



PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | Catherine Truitt, *Superintendent of Public Instruction*

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March 1, 2022

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND EMAIL

Dr. Cynthia McQueen
Principal
cynmcqueen@aol.com
Torchlight Academy 92L

Dr. Pam Banks Lee
Board Chair
pblee0405@aol.com
Torchlight Academy 92L

Dear Dr. McQueen and Dr. Banks Lee,

Pursuant to N.C.G.S. §§ 115C-218(b)(10)(c) and 115C-218.95, the Charter Schools Advisory Board (“CSAB”) unanimously voted to recommend to the State Board of Education (“SBE”) that the charter granted to Northeast Raleigh Charter Academy, d/b/a Torchlight Academy (92L) (“Torchlight”) be terminated. CSAB’s recommendation was made at its February 28, 2022 meeting following an opportunity for Torchlight’s board members, staff, EMO representatives and legal counsel to address CSAB. CSAB’s recommendation was based on the following grounds:

- Torchlight’s ongoing and longstanding violations of federal and state law, including special education laws and federal conflict of interest and self-dealing laws.

Torchlight violated the Individuals with Disabilities and Education Act (“IDEA”), 20 U.S.C. § 1400, *et seq.*, and Article 9 of Chapter 115C of the North Carolina General Statutes, in the administration of its Exceptional Children (“EC”) program. Torchlight’s violations in this regard were well documented by the EC Division of the Department of Public Instruction following its regular monitoring visit to the school in February of 2020. And Torchlight’s violations persisted following a one-year period – from April 2020 to April 2021 – to correct its deficiencies. Moreover, Torchlight’s EC program remained noncompliant as of the CSAB’s February 28, 2022 meeting, which noncompliance included but was not limited to: Torchlight’s failure to provide fiscal documents originally requested in September 2021; Torchlight’s failure to demonstrate federally mandated Maintenance of Effort (“MOE”) and submit it in the CCIP grant system; and Torchlight’s failure to demonstrate programmatic compliance due to lack of required documentation in students’ records.

Torchlight violated 2 C.F.R § 200.318, including (c)(1), which states, in part: “No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.” Mr. McQueen’s and Dr. McQueen’s roles at both the school itself, where they were employed by the Nonprofit Board as the top school administrators, and their roles as the owners/operators of the school’s EMO, Torchlight Academy Schools, LLC, presented an inherent conflict whereby the

OFFICE OF CHARTER SCHOOLS

Dave Machado, Executive Director | dave.machado@dpi.nc.gov
6307 Mail Service Center, Raleigh, North Carolina 27699-6307 | (984) 236-2700
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McQueens directly benefited from the decisions they made as agents/employees of the school, e.g., approving payroll, hiring staff, signing contracts/checks, approving purchases, etc.

The information and documentation presented also demonstrated a pattern of entering into and/or attempting to enter into contracts/arrangements that raised conflict of interest and self-dealing concerns, including but not limited to: (1) hiring Shawtrice Andrews, the McQueens' daughter, as the EC Director at the school and approving her salary increase; (2) hiring Aaron Andrews, the McQueens' son-in-law, as a Teaching Assistant; (3) approving salary increases for both Mr. and Dr. McQueen from \$100,000 annually to \$160,000 annually over a one to two year time period; (4) applying for 21st CCLC funds to rent space in the school for its after-school program in the 19-20 and 21-22 school years from the entity SOD Holdings, which is owned/operated by Mr. McQueen; (5) applying for 21st CCLC funds to pay a cleaning contract with Luv Lee Sanitation, a company owned/operated by Aaron Andrews, the McQueens' son-in-law; and (6) Mr. McQueen and Dr. McQueen signing employment contracts on behalf of Torchlight for teachers assigned to other schools managed by the McQueens' EMOs.

These above enumerated concerns also provided good cause to support CSAB's recommendation.

- Torchlight violated its charter agreement, including its failure to provide requested documentation and failure to provide adequate oversight and management of the school.

Provision 3.4 of Torchlight's charter agreement states, "The Public Charter School shall at all times be operated by the board of directors of the non-profit corporation in accordance with G.S. 115C-238.29A et seq. and all other applicable laws and regulations."

Provision 3.5 states, in part: "In no event shall the governing board delegate or assign its responsibility for fulfilling terms of this charter."

Information and documentation presented at CSAB's February 28, 2022 meeting demonstrated that the Nonprofit Board was not operating the school and had blindly assigned all of its responsibility to the school's EMO, Torchlight Academy Schools, LLC, in violation of the above referenced provisions.

Provision 5.1 states, "The Nonprofit shall ensure that the Public Charter School complies with all applicable federal laws and regulations, including, but not limited to, such laws and regulations governing employment, environment, disabilities, civil rights, children with special needs, transportation, and student records."

Provision 9.2 states, "The Nonprofit accepts and understands that for purposes of federal and state law, it is obligated to provide free and appropriate education and related services to children with special needs."

Information and documentation presented at CSAB's February 28, 2022 meeting demonstrated that the Nonprofit Board was in violation of these provisions, as the school was found to be in violation of special education laws and conflict of interest laws.

Provision 10 states, "The Nonprofit shall ensure the Public Charter School submits such reports as required by the SBE. Failure to submit such reports may be grounds for revocation of the Charter."

Provision 12.1 states, “Subject to state and federal laws, the local board of education, the SBE, its agents, and the State Auditor shall have the right to examine and copy all records reports, documents, and files relating to any activity, program, or student of the Public Charter School.”

Information and documentation presented at CSAB’s February 28, 2022 meeting demonstrated that the school’s staff and EMO representatives repeatedly denied DPI staff access to school reports, documents, and records, etc., and/or failed to timely submit such documents and information to DPI staff.

- Torchlight failed to meet generally accepted standards of fiscal management.

Torchlight failed to timely submit its FY21 Financial Statement Audit report. Financial Statement Audits are due each year on October 31st and this year a grace period was given until November 30th. Torchlight Academy’s FY21 Financial Statement Audit report was not received until on or about February 27, 2022.

Additionally, regular and routine monitoring of the school by DPI staff revealed a pattern of fiscal and programmatic noncompliance findings, including but not limited to, unallowable and/or questioned costs, untimely payments of federal funds, and a noncompliant financial management system.

The information and documentation presented also demonstrated a failure to maintain accurate student accounting records, which also formed a good cause basis for CSAB’s recommendation. DPI’s School Business Division performed an on-site headcount at the school on February 22, 2022. This headcount showed 489 students in attendance that day. This number was 112 less students than the school’s reported Month 1 PMR, or an 18% difference in student body. This number was also 86 less students than the school’s current roster in PowerSchool, or a 15% difference in student body. A desk review of the school’s student accounting records in PowerSchool, data entered by the school itself, also revealed a disturbing pattern of student truancy at both the elementary school and the middle school: 153 elementary school students had 3-9 unexcused absences and 205 elementary school students had more than 10 unexcused absences; 55 middle school students had 3-9 unexcused absences and 102 middle school students had more than 10 unexcused absences.

The information and documents presented further showed a lack of cooperation from school staff and EMO representatives to provide DPI with requested information and documentation that DPI staff needed to complete their reviews and perform their oversight responsibilities.

These issues further formed a good cause basis for CSAB’s recommendation.

Finally, note that these are recommendations from CSAB to the State Board of Education. The State Board of Education will meet on March 2-3, 2022 to decide whether to adopt the recommendation of CSAB.

Sincerely,

A handwritten signature in black ink, appearing to be "D. J. [unclear]", written in a cursive style.

Torchlight Academy (92L)

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Mr. Dave Machado

OCS Director

Cc: Eric C. Davis, Chairman, State Board of Education [via email]
Catherine Truitt, Superintendent, NC Department of Public Instruction [via email]
Charter Schools Advisory Board Members [via email]
All Section Chiefs, NC Department of Public Instruction [via email]
Allison Schafer, General Counsel to the State Board of Education [via email]
Mr. Don McQueen, EMO representative [via email]
Mr. Stephon Bowens, Bowens & Averhart [via email]
Mr. Dhamian Blue, Blue LLP [via email]