



State of New Jersey
DEPARTMENT OF EDUCATION
PO BOX 500
TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER D. CERF
Commissioner

February 26, 2013

Mr. Simon Stephen, Board President
M.E.T.S. Charter School
180 9th Street
Jersey City, NJ 07302

Dear Mr. Stephen:

SUBJECT: M.E.T.S. Charter School – Allegation of Nepotism and Inappropriate Business Practices
OFAC Case #INV-061-12

The Office of Fiscal Accountability and Compliance has completed an investigation resulting in a determination that the M.E.T.S. Charter School engaged in nepotism. The results of the investigation are detailed in the attached Report of Examination. Please provide a copy to each member of the M.E.T.S. Charter School Board of Trustees (Board).

Utilizing the process outlined in the attached "Procedures for Charter Schools Response, Corrective Action Plan and Appeal Process," pursuant to N.J.A.C. 6A:23A-5.6, the Board is required to publicly review and discuss the findings in this report at a public board meeting no later than 30 days after receipt of the report. Within 30 days of the public meeting, the Board must adopt a resolution certifying that the findings were discussed in a public meeting and approving a corrective action plan which addresses the issues raised in the undisputed findings and/or submit an appeal of any findings in dispute. A copy of the resolution and the approved corrective action plan and/or appeal must be sent to this office within 10 days of adoption by the Board. Direct your response to my attention.

Also, pursuant to N.J.A.C. 6A:23A-5.6(c), you must post the findings of the report and the Board's corrective action plan on your school's website. Should you have any questions, please contact Mr. Thomas Martin, Manager, Investigations Unit, at (609) 633-9615.

Sincerely,

Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

RJC/I:\jcampbell\M.E.T.S. - Nepotism\METS Closing Letter.doc
Attachments

c: Dave Corso	Jennifer L. Campbell, Esq.
Barbara Morgan	Dr. Walter Goodwin
Thomas C. Martin	Stephen Eells
Monica Tone	

STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
INVESTIGATIONS UNIT

M.E.T.S. CHARTER SCHOOL
ALLEGATION OF NEPOTISM AND INAPPROPRIATE BUSINESS PRACTICES
OFAC CASE #INV-061-12

REPORT OF EXAMINATION
FEBRUARY 2013

REPORT OF EXAMINATION – FEBRUARY 2013 ALLEGATION OF NEPOTISM

EXECUTIVE SUMMARY

The Office of Fiscal Accountability and Compliance (OFAC) conducted an investigation of allegations that the M.E.T.S. Charter School (M.E.T.S.) had engaged in impermissible nepotism. The investigation was prompted by a citizen complaint submitted to the New Jersey Department of Education, Hudson County Office (County Office). Therein, the complainant alleged that the M.E.T.S. Board of Trustees (Board) had violated N.J.A.C. 6A:23A-22.10(a) by filling several positions with relatives of then-Principal/Lead Person, Dr. John Sico.

The OFAC investigator reviewed M.E.T.S.'s policies, reports, board minutes, personnel files, position control roster, relative disclosure forms, contracts, and position advertising. The OFAC investigator also met with Dr. Walter Goodwin, M.E.T.S.'s current Principal/Lead Person, and Michael Sico, M.E.T.S.'s School Business Administrator (SBA), each of whom provided information on behalf of the Board related to the allegations.

The completed review confirmed that the Board has adopted a nepotism policy that conforms to the requirements of N.J.A.C. 6A:23A-22.10(a). The review further confirmed that the Board failed to adhere to those requirements when it hired Dr. John Sico as Interim School Administrator/Principal, and simultaneously hired Dr. Sico's three sons, Michael Sico, Daniel Sico, and Steven Sico, to serve as the SBA, Director of Facilities, and board attorney, respectively.

The remainder of this report contains the event summary, interviews, conclusions and recommendations.

INVESTIGATIVE SUMMARY

The OFAC initiated an investigation to determine the validity of the allegation the Board engaged in impermissible nepotism when it hired Dr. Sico and his three sons. The complaint was referred to the OFAC by County Office Manager, Monica Tone. According to Ms. Tone, the County Office received the complaint from a citizen concerned about nepotism at M.E.T.S., in light of the fact that so many members of the Sico family held positions within M.E.T.S.

The OFAC investigator met with Dr. Walter Goodwin and Michael Sico to develop information concerning the complaint. During that meeting, the investigator reviewed personnel files, employment information, the district's nepotism policy, hiring guidelines, Board meeting minutes, financial disclosure forms, position control roster, sign-in sheets, contracts, and check register. In addition, the investigator interviewed various M.E.T.S. employees. As a result of the investigation, the investigator gathered the following relevant information:

On January 15, 2011, the Office of Charter Schools approved the M.E.T.S. application for a charter.

On March 13, 2011, the Board held its first meeting and installed Dr. John Sico as the Interim School Administrator/Principal; Michael Sico as the SBA; and Daniel Sico as the Director of Facilities. The Board also hired Steven Sico, Esq., as the board attorney for the 2011-2012 school year.

On May 14, 2011, the Board hired Dr. Walter Goodwin as the M.E.T.S. guidance counselor.

By letter dated June 23, 2011, Monica Tone notified the M.E.T.S. Board of a possible violation of the statutorily-mandated nepotism policy. Ms. Tone reminded the Board that, pursuant to the policy, a charter school may not employ the relative of a board member or lead person/principal unless it obtains approval from the Executive County Superintendent (ECS) of Schools. Ms. Tone further reminded the Board that such approval is granted only upon a showing that the school conducted a thorough search for candidates and that the relative was the only qualified and available person for the position. Ms. Tone opined that it was impermissible for the Board to have hired Dr. Sico's three sons without first obtaining the approval of the ECS. Finally, Ms. Tone invited the Board to seek retroactive approval for the appointments in question by submitting a request for approval, along with documentation necessary to establish that the requirements for approval had been met.

On June 24, 2011, the Board submitted a lettered response to Ms. Tone. Therein, the Board provided a chronology of the events leading up to its decisions to hire Dr. John Sico and his three sons, Michael, Daniel, and Steven. The Board did not, however, provide any detail or documentation respecting the nature and extent of the search for candidates. Nor did the Board aver that the Sico brothers were the only qualified and available candidates for the positions to which they were appointed.

On July 1, 2011, Ms. Tone advised the Board that she could not grant approval for the appointments of Michael Sico, Steven Sico, and Daniel Sico, based upon the information contained in the June 24, 2011 correspondence. Specifically, Ms. Tone advised that the Board's submission failed to substantiate, as required by N.J.A.C. 6A:23A-22.10(a)2, that a thorough search was undertaken for candidates and that the Sico brothers were the only qualified and available candidates for the positions. Ms. Tone maintained that, in the absence of such evidence, she was constrained to deny the requests for approval.

The Board responded to Ms. Tone by letter dated July 5, 2011. Rather than provide additional evidence regarding the search process, the Board advised Ms. Tone that Dr. John Sico had resigned from his position as Principal and that Dr. Sico would be replaced by Dr. Walter Goodwin.

On July 14, 2011, the Board formally accepted Dr. John Sico's resignation and hired him as a math teacher for the 2011-2012 school year. At that time, the Board also appointed Dr. Walter Goodwin as the M.E.T.S. Principal/Guidance Counselor.

The time between charter approval by the Department of Education and the Board's first meeting was a period of 53 days. According to the SBA, M.E.T.S. conducted an internet search during that time, inviting candidates to submit applications for various school positions for the upcoming 2011-2012 school year. The investigator was, however, provided with very limited documentation evidencing the search. To that end, the investigator was provided with a copy of a notice that M.E.T.S. placed on the internet informing the public of a Job Fair/Open House that would be held on April 2, 2011. The notice identified various certificated and non-certificated positions for which the school sought applicants for the 2011-2012 school year. It is not clear exactly when the notice was posted or for how long it remained active. Importantly, the position of school business administrator did not appear on the recruitment list.

The SBA also provided the investigator with copies of seven requests for hiring consideration, which were received during the 53 days between charter approval and the first meeting of the Board. Six of the seven applicants sought teaching positions, while the final applicant sought a principal position. The SBA stated that additional individuals had expressed interest during this initial timeframe, but that each had declined to be considered upon learning that the school had just been approved and was not yet in operation. However, none of these electronic declinations could be documented. No further documentation was provided to evidence the nature and extent of the recruitment process.

Conclusion:

As a general rule, a charter school board of trustees is prohibited from hiring any relative of a board member, lead person, or chief school administrator, in an office or position in the school. A limited exception exists for relatives whose employment has been preapproved by the ECS. In order to obtain such approval, the school must demonstrate "that it conducted a thorough search for candidates and that the proposed candidate is the only qualified and available person for the position." N.J.A.C. 6A:23A-22.10(a)2.

Here, the Board hired Dr. John Sico as Interim School Administrator/Principal, and simultaneously hired Dr. Sico's three sons, Michael Sico, Daniel Sico, and Steven Sico, to serve as the SBA, Director of Facilities, and board attorney, respectively. The Board did so without first obtaining the approval of the ECS. Such action was, therefore, in violation of established education code and mandated Board policy.

The Board was given the opportunity to seek retroactive approval for the appointments, but failed to submit to the ECS any evidence to establish that it had conducted an exhaustive search and that Dr. Sico's sons were the only qualified and available candidates for the positions to which they were appointed. At the request of the investigator, the Board did produce some limited documentation of its recruitment efforts, consisting of an electronically-posted Job Fair notice and seven applications for hiring consideration. These eight documents do not establish that, prior to hiring Michael Sico, Daniel Sico, and Steven Sico, the Board conducted a thorough search for candidates for the SBA, Director of Facilities, board attorney positions. Nor do they establish that

Michael Sico, Daniel Sico, and Steven Sico are the only qualified and available candidates for those positions.

Based upon the foregoing, the OFAC investigation concludes that the March 13, 2011 hiring of Michael Sico, Daniel Sico, and Steven Sico violated established education code as it relates to nepotism.

Recommendation:

The Board must develop and submit to the OFAC a corrective action plan (CAP) that will identify the measures the Board has taken to bring it into compliance with the requirements of N.J.A.C. 6A:23A-22.10. Specifically, the Board should immediately commence a thorough search for candidates for the positions of SBA, Director of Facilities, and board attorney. The CAP should describe in detail the nature and extent of the search, and provide for its completion on June 28, 2013. The CAP should further provide for the Board's subsequent submission to the Department of documentation, which 1) evidences the results of the search and 2) demonstrates that Michael Sico, Daniel Sico, and Steven Sico are the only qualified and available candidates for the positions to which they were appointed.

Submitted by:



Thomas C. Martin, Manager
Investigations Unit

Approved by:



Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

Investigator:

Jennifer L. Campbell, Esq.