

June 13, 2006

Hon. Joel I. Klein  
Chancellor  
New York City Public Schools  
Department of Education  
52 Chambers Street, Room 314  
New York, NY 10007

**Re: Lee McCaskill  
Brooklyn Technical High School  
Stuyvesant High School  
Bronx High School of Science  
SCI Case No. 2005-2996**

Dear Chancellor Klein:

An investigation conducted by this office has substantiated that low-income students at the referenced Department of Education (“DOE”) high schools who were eligible to take the College Board Advanced Placement (“AP”) Examinations at no charge have instead been charged fees which were kept by the schools. In the case of Brooklyn Technical High School (“Brooklyn Tech”), former Principal Lee McCaskill directed that rather than refunding the fees of \$52 per test to the students, the money would be kept for school activities.<sup>1</sup> Brooklyn Tech has thus retained \$13,468 for 259 tests administered in the spring of 2005. The school’s records indicate that from 2002 through 2004, it also retained \$63,210 for 1,252 exams rather than refund this money to eligible students. At Stuyvesant High School (“Stuyvesant”), students eligible for free tests have instead been charged \$22 to \$52 per test for the past four years, and this money – currently totaling more than \$71,000 – was retained by the school. At the Bronx High School of Science (“Bronx Science”), in the previous three years, eligible students were charged \$50 or \$52 for each of 1,421 tests. The school retained these fees, which total approximately \$73,000.<sup>2</sup>

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<sup>1</sup> McCaskill agreed to resign in February 2006 in connection with an SCI investigation in which it was determined that he lied concerning his residency in order to enroll his daughter at a DOE school without paying tuition. See letter to Joel I. Klein from Richard J. Condon, Feb. 14, 2006 (SCI Case. No. 2005-2800).

<sup>2</sup> According to the AP Coordinator, Bronx Science has begun a process to identify and give refunds to eligible students in the current and prior academic years.

This matter was referred to the Special Commissioner of Investigation (“SCI”) in November 2005. Sheila Evans-Tranumn, Associate Commissioner of the New York State Education Department (“SED”), wrote to SCI and requested an investigation into the administration of the AP Test Fee Program at Brooklyn Tech in the 2004 – 2005 and 2005 – 2006 school years. According to Evans-Tranumn, the AP Coordinator at Brooklyn Tech telephoned her to report that for the May 2005 AP Exam, the school had collected \$52 for each of 259 tests taken by students whose families’ income entitled them to take the tests at no charge.<sup>3</sup> Evans-Tranumn said that the AP Coordinator reported that she advised McCaskill that these test fees should be refunded to the students, but that McCaskill replied that this would be too problematic, and that “they would make it up next year.” As Evans-Tranumn noted, this does not address the problem, as different students would be taking the exams in the following year, and those who were due refunds would have graduated. The Associate Commissioner further reported that the AP Coordinator said that McCaskill asked her to again collect \$52 from students eligible for free exams which would be administered in May 2006.

### **The SED AP Test Fee Program**

Evans-Tranumn explained that the AP Test Fee Program is administered by the SED under a grant from the U.S. Government. The Program is designed to enable students from low-income families to take College Board AP Examinations. Under the federal grant, the SED is able to provide sufficient money so that the examinations are free of charge to low-income students. According to Evans-Tranumn:

In May 2005 the fee for each AP Exam was \$82. Schools kept \$8 of this fee as a rebate for administering the examinations. For each AP Exam taken by students from low-income families, the College Board provided a \$22 fee reduction and schools were expected to forgo the \$8 administrative fee; thus, the AP Exam fee for qualifying students was \$52 per exam. The Advanced Placement Test Fee Program then provided federal funds to the State Education Department so that it could pay the College Board \$52 for each examination, thus making the exam free to qualifying students.

Evans-Tranumn further explained that high schools order AP Exams from the College Board and that after the exams are administered, the schools send to the College Board (via the Internet) a tally of the number of exams taken, and the cost of each exam, taking into account the exams taken by students eligible for the fee waiver described above. The College Board then uses this data to bill the SED for tests taken by students who qualify for the fee waiver. The SED then pays the College Board for these tests from the federal grant.

After the SED pays the College Board for the AP Exams taken by students eligible for fee waivers, the College Board sends an invoice to each school requesting payment for the remaining (full fee) exams. The number of tests taken under the fee-waiver program which are paid for by the SED appear as credits in the schools’ invoices.

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<sup>3</sup> Students may take more than one AP Exam.

At the subject schools, the fee-waiver eligible students had paid the schools in advance for the AP Exams, as much as \$52 for each test. Based on the College Board's invoices to the schools, the schools were obligated to give a full refund to the students. The subject schools failed to do so.

### **Brooklyn Tech**

Margaret Blau, the AP Coordinator of Brooklyn Tech who alerted the SED to the school's irregularities in the fee-waiver program, was interviewed under oath by SCI investigators.

Blau was first appointed AP Coordinator at Brooklyn Tech in the 2004 – 2005 school year. She reported that students wishing to take AP Exams submit registrations to her, and then pay the registration fees at the school store, which issues the students receipts.<sup>4</sup> The full fee for each test in the 2004 – 2005 school year was \$82. Students who documented their families' income eligibility to Blau were charged \$52 per test, the reduced fee set by the College Board.<sup>5</sup>

Blau testified that when she received the invoice for Brooklyn Tech's AP Exams from the College Board in May 2005, she presented it to McCaskill. The "Credits" section of the invoice, a copy of which was obtained by SCI from the SED, indicates that the SED paid the College Board \$52 for each of 259 tests taken at Brooklyn Tech by students who had already paid the same fee. The credits to Brooklyn Tech based on the payments by the SED for the fee-waiver students totaled \$13,468. Blau said that when she presented the invoice to McCaskill, she inquired about arrangements to refund the test fees to the students. According to Blau, McCaskill replied that he did not wish to be troubled issuing 259 checks to students, and that the surplus should be kept in the Brooklyn Tech account to be used for school activities.

Joanne Tessel, the Brooklyn Tech School Treasurer, testified under oath at the SCI offices. She also produced the College Board invoices to Brooklyn Tech from 2002 through 2005. When combined, they indicate that for the four years, Brooklyn Tech was credited \$76,678 for 1,511 AP Exams which were paid for by the SED, but for which Brooklyn Tech did not issue refunds to the students.

Tessel testified that at McCaskill's direction, in 2005, she moved \$10,000 from the AP Exam section of the school's account to the general organization or "GO" section of the account. According to Tessel, McCaskill gave no explanation for this directive.

Tessel produced documents from the Brooklyn Tech accounts from 2002 through 2005 showing that the cumulative balance in the AP test section was \$17,767 before McCaskill directed her to transfer \$10,000 to the GO section of the account.

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<sup>4</sup> Blau reported that students may take as many as three AP Exams.

<sup>5</sup> Income eligibility is generally set by the same criteria used to qualify students for free or reduced-price lunches.

McCaskill appeared at the SCI offices with counsel and was interviewed under oath. He was shown the College Board invoice bearing his name and confirmed that he signed the document, verifying its accuracy. He denied, however, that Blau – or anyone else – mentioned anything concerning refunds to the students whose exams were paid for by the SED. Although the 259 credits amount to \$13,468 on the document bearing his signature, McCaskill denied any recollection of conversations on this matter.

McCaskill stated that he did not recall giving any direction to move funds from the AP section to the GO section of the Brooklyn Tech account. He allowed that it might have occurred, and stated as a possible reason that chairs were purchased and used for the AP Exams taken in the school gym.

McCaskill (and Blau) testified that for the May 2006 AP Exams, no fees were collected from students who were eligible for the SED fee waiver program. Records obtained from Tessel also corroborate this change.

### **Stuyvesant**

SCI's discovery at Brooklyn Tech prompted it to inquire as to how the SED fee-waiver program is administered at Stuyvesant and Bronx Science, two schools which, according to the SED, also account for large numbers of students determined to be eligible for the waivers. Assistant Principal Randy Damesek, who has served as AP Coordinator at Stuyvesant for the past four years, spoke with SCI investigators. Damesek said that Stuyvesant charges \$20 per test to students eligible for the fee waivers, and that the students are not given any refunds. When asked why these students are not given refunds in view of the SED program, Damesek said that the school needs the money to pay for chair rentals and for proctors to administer the tests. This apparently does not take into account Evans-Tranumn's explanation (above) that the College Board allows schools to retain \$8.00 from each (full) test fee for test administration costs. At SCI's request, Damesek produced College Board invoices to Stuyvesant for the AP Exams administered between May 2003 and May 2005. They indicate that for these three years, the SED paid the College Board \$71,272 for 1,571 AP Exams administered at the school under the fee waiver program.<sup>6</sup>

According to Damesek, all AP Exam fees are paid to the Stuyvesant School Treasurer, Bonnie Puzarelli. At SCI's request, Puzarelli produced printouts from the school's account which detail the test fees. The printouts show a cumulative balance for the three years of \$34,577 – more than the amount needed to refund the fees collected from the students whose exams were paid for by the SED.

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<sup>6</sup> The invoices show that in 2003, the College Board paid the SED \$22 for each of 347 exams administered at Stuyvesant, and \$52 for each of 1,224 tests given in the succeeding two years.

**Bronx Science**

SCI investigators spoke with Assistant Principal Shun Fang Chang, the AP Coordinator at Bronx Science. Chang reported that in late 2005 or early 2006 she became aware that the \$52 reduced fee which Bronx Science charged to students was also being paid to the College Board by the SED.<sup>7</sup> Chang said that in 2006, she began a process to identify and pay refunds to eligible students. The AP Coordinator said that she plans to refund fees to students for the 2005 – 2006 school year first, and then work backwards to the 2002 – 2003 school year.

Chang produced College Board invoices showing that from 2003 through 2005, the SED paid the College Board \$73,032 for 1,421 tests administered to Bronx Science students who had already paid the school for them. Bronx Science School Treasurer Vicki Golden produced printouts indicating that the cumulative balance in the AP Exam fee portion of the school's account through 2005 is \$26,239.<sup>8</sup>

**Conclusion and Recommendations**

The clear purpose of the federally sponsored fee-waiver program administered by the SED is to ensure that students from low-income families are not denied the opportunity to take AP Exams, which are critical to admission to selective colleges. Students – not their schools – are the intended beneficiaries of this program. With respect to Brooklyn Tech, we credit the accounts of Evans-Tranumn, Blau, and Tessel. Students who were entitled to take the exams at no charge were required to pay \$50 or \$52 per test, and were not given refunds to reflect the SED's payments to the College Board. We further credit Blau and Tessel concerning McCaskill's action in this matter. Rather than arranging for refunds to the students, he directed that the surplus money be used for general school activities. McCaskill's directive to Tessel to move \$10,000 from the AP Exam section of the school account to the GO section is consistent with Blau's testimony of her conversation with the former principal. McCaskill's denials and purportedly vague recollections of these events are not credible. McCaskill resigned from the DOE in connection with another investigation in which SCI found, among other things, that he was untruthful to the DOE and to SCI. He has been placed on the ineligible list, and we recommend that he so remain, and that these findings are added to our prior recommendations.<sup>9</sup>

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<sup>7</sup> Bronx Science charged \$50 per test to students eligible for the fee reduction in 2003, and \$52 per test in the subsequent years.

<sup>8</sup> This would appear to fall short of the amount necessary to pay full refunds to eligible students who paid \$50 and \$52 per exam from 2003 through 2005. It is unclear, however, if the balance reflects refunds already paid by Chang for 2005.

<sup>9</sup> Letter to Joel I. Klein from Richard J. Condon, Feb. 14, 2006 (SCI Case. No. 2005-2800).

We further recommend that the DOE direct the principals of Brooklyn Tech, Stuyvesant and Bronx Science to arrange for refunds to all eligible students. We also recommend that the DOE examine the manner in which fee-waivers are (and were) handled at all DOE high schools which offer AP Exams and, if necessary, direct that refunds be given. According to the SED, the three subject schools are among 15 DOE high schools for which the SED paid the most in test fees to the College Board – from \$13,000 to \$35,000 – for eligible students in 2005.<sup>10</sup>

Finally, we recommend that the DOE develop and promulgate standard procedures for handling AP Exam registrations and fees to ensure that eligible students receive 100 percent of all money made available by the SED for this purpose. Ideally, such students should not have to advance any payment for the test.

We are forwarding a copy of this report to the DOE Office of Legal Services. We are also forwarding a copy to the New York State Education Department for whatever action it deems appropriate.

Should you have any inquiries regarding the above, please contact Deputy Commissioner Gerald P. Conroy, the attorney assigned to the case. He can be reached at (212) 510-1486. Please notify Deputy Commissioner Conroy within thirty days of receipt of this letter of what, if any, action has been taken or is contemplated concerning Lee McCaskill and the subject high schools. Thank you for your attention to this matter.

Sincerely,

RICHARD J. CONDON  
Special Commissioner  
of Investigation for the  
New York City School District

By: \_\_\_\_\_

Gerald P. Conroy  
Deputy Commissioner

RJC:GPC:gm

c: Michael Best, Esq.  
Theresa Europe, Esq.

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<sup>10</sup> The remaining high schools are Columbus, Edward R. Murrow, Long Island City, Clinton, John F. Kennedy, Lincoln, Manhattan Center for Science, Fort Hamilton, Bowne, Bryant, Hillcrest and Franklin D. Roosevelt.