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MASTER OF NONPROFIT  
ADMINISTRATION

# Families for Excellent Schools

## Deception and Political Malpractice

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# PRESENTATION OVERVIEW

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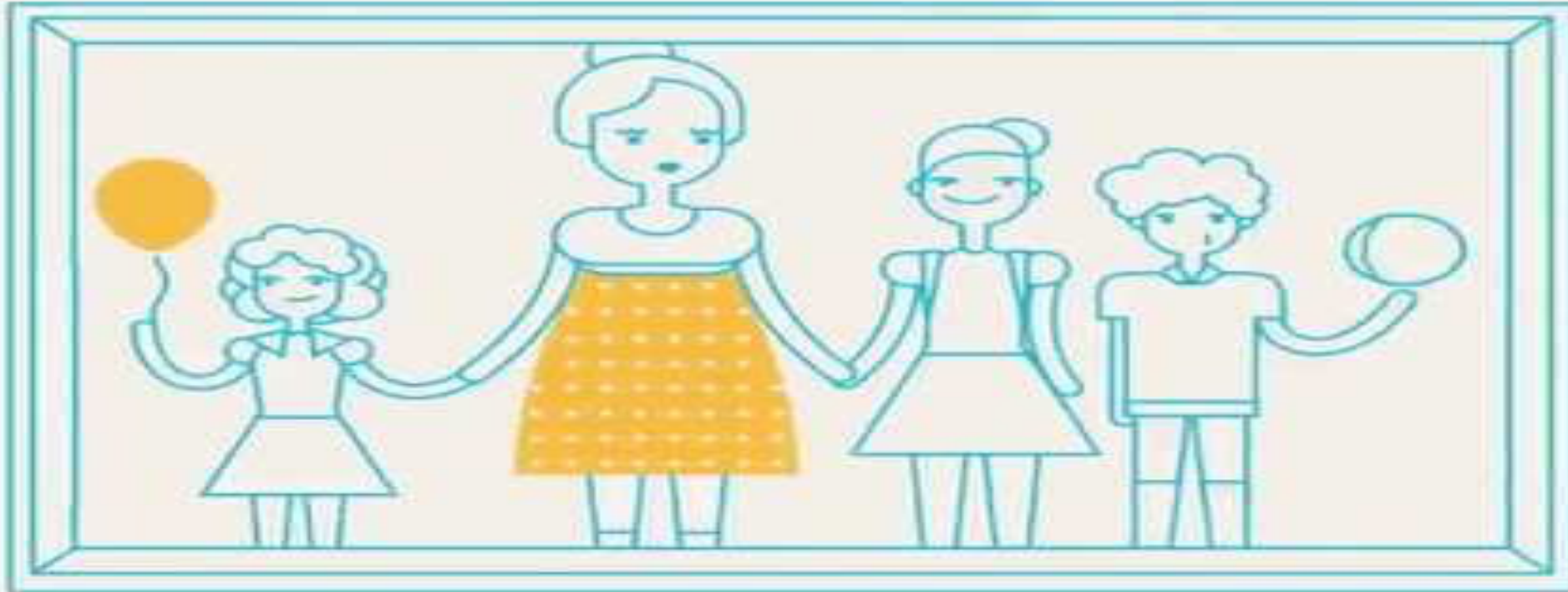
- **Background**
- **Video:** The Mission
- **Audio:** The Controversy
- **The Law**
- **Ethical Failures**
- **Takeways**
- **Discussion**

## Background: Families for Excellent Schools

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- **Families for Excellent Schools is a traditional 501(c)3**
- **However, it works in partnership with Families for Excellent School - Advocacy 501(c)4 a Social Welfare Organization**
- **The organization donated \$15 million in favor of Massachusetts ballot initiative Question 2**
- **Question 2 promoted the expansion of charter schools in Massachusetts**

## Video: Families for Excellent Schools



# The Controversy: Radio

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<http://www.wnyc.org/story/behind-pro-charter-school-group-fighting-de-blasio/>

# The Law

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The sub-vendor reporting requirement also applies to individuals, groups and entities other than ballot question committees that make expenditures to support or oppose ballot questions. *For example*, a group pays \$50,000 to a political consultant to support a ballot

- Office of Campaign and Political Finance Commonwealth of Massachusetts

- **Used 501(c)4 to take anonymous donations, donated them to support ballot initiative while concealing donors**
- **Massachusetts requires disclosures of all donors supporting a ballot initiative organization**

# Ethical Failures

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## **Chief Executive Officer, Jeremiah Kittredge**

- Solicits and funnels money from large donors through 501(c)3 and 501(c)4
- Failed to disclose donors to the state's Office of Campaign and Political Finance
- Organization fined a record \$475,000 penalty

## **Paul Sagan, Chairman of Massachusetts Board of Education**

- Donated \$500,000 to Families for Excellent Schools
- Potential conflict of interest
- Calls to be ousted from position

# Takeaways

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## Public Relations Crisis

- “Dark money” and 501(c)4’s
- Chairman of Board of Education’s potential conflict of interest

## Legal Ramifications

- Just because it’s legal, does not make it ethical
- \$475,000 penalty

## Casting a Shadow



# Discussion Questions

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## **From a personal/leadership perspective:**

- Which key players from Families for Excellent Schools should have intervened, and at what point in the development?
- What conflicts of interest, if any, can be observed in this case in regard to stakeholders and donors?

## **From an organizational (nonprofit) perspective:**

- In the examples presented in the case, did FES/FESA hold true to the organization's stated values (*collaboration, results, grit, and respect*)? Could these values have contributed to unintended negative outcomes?
- Does funding elaborate rallies to promote charter schools positively or negatively impact the image/brand of the organization?

## Discussion Questions (continued)

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### **From a systemic (sectors) perspective:**

- What potential problems do the actions of Families for Excellent Schools pose for organizations with similar education-based missions in the sector?

### **From an ethical perspective (theory):**

- From a Utilitarian perspective, does the mission of FES/FESA promote the greatest good for the most people? Why or why not?

# Resources

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- <http://www.familiesforexcellentschools.org/about>
- <https://www.guidestar.org/profile/45-5565952>
- <https://www.guidestar.org/profile/45-2870970>
- <https://www.law.cornell.edu/uscode/text/26/501>
- <http://nypost.com/2017/08/23/fresh-proof-that-de-blasios-war-on-charters-hurts-kids/>
- <http://www.telegram.com/news/20170916/democrats-hope-to-use-charter-school-campaign-against-baker>
- <https://www.usnews.com/news/best-states/massachusetts/articles/2017-09-26/school-board-chair-defends-500-000-ballot-question-donation>
- <http://wwlp.com/2017/09/19/group-backing-charter-schools-settles-dark-money-dispute/>
- <http://www.ocpf.us/Reports/DisplayReportmenuHidden=true&id=624589>
- <http://files.ocpf.us/pdf/guides/guidestatebq.pdf>
- [https://www.huffingtonpost.com/alan-singer/how-success-academy-chart\\_b\\_12308004.htm](https://www.huffingtonpost.com/alan-singer/how-success-academy-chart_b_12308004.htm)
- <https://www.bostonglobe.com/metro/2017/09/11/pro-charter-school-group-pays-state-largest-campaign-finance-penalty/uQlWnaSnOC6CeHma74cPqN/story.html>
- <https://www.bostonglobe.com/metro/2017/09/20/school-official-hit-over-donations-charter-school-advocacy-group/a2c4LO5PmM57vCxmmipuhl/story.html>
- <https://www.bostonglobe.com/business/2016/09/13/big-money-from-boston-business-leaders-favor-charter-schools/iE5LrqvZwIE4ZRIOLNInUN/story.html>
- <http://www.wnyc.org/story/behind-pro-charter-school-group-fighting-de-blasio/>
- <http://www.wbur.org/radioboston/2017/09/15/dark-money>