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Auditor Edelen Announces Special Exam in Dayton Results in a Half-Million Dollars Returned to Taxpayers

DAYTON, Ky. (Nov. 21, 2013) – Taxpayers will recover $511,000 after a special examination by Auditor Adam Edelen's office found scathing abuses by the former Dayton Independent School District superintendent, officials announced Thursday.

Auditor Adam Edelen joined Dayton Independent School District officials to announce that the former superintendent will return $473,000 to the small Northern Kentucky district and the CPA firm that conducted annual audits of the district but didn't report the fraud to the board will return $38,000.

"This is a big win for taxpayers, not just in Dayton but the entire Commonwealth," Auditor Adam Edelen said. "The money will finally be used for its intended purpose – educating kids. That is the only way to move Kentucky forward."

The Auditor's office released a special examination in March that found the former superintendent received at least $224,000 in benefits and payments over an eight-year period that were not authorized by the school board. The Auditor's office referred the report to law enforcement.

Dayton Independent is located along the Ohio River in Campbell County. Almost 90 percent of the roughly 1,000 students qualify for free or reduced-cost lunch and were found by the Kentucky Department of Education to be struggling academically during the time of the abuses.

"Today's settlement also shows that there are consequences for ripping off taxpayers – especially poor kids," Auditor Edelen said.

The Auditor's examination cost the Dayton school district $25,000 – amounting to a whopping 2,000 percent return on investment.

“I know of no other investment that garners that kind of return to taxpayers,” Auditor Edelen said.

Dayton Independent School District Superintendent Jay Brewer has led the district’s efforts to recover and implement recommendations for improvement. The district has revised policies, hired a new internal auditor and beefed up training for school board members.

“Superintendent Brewer has done a fantastic job cleaning up a mess he inherited and restoring the community’s faith and pride in its schools,” Auditor Edelen said. “Our exams are not only intended to catch wrongdoing but to serve as tools for improvement.”

Superintendent Brewer said the recovered funds will assist the district in its efforts to improve the lives of Dayton’s youth.

“We are excited to have recovered the funds for our children and taxpayers,” he said. “It is important that we as educators model to students the importance of not only saying, but doing the right thing.”

The Auditor’s office has conducted 14 special examinations into public school districts in the past year. The exams have focused on making sure resources are being spent to educate children rather than support bureaucracies that may have become bloated.

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