3.9100

ELI 819 TALENT DEVELOPMENT A 3.00 3.00 3.00 12.00000 01/07/23-03/03/23 23/SP1

23/SP1 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 36.00 36.00
36.00 141.0300 GPA = 3.9175

RES 820 QUANTITATIVE RESEA A 3.00 3.00 3.00 12.00000 03/11/23-05/05/23 23/SP2

23/SP2 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 39.00 39.00
39.00 153.0300 GPA = 3.9238

ELI 815 PUBLIC POLICY LDERS A 3.00 3.00 3.00 12.00000 05/13/23-06/23/23 23/SU1

23/SU1 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 42.00 42.00
42.00 165.0300 GPA = 3.9293

ELI 808 HUMAN RESOURCES DE A 3.00 3.00 3.00 12.00000 06/24/23-08/04/23 23/SU2

23/SU2 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 45.00 45.00
45.00 177.0300 GPA = 3.9340

ELI 807 ETHICS AND GOVERNA A 3.00 3.00 3.00 12.00000 08/19/23-10/13/23 23/FL1

23/FL1 Totals: 3.00 3.00 3.00 12.0000 GPA = 4.0000 Cumulative Totals: 48.00 48.00
48.00 189.0300 GPA = 3.9381

DIS 900 DOCTORAL RESEARCH P 3.00 3.00 0.00 0.00000 10/14/23-12/08/23 23/FL2

23/FL2 Totals: 3.00 3.00 0.00 0.0000 GPA = 0.0000 Cumulative Totals: 51.00 51.00
48.00 189.0300 GPA = 3.9381

01/08/25 Graduate Page 3 St. Thomas University
Miami Gardens, FL

Hrs	Hrs	Hrs	Grade	Course Title	Grd	R	Att	Cmpt	Gpa	Points	Course Dates	Term

DIS 901 DOCTORAL RESEARCH P 3.00 3.00 0.00 0.00000 01/08/24-05/03/24 24/SP												
24/SP Totals: 3.00 3.00 0.00 0.0000 GPA = 0.0000 Cumulative Totals: 54.00 54.00												
48.00 189.0300 GPA = 3.9381												
DIS 902 DOCTORAL RESEARCH P 3.00 3.00 0.00 0.00000 05/13/24-08/02/24 24/SU												
24/SU Totals: 3.00 3.00 0.00 0.0000 GPA = 0.0000 Cumulative Totals: 57.00 57.00												
48.00 189.0300 GPA = 3.9381												
DDF 000 DISSERTATION DEF. P 0.00 0.00 0.00 0.00000 08/17/24-12/06/24 24/RF												
24/RF Totals: 0.00 0.00 0.00 0.0000 GPA = 0.0000 Cumulative Totals: 57.00 57.00												
48.00 189.0300 GPA = 3.9381												
DIS 903 DOCTORAL RESEARCH P 3.00 3.00 0.00 0.00000 08/19/24-12/06/24 24/FL												
24/FL Totals: 3.00 3.00 0.00 0.0000 GPA = 0.0000 Cumulative Totals: 60.00 60.00												
48.00 189.0300 GPA = 3.9381												

* * EDD - DOCTOR OF EDUCATION Degree Awarded on 12/06/24 * * Majors Minors												
Specializations * * -----												
----- * * LINV - LEADERSHIP & INNO ADM - ADMINISTRATION * *												
Honors: * * HD - HONORS DISTINCTION *												

*												

APPENDIX C

Friends of Impact Charter School's Response

Cazayoux Ewing LAW FIRM

257 Maximilian Street Baton Rouge, LA 70802 phone 225-650-7400 fax 225-650-7401
143 East Main Street New Roads, LA 70760 phone 225-638-3276 fax 225-638-8319

January 29, 2025

Mr. Michael J. Waguespack, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397
responses@lla.la.gov

Re: Friends of Impact Charter Schools

Dear Mr. Waguespack:

Thank you for providing my office and Friends of Impact Charter Schools (FOICS) a draft of your investigative audit report on Education Explosion. As you know, our firm represents FOICS. As an independent nonprofit organization, FOICS operates outside the jurisdiction of the Louisiana Legislative Auditor. Therefore, FOICS respectfully declines to provide a response and objects to its inclusion in the audit findings. FOICS requests that any reference to it be removed from the audit report.

Sincerely yours,



J. Lane Ewing, Jr.

JLE/cp