

**APPROVE RECOMMENDATION TO NON-RENEW URBAN PREP CHARTER ACADEMY FOR
YOUNG MEN HIGH SCHOOL – BRONZEVILLE CAMPUS AT THE END OF THE 2022-23 SCHOOL
YEAR AND AUTHORIZE AGREEMENT WITH RESPECT TO OPERATIONS WIND DOWN**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS: The Chief Executive Officer recommends that the Board of Education non-renew the Charter granted to Urban Prep Charter Academy for Young Men High School - Bronzeville Campus ("UP Bronzeville") and authorize the CEO to commence negotiations with Urban Prep Academies to wind down UP Bronzeville's operations governing the charter school. The basis for the non-renewal recommendation is contained in Attachment A, which together with all of its references, including Inspector General Reports, are specifically incorporated herein.

IMPACT OF NON-RENEWAL ON STUDENTS: Given the Charter School's unique programming, the CEO believes that it is in the best interests of the school's students to continue its operation. Accordingly: the school will not close. Students will remain in the school. Students will not be placed in or reassigned to other schools.

The CEO will continue to operate the school within CPS either as a program within a school, as a campus of another CPS school, or as an independent CPS school. To the extent possible, the CEO will retain existing school-based administrators, teachers, and staff and work with non-school-based staff to determine if they are qualified to fill available CPS positions. The CEO will also operate the campus from the same school location for the 2023-24 school year. To ensure continuity of operations and academic performance, the CEO will work with the labor organization that currently represents Urban Prep Academies' teachers and staff to transition administrators, teachers, and staff to Board of Education positions.

SCHOOL OPERATOR: Urban Prep Academies ("UPA"), an IL not-for-profit corporation
405 North Wabash Street, Suite 500
Chicago, IL 60611

OVERSIGHT: Office of Innovation and Incubation
42 West Madison Street, 3rd Floor
Chicago, IL 60602
Contact: Alfonso Carmona

EXISTING CHARTER: The original Charter School Agreement (authorized by Board Report 09-1123-EX19) was for a term commencing July 1, 2010 and ending June 30, 2015, and authorized the operation of a charter school serving no more than 500 students in grades 9 through 12. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2015 and ending June 30, 2020 (authorized by Board Report 15-0527-EX8). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2020 and ending June 30, 2023 (authorized by Board Report 20-0122-EX11).

CHARTER RENEWAL PROPOSAL: Urban Prep Academies submitted a renewal proposal on July 30, 2022. On September 26, 2022, the CEO's designee, Chief of Portfolio gave written notice to Urban Prep Academies that the CEO intended to recommend the non-renewal of its two Charters unless it met several conditions on or before October 21, 2022. He subsequently met with members of the Urban Prep Academies Board of Directors and its Executive staff to discuss those conditions. The conditions were intended to cure deficiencies identified in Urban Prep Academies' operations with respect to compliance with the law, implementation of accepted financial practices, and material violations of its Charter. On

October 12, 2022, Rochelle Washington attended a meeting of the school community conducted by Urban Prep Academies and informed the community of the CEO's intentions with respect to the charter.

EVALUATION: UP Bronzeville participated in the 2022-2023 renewal evaluation process. Section 27A-9(c)(1) of the Illinois Schools Law states that a charter may be non-renewed if it "[c]ommitted a material violation of any of the conditions, standards, or procedures set forth in the charter." Section 27A-9(c)(3) of the Illinois School Law states that a charter may be non-renewed if the charter school "[f]ailed to meet generally accepted standards of fiscal management." Section 27A-9(c)(4) of the Illinois Schools Law states that a charter may be non-renewed if it "[v]iolated any provision of law from which the charter school was not exempted."

The basis for the non-renewal recommendation is contained in Attachment A, which together with all of its attachments is specifically incorporated herein.

AUTHORIZATION: Authorize the president and secretary to execute the wind-down agreement for the charter school. Authorize the chief portfolio officer to issue a letter notifying the Illinois State Board of Education of the non-renewal of the charter as well as any other information that may be necessary.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: Necessary expenditures during FY23, if any, are included in the approved FY23 budget. Future financial implications, if any, will be addressed during the development of the 2023-24 fiscal year budget.


GENERAL CONDITIONS: Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Approved for Consideration:

DocuSigned by:

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Alfonso Carmona
Chief of Portfolio

Approved:

DocuSigned by:
Pedro Martinez
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Pedro Martinez
Chief Executive Officer

Approved as to Legal Form:

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DocuSigned by:
Joseph T. Moriarty
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Joseph T. Moriarty
General Counsel

ATTACHMENT A

Urban Prep Academies (“UPA”) has two charters with the Board of Education of the City of Chicago (“CBOE”), one for Urban Prep Charter Academy for Young Men High School - Englewood Campus (“UP Englewood”), and one for Urban Prep Charter Academy for Young Men High School - Bronzeville Campus (“UP Bronzeville”). UPA has one corporate Board and executive team, which includes Executive/Board Member A, Board Member B, and Executive B who have overseen or do oversee all or part of the operations of both charters.

Nonrenewal of the UP Englewood and UP Bronzeville charters is recommended under 105 ILCS 5/27A-9(c) because UPA has violated its charters with CBOE, violated the law, and failed to meet generally accepted standards of fiscal management. Furthermore, in the judgment of CBOE representatives, UPA has prioritized personal considerations of executives and administrators over student health and safety, responsible fiscal management, compliance with laws, and compliance with their Charter obligations.

CBOE attempted to work with UPA collaboratively through their attorneys, Board members, and executives to remedy the issues, but, in the judgment of CBOE representatives, the UPA Board has proved to be unwilling to work in good faith with CBOE or to ensure that its decision-making is student-centered, prioritizes student health and safety and is ethical, lawful, fiscally responsible, and fair to its staff and employees.

The factual bases for these conclusions are as follows:

Introduction/Relevant Background

- 1) CBOE is the charter authorizer for both the UP Englewood Campus and UP Bronzeville Campus Charters. CBOE is the local education authority (“LEA”) for the UPA Charters for purposes of compliance with Title IX of the Elementary and Secondary Education Act Amendments of 1972 (20 U.S.C. ch. 38 § 1681 et seq.) and the Individuals with Disabilities Education Act (20 USC §1414). Additionally, CBOE is responsible for monitoring the UPA Charters’ academic progress, fiscal management, compliance with laws, and compliance with their Charters. 105 ILCS 5.27A-7.10(a)(5); 105 ILCS 5/27A-9. CBOE may regulate the Charters consistent with its monitoring responsibilities. 105 ILCS 5/27A-7.10(c).
- 2) UP Englewood Campus Charter has a student enrollment of 159 students across grades 9, 10, 11, and 12. UP Bronzeville Campus Charter has an enrollment of 217 students across grades 9, 10, 11, and 12.
- 3) Executive/Board Member A has been part of UPA’s corporate governance and executive team since UPA’s inception.
- 4) According to an Inspector General’s Report, Board member B met Executive/Board Member A at Northwestern University and then came to work for UPA. Board Member B worked for UPA between 2009 and 2012 and later became a Board member. Though the Inspector General does not indicate when Board Member B became a UPA Board member, internal Board of Education records indicate Board Member B has been a member of the UPA Board continuously since July 1, 2016.

- 5) According to that same Inspector General’s Report, Executive B began work at UPA in 2008 and served in various capacities for UPA up to the present. Executive B met Executive/Board Member A at Northwestern University and describes Executive/Board Member A as a “very good friend”.

UPA’s Failure to Meet Generally Accepted Standards of Fiscal Management (105 ILCS 5/27A-9(c)(3)).

- 6) The Board of Education provided the following to UPA in local, state and federal funding during the past four fiscal years:

	FY2022-23	FY2021-22	FY2020-21	FY2019-20
Englewood Campus Charter	\$612,392*	\$2,494,313	\$2,537,188	\$2,345,340
Bronzeville Campus Charter	\$2,111,075	\$4,397,599	\$3,831,530	\$2,765,916
TOTAL	\$2,723,467	\$6,891,911	\$6,368,719	\$5,111,256

*UP Englewood was put on a monthly payment plan for FY2022-23, and this number reflects payment through September 2022.

- 7) UPA asked for advance payments from CBOE on a number of occasions beginning in the school year 2017-2018. From fall 2017 through fall 2021, a period spanning 13 quarterly payments, UPA sought 9 cash advances, and the CBOE granted 8.
- 8) Beginning in 2019, UPA entered a series of transactions in which it “sold” to various companies future revenue from the Board of Education totaling \$1,309,000 in exchange for immediate cash in amounts totaling \$1,250,000. The companies charged fees or premiums that equated to finance charges of \$582,650, which is 46.6% of the pledged revenue. All transactions were signed by Executive/Board Member A. In at least once case, Executive B appears to have affixed an electronic signature (see Green Capital Finance February 13, 2020 agreement below). These transactions included the following:
- a) A March 13, 2019, Revenue Purchase Agreement with Pearl Capital in which Pearl Capital gave UPA \$100,000 in exchange for future revenue from the Board of \$134,000 in public funds.
 - b) A May 24, 2019, Future Receivable Sale and Purchase Agreement with Green Capital Funding in which Green Capital gave UPA \$300,000 in exchange for future revenue from the Board of \$438,000 in public funds.
 - c) A June 7, 2019 Secured Merchant Agreement with Fox Capital Group in which Fox Capital gave UPA \$150,000 in exchange for future revenues from the Board of \$219,000 in public funds.
 - d) A June 12, 2019 Revenue Purchase Agreement with Cedar Advance in which Cedar Advance gave UPA \$150,000 in exchange for future revenues from the Board in the amount of \$219,000 in public funds.

- e) A June 27, 2019 Purchase and Sale of Future Receivables Secured Merchant Agreement with Queen Funding LLC in which Queen Capital gave UPA \$100,000 in exchange for future revenues from the Board in the amount of \$149,000 in public funds.
 - f) A June 27, 2019 Purchase and Sale of Future Receivables Secured Merchant Agreement with WG Fund LLC in which WG Fund gave UPA \$100,000 in exchange for future revenue from the Board of \$149,000 in public funds.
 - g) A February 13, 2020 Future Receivables Sale and Purchase Agreement with Green Capital Funding in which Green Capital gave UPA \$350,000 in exchange for future revenue from the Board of \$524,650 in public funds.
- 9) In August 2020, UPA defaulted on the transaction with Green Capital Funding, which caused the company to attach \$198,972.98 in CPS funds designated for UPA operations and to seek payment directly from CPS.
- 10) Additionally, UPA borrowed \$1.1 million from CIBC Bank US to be repaid using public funds.
- 11) UPA had also defaulted on many other debts and obligations, including
- a) staff salaries,
 - b) contributions to the Chicago Teachers Pension Fund that were held from employees salaries (which debt is the subject of a lawsuit in the Circuit Court of Cook County, 2018-CH-01718, in which CTPF seeks all contributions “from November 2017 to date”, presumably at least through February 2018 when the complaint was filed) plus penalties of \$100 per day, liquidated damages of \$100 per day up to 20% of the delinquency, interest, attorneys fees and costs), and additional liquidated damages, penalties and interest for untimely contributions dating back to 2014,
 - c) union dues withheld from employee salaries,
 - d) lease payments, and
 - e) special education and related services vendor payments to the Stepping Stones Group (which caused those vendors to suspend required services to diverse learners in February and March 2020 which were not restored until the CBOE directed payments to the firm in July 2020).
- 12) CBOE representatives learned of the full extent of these transactions in August 2020. They forwarded the information they had obtained to the Inspector General for an investigation into the circumstances that had caused UPA to be unable to pay its bills and maintain a workable cash flow despite CBOE’s funding of its operations. As of October 26, 2022, that investigation is ongoing.
- 13) UPA was able to pay off most of its “receivable purchases,” credit card debt, and loans through loans it received via the Paycheck Protection Program, which was part of the Coronavirus, Aid, Relief and Economic Security Act of 2020. The Paycheck Protection Program was intended to ensure that companies could continue to pay employees’ wages and salaries during the Coronavirus-related shutdowns. During that same period, CBOE also paid UPA its regular quarterly payments, which are intended to pay for its operations including employees’ wages, salaries and benefits.
- 14) The Inspector General investigated CBOE’s Charter Schools’ participation in the PPP and discovered that UPA submitted false payroll information in connection with its PPP loan application. UPA attributed the false information to its payroll company, the proof of which UPA

has never supplied to the Inspector General despite the IG's request, and has claimed not to be able to locate it.

Violations of Law: The CBOE Inspector General's Investigation into alleged Title IX Violations; Discovery of Title VII Violations and Ghost Payrolling; Failure to Employ Sufficient Certified Teaching Staff. (105 ILCS 5/27A-9(c)(4)).

Title IX - Grooming and Sexual Misconduct Findings

- 15) In April 2021, the Inspector General opened an investigation into allegations that Executive/Board Member A sexually touched and groomed a male student while a minor enrolled at UPA and that Executive/Board Member A continued the sexual relationship with the male student after he graduated from UPA in a *quid pro quo* relationship that included a period when the former male student was employed at UPA .
- 16) The Inspector General and the General Counsel informed UPA's Board through UPA's attorneys about the pending investigation and reported that CBOE required that Executive/Board Member A be removed and have no contact with students while the investigation proceeded. A few days later, they were informed that Executive/Board Member A had voluntarily taken a leave of absence.
- 17) CBOE's Title IX Coordinator provided UPA a community notice to alert the school community to that fact. Without consultation, UPA modified the community notice, which in the opinion of CBOE's Title IX Coordinator, minimized the seriousness of the investigation and allegations against Executive/Board Member A. The Board required UPA to send a second notice to the community.
- 18) Despite this, the UPA Board permitted Executive/Board Member A to engage with UPA students while the investigation was pending. He attended UPA's signing day this past spring and was featured prominently in the media engaging with students.
- 19) On June 30, 2022, CPS OIG completed its investigation and concluded that Executive/Board Member A sexually touched and groomed a male student who later became employed by UPA. The Inspector General recommended Executive/Board Member A's dismissal and removal from the UPA Board. The Title IX Coordinator concluded that Executive/Board Member A's conduct violated Title IX of the Elementary and Secondary Education Act Amendments of 1972 (20 U.S.C. §§1681-1688) and affirmed that conclusion after hearing Executive/Board Member A's appeal. The Inspector General also recommended that UPA conduct a full investigation into whether Executive/Board Member A's conduct toward the victim, while the victim was employed at UPA, violated Title VII of the Civil Rights Act of 1964.
- 20) The Inspector General's findings and recommendations were based on evidence gathered from several witnesses, including Executive/Board Member A himself, as well as bank records, UPA payroll records, credit card records and other documentary evidence. The IG's evidence showed:
 - a) Executive/Board Member A paid special attention to a 16-year-old male student ("the victim") who was addressing several problems - he lived apart from his parents, he experienced periodic housing insecurity, and he had attempted suicide. Executive/Board Member A afforded the student special privileges.

- b) Several witnesses affirmed that Executive/Board Member A gave the victim special attention, and some wondered whether it was justified in light of what was perceived as the victim's lackluster academic performance.
 - c) When UPA purchased approximately 60 tickets for a trip to see the musical "Dreamgirls," in January 2010, Executive/Board Member A and the victim went to a separate evening showing of the musical the next day, alone. They traveled alone in Executive/Board Member A's personal vehicle.
 - d) The special attention continued after graduation and Executive/Board Member A began to financially support the victim while he attended college. Executive/Board Member A reportedly visited him several times while he was at college and gave him money for his living expenses, including attorney's fees to defend him in a domestic violence matter. Indeed, it was reported that Executive/Board Member A gave character testimony for the victim in that matter.
 - e) Executive/Board Member A brought the victim on a trip to Las Vegas to celebrate the victim's birthday. Board Member B and Executive B went along on the trip and reportedly spent time with the victim and the victim's friend at a strip club.
 - f) Executive/Board Member A helped the victim return to live in Chicago and continued to provide cash gifts to him. He co-signed or guaranteed apartment leases for the victim. Executive/Board Member A furnished the victim's apartment and visited him there for the purpose of having a sexual relationship. He also allowed the victim to use his vehicles.
 - g) Executive/Board Member A paid for the victim to go on other trips with him, including trips to London, Ibiza, and Los Angeles. Credit card records also showed that Executive/Board Member A purchased an airline ticket for the victim to travel to the Bahamas. Bank records showed that Executive/Board Member A made regular cash payments to the victim basis which totaled more than \$50,000 over the course of their relationship on top of the cash payments that he would hand the victim in person, as well as the value of the trips and other gifts.
 - h) Ultimately, Executive/Board Member A brought the victim to work at UPA. The relationship eventually soured. The victim stopped providing services at UPA, but UPA continued to keep him on the payroll for the purpose of providing him employee health insurance benefits for three years after he stopped actual work for UPA, all using Board-provided public funds. Both Board Member B and Executive G reportedly knew of the ghost-payrolling scheme.
 - i) Board Member B and Executive B both reported to the Inspector General that they knew the victim. Board Member B was the victim's friend on Facebook and took at least one trip with Executive/Board Member A and the victim. Executive B also took at least one trip with Executive/Board Member A and the victim and was aware of other trips that Executive/Board Member A took with the victim.
- 21) According to the Inspector General, Executive/Board Member A admitted to investigators many of the facts related by the victim, including taking the victim to the musical, taking him to Las

Vegas, London, Ibiza and Los Angeles, guaranteeing leases, signing leases and giving the victim over \$50,000 in cash over a period of years. But Executive/Board Member A denied that he ever touched the young man sexually or had a sexual relationship with him at any time.

- 22) The victim reported that after attending the musical "Dreamgirls" with Executive/Board Member A, Executive/Board Member A undid the victim's pants and put his hand inside the victim's pants. He also reported that Executive/Board Member A and he had sexual relations several times for years, including during his UPA employment, and that those relations were a condition of Executive/Board Member A's and UPA's ongoing financial support for him.
- 23) The Inspector General believed that the weight of the evidence gathered, including Executive/Board Member A's many admissions, gave credit to the victim's assertions regarding the nature of their relationship and Executive/Board Member A's role in it. The Title IX Coordinator came to the same conclusion. Both of their conclusions are reasonable assessments of the relative credibility of Executive/Board Member A and the victim, along with the other evidence gathered during the course of the investigation.
- 24) The UPA Board's response to the Inspector General's conclusions has been extremely disappointing and, in some respects, astonishing. The UPA Board's response, when told of the report and the Title IX Coordinator's directive, was initially to delay taking action. Then, it misled the CBOE by telling it that Executive/Board Member A had resigned from the UPA Board and his CEO position. But it failed to tell the CBOE that the UPA Board had appointed Executive/Board Member A to its legacy Board, which has an advisory role at UPA, or that Executive/Board Member A was going to run the Urban Prep Foundation.
- 25) When CBOE representatives demanded that UPA notify the community of the results of the investigation, UPA refused. CBOE employees had to send out notices to the community.
- 26) In recent weeks, Executive/Board Member A through counsel has undertaken a public relations campaign to question the victim's credibility and morals in the media. Even in the face of this media campaign, UPA has not supported the victim. Rather, CBOE representatives believe that by appointing Executive/Board Member A to its Legacy Board and allowing him to use its brand name in the Urban Prep Foundation, UPA has elevated Executive/Board Member A, which is likely to cause further harm to the victim, who bravely came forward with these allegations.
- 27) When CPS demanded that the UPA Board completely disassociate itself from Executive/Board Member A, the UPA Board stayed silent. It asserted that Executive/Board Member A's appointment to its Legacy Board is irrelevant because the Legacy Board serves no function (a position contrary to what UPA's Bylaws state). The concerns are the same concerning the Urban Prep Foundation, an organization that Executive/Board Member A now purports to run, from the same office as UPA, using the UPA brand name. It is CBOE's position that these actions are harmful because they essentially elevate a man who had been credibly accused of egregious misconduct.

UPA's Title VII Violations.

- 28) The Inspector General's Report, while not substantiating a Title VII violation, lays out all of the elements of a violation of Title VII of the Civil Rights Act of 1964 (42 USC §2000e et seq.),

namely evidence that supports a conclusion that Executive/Board Member A engaged in *quid pro quo* sexual harassment of the victim while the victim was an employee at UPA.

- 29) When the CBOE demanded that UPA investigate the Title VII concerns regarding Executive/Board Member A's conduct toward the victim while he was a UPA employee, the UPA Board refused and told the CBOE that the matter was too old an issue and that its money would be better spent elsewhere.

UPA's Ghostpayrolling.

- 30) The Inspector General reports that Executive/Board Member A admitted that they continued to employ, pay a salary to and provide employment benefits to Executive/Board Member A's victim for three years after he stopped working. That conduct violates 18 U.S.C. §641, 720 ILCS 5/33E-16.
- 31) The Inspector General reports that on May 11, 2021, Board Member B told investigators: "[Board Member B] was aware that [the victim] was on the payroll at some point, but [Board Member B] had left the school by then. [The victim] was on the payroll receiving nominal checks to receive insurance benefits but [Board Member B] was not aware if [the victim] was even collecting the checks. [Board Member B] added that this still might be the case."
- 32) On January 22, 2022, Executive B told the Inspector General's investigators: "[The victim] stopped working at UP in December 2018. [Executive B] did not recall how long [the victim] remained on the payroll after that, but was aware that [the victim] was receiving paychecks, even though [the victim] was not working. [Executive B] believed it was so [the victim] could continue to receive health insurance. [Executive B] did not know who made this decision, but assumed it would have been [Executive/Board Member A]. [Executive B] was not consulted about the decision and did not have any conversations about it until [Executive B] was made aware of the situation by either [Executive/Board Member A] or [UP Employee A]."
- 33) The UP Board continued to employ Executive/Board Member A through July 2022, despite the misuse of public funds.

UPA's Failure to Employ A Sufficient Number of Licensed Teachers.

- 34) UP Bronzeville has 13 teachers, 38% of whom are licensed. UP Englewood has 9 teachers, 33% of whom are licensed.
- 35) The Illinois School Code requires that Charter Schools maintain teaching staff of which 75% must be licensed to teach by the Illinois State Board of Education. 105 ILCS 5/27A10(c-5). UPA is violating this law.

UPA's Violations of Its Obligations under IDEA.

- 36) In March 2020, UPA failed to pay its special education and related services vendors, which caused them to suspend services. As a result, UPA failed to provide special education services to its diverse learning students in violation of the Individuals with Disabilities in Education Act (20 USC §1414) and the Illinois School Code (105 ILCS 5/27A-5(g)).

CBOE'S Good Faith Efforts to Monitor, Regulate and Assist UPA in complying with the Law and in Curing the Breaches of its Charter.

- 37) During the renewal period for UPA's Englewood Charter in 2022, CBOE representatives urged UPA representatives to remove Executive/Board Member A from his positions as Chairman of its Board and as CEO. They declined.
- 38) In February 2022, the CBOE conditionally renewed the UP Englewood Charter which required that it meet certain conditions by June 30, 2022. (CPS Board Report 22-0223-EX3). The conditions are common sense management practices intended to ensure that the UPA Board and Executive Team did not have conflicts of interest and operated the schools in a responsible and ethical manner. They are conditions that any responsible not-for-profit corporation should have in place.
- 39) CBOE attorneys drafted a contract reflective of those conditions and after negotiations, agreed to modify the language of one condition. Between February and June 30, 2022, CBOE representatives repeatedly requested that UPA return the signed contract for the UP Englewood Charter. It did not do so.
- 40) UPA did not meet the conditions by June 30, 2022. Instead, UPA repeatedly requested information on when the Inspector General would complete its investigations into Executive/Board Member A's conduct.
- 41) On July 5, 2022, CBOE transmitted the OIG report to the UPA Board of Directors.
- 42) On July 7, 2022, CBOE notified UP Englewood that it was in material breach of its Charter (as set forth in Board Report 22-0223-EX3) both because it failed to meet the conditions set forth in the Board's February 2022 Board Report by June 30, 2022 and because of Executive/Board Member A's conduct as determined by the Inspector General and the Board's Title IX Coordinator.
- 43) On July 27, 2022, because UP Englewood had failed to sign the contract tendered to it, CBOE advised it would pay them monthly provided that monthly audits were conducted. UP Englewood has failed to provide monthly audits but CBOE has continued to make monthly payment to ensure that UP Englewood had sufficient cash to pay its expenses.
- 44) On July 29, 2022, UPA notified CBOE that Executive/Board Member A had left his positions as Chief Executive Officer and as UPA Board Chairman and would not be re-employed. It asked that the time for compliance with the conditions be extended until September 15, 2022. UPA made material omissions in so informing CBOE; namely, it failed to inform CBOE representatives that Executive/Board Member A was or had been appointed to the UPA Legacy Board and that Executive/Board Member A would be running the Urban Prep Foundation.
- 45) On August 1, 2022, before learning of UPA's material omissions, CBOE offered to work with UPA to meet the conditions and to extend the time for compliance to September 15th.
- 46) On August 3, 2022, CBOE advised UPA:

- CPS expects UPA to send a parent communication today in the form I enclosed to you (reattached here).
- CPS will not accept a circumstance in which Executive/Board Member A has any ongoing connection to UPA.
- CPS needs to understand what obstacles exist to meeting the CPS Board's conditions placed on UPA's Charter and it stands ready to assist UPA in meeting them.
- CPS is seeking information on UPA's readiness for the start of the school year.

47) On August 12, 2022, CBOE wrote to UPA:

Finally, you have failed to explain why conditions that were to be satisfied by June 30, 2022, remain undone, despite months of time in which to meet them. You failed to identify any obstacles to their completion. CBOE expects all conditions to be met forthwith.

48) Rather than comply with the conditions, UPA appeared to CBOE representatives to use compliance with the conditions as leverage to allow Executive/Board Member A to continue on its Legacy Board and to run its related foundation by preventing the Board from demanding that Executive/Board Member A no longer have any association with the school.

49) On August 31, 2022, UPA sent back a signed contract but has refused to submit proof of its compliance with the Board's conditions, which it orally claims to have met.

50) On September 26, 2022, CBOE advised UPA that as a result of the foregoing, it would renew UPA's Charters for one year only if it met several conditions by October 21, 2022. Consistent with its authority to monitor and regulate Charters, the conditions are intended to cure past breaches and ensure future compliance with its charter, adherence to accepted standards of fiscal management, and compliance with the law. On September 29, 2022, CBOE representatives met with UPA representatives to discuss the conditions.

51) On October 14, 2022, UPA advised that it would not meet the conditions imposed by the Board on September 26, 2022, but claimed that it had met the February 2022 conditions. UPA still did not submit any proof that it had met the February 2022 conditions.

52) On October 21, 2022, UPA had not met the conditions or submitted any proof that it had met the February 2022 conditions.

53) In addition to failing to comply with the law, the foregoing violates UPA's Charters in material respects, to wit:

With respect to the Bronzeville Charter:

- **Section 5(c)(iii) Governance and Operation.** Governing board vacancies shall be filled by the Charter School's governing board.
- **Section 5(e) Personnel.** The relationship between the Charter School and its employees, and the manner in which terms and conditions of employment shall be

addressed with affected employees and their recognized representatives if any, shall be as set forth in the Application and this Agreement, provided that the Charter School shall comply with all Federal and Illinois employment laws and regulations made applicable to charter schools under the Charter Schools Law.

No later than September 1 and February 1 of each year during the term of this Agreement, the Charter School shall provide the Board with a current list of all of its employees, and shall cause each of its subcontractors to provide the Board with a current list of all of such subcontractor's employees, who may come into contact with students at the Charter School. Such lists shall contain the (i) names, (ii) job positions, and (iii) Illinois employee identification numbers and/or the last four digits of the social security numbers of all applicable employees. Such lists shall also indicate, for each individual employed in an instructional position, (iv) evidence of certification, or evidence that such individual is otherwise qualified to teach under Section 27A - 10(c) of the Charter Schools Law, including information regarding the additional mentoring, training and staff development, if any, to be provided by the Charter School pursuant to paragraph 5.g. of this Agreement. For any person hired in an instructional position after February 1 of any academic year, the Charter School shall provide the Board with evidence of certification (or other qualification if applicable) as noted hereinabove no later than five (5) business days before the individual's initial date of employment.

- **Section 5(j) Safety and Security.** In the event that there is any allegation of misconduct by a person that affects the safety and/or welfare of any student at the Charter School, the Charter School shall (i) immediately take appropriate action(s) to protect such student, (ii) promptly contact the Board's Student Safety Center via email at Studentsafety@cps.edu, and (iii) fully cooperate with the Board in any investigations or inquiries that may be conducted by the Board until there is a final resolution of the matter to the satisfaction of the Board. In the event of an emergency, the Charter School must report the incident to the City's Emergency Communications Center at 9 - 1 - 1 and subsequently to the Board's Student Safety Center at (773) 553 - 3335 (open 24 hours/7 days a week). An emergency can include, but not be limited to, any of the following incidents: (A) a serious threat to the school, students or staff; (B) a disturbance involving a large number of students; (C) school lockdown; (D) any weapons or dangerous items found on school grounds; or (D) danger in the vicinity of the school that affects school safety (e.g., shots fired).
- **Section 5(n)(i) Additional Protections; Title IX of the Education Amendments of 1972 ("Title IX") Protections.** No later than June 30, 2021, the Charter School shall comply with the Board's Final New Comprehensive Non - Discrimination, Harassment, Sexual Harassment, Sexual Misconduct and Retaliation Policy, as may be amended from time to time;
- **Section 6(b) Financial Statements and Reports.** The Charter School shall prepare or cause to be prepared quarterly financial statements and reports including budgets, in accordance with Board instructions, which shall be submitted to the Board no later than thirty (30) calendar days after the end of each quarter and no later than forty - five (45) calendar days after the end of each fiscal year. Also the Board reserves the right to request accounts payable aging reports and cash forecast reports in a Board - specified format from the Charter School within ten (10) business days of the Board's request. The

Charter School shall prepare and provide to the Board an annual budget for each fiscal year in a Board-specified format by no later than July 1 of the such fiscal year unless a later date is agreed to in writing by the Board. The fiscal year for the Charter School shall begin on July 1 of each year and end on June 30 of the subsequent year.

- **Section 6(k) Management and Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls including, but not limited to: (i) accounting methods as specified in paragraph 6.a.; (ii) a checking account; (iii) adequate payroll procedures; (iv) bylaws; (v) an organizational chart; (vi) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (vii) internal control procedures for, including but not limited to, cash receipts, cash disbursements and purchases; and (viii) maintenance of asset registers and financial procedures for grants in accordance with Education Department General Administrative Regulations (“EDGAR”) or the State Board.

With respect to the Englewood Charter:

- **Board Report 22-0223-EX3.** The February 23, 2022 Board Authorization to Renew the UPA-Englewood Charter.
- **Section 5(c)(iii) Governance and Operation.** Governing board vacancies shall be filled by the Charter School’s governing board.
- **Section 5(e) Personnel.** The relationship between the Charter School and its employees, and the manner in which terms and conditions of employment shall be addressed with affected employees and their recognized representatives, if any, shall be as set forth in the Application and this Agreement, provided that the Charter School shall comply with all Federal and Illinois employment laws and regulations made applicable to charter schools under the Charter Schools Law.

No later than September 1 and February 1 of each year during the term of this Agreement, the Charter School shall provide the Board with a current list of all of its employees, and shall cause each of its subcontractors to provide the Board with a current list of all of such subcontractor’s employees, who may come into contact with students at the Charter School. Such lists shall contain the (i) names, (ii) job positions, and (iii) Illinois employee identification numbers and/or last four digits of the social security numbers of all applicable employees. Such lists shall also indicate, for each individual employed in an instructional position, (iv) evidence of certification, or evidence that such individual is otherwise qualified to teach under Section 27A - 10(c) of the Charter Schools Law, including information regarding the additional mentoring, training and staff development, if any, to be provided by the Charter School pursuant to paragraph 5.g. of this Agreement. For any person hired in an instructional position after February 1 of any academic year, the Charter School shall provide the Board with evidence of certification (or other qualification if applicable) as noted hereinabove no later than five (5) business days before the individual's initial date of employment.

- **Section 5(j) Safety and Security.** In the event that there is any allegation of misconduct by a person that affects the safety and/or welfare of any student at the Charter School, the Charter School shall (i) immediately take appropriate action(s) to protect such student, (ii) promptly contact the Board's Student Safety Center via email at Studentsafety@cps.edu , and (iii) fully cooperate with the Board in any investigations or inquiries that may be conducted by the Board until there is a final resolution of the matter to the satisfaction of the Board. In the event of an emergency, the Charter School must report the incident to the City's Emergency Communications Center at 9 - 1 - 1 and subsequently to the Board's Student Safety Center at (773) 553 - 3335 (open 24 hours/7 days a week). An emergency can include, but not be limited to, any of the following incidents: (A) a serious threat to the school, students or staff; (B) a disturbance involving a large number of students; (C) school lockdown; (D) any weapons or dangerous items found on school grounds; or (D) danger in the vicinity of the school that affects school safety (e.g., shots fired).
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- **Section 6(k) Management and Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls including, but not limited to: (i) accounting methods as specified in paragraph 6.a.; (ii) a checking account; (iii) adequate payroll procedures; (iv) bylaws; (v) an organizational chart; (vi) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (vii) internal control procedures for, including but not limited to, cash receipts, cash disbursements and purchases; and (viii) maintenance of asset registers and financial procedures for grants in accordance with Education Department General Administrative Regulations ("EDGAR") or the State Board.

