

**EPIC CHARTER SCHOOL  
SPECIAL AUDIT  
Interview with Joy Hofmeister, Superintendent, SDE  
For the period of July 1, 2011 through June 30, 2019**

On March 5, 2020, Brenda Holt, Director, Forensic Audit Division, and Rainer Stachowitz, Senior Investigative Audit Supervisor, conducted an audit update with Joy Hofmeister, Superintendent, SDE, Brad Clark, General Counsel, SDE, Phil Bacharach, Chief of Staff, SDE and Carolyn Thompson, Director of Government Affairs, SDE, at the Oliver Hodge Building, 2500 North Lincoln Boulevard, Oklahoma City.

The purpose of this meeting was to provide SDE with an update of all school related audits currently being conducted by SA&I (Epic, Seeworth, Talihiina).

The purpose of this memo is to document the statements made by Superintendent Hofmeister regarding her involvement in the decision to accept the final FY 2016 Epic OCAS submission made on December 15, 2016.

Nancy Hughes, OCAS Director refused to certify the FY 2016 OCAS submission and did not certify it until directed to do so on February 8, 2017, by the then General Counsel, David Kinney.

We asked Joy to relate her recollection of these events and what role she played in the decision, if any, to finally accept the Epic OCAS submission on February 8, 2017. Joy stated that she had no part in David's decision to tell Nancy to lock down the submission in February 2017.

Joy stated that she did not even learn about this until after David was gone; he was always the individual dealing with the OIG (Bouziden), FBI, and OSBI and they had good reason to trust him. He was not only an attorney but a CPA on the accountancy board.

She did not become aware of this entire situation until the OIG and FBI asked her about it in the summer of her election campaign (summer of 2018 {1 ½ years after the situation occurred}). David Kinney left in January 2018. Joy told Bouziden that she had no idea that there were issues with Epic and that she had been receiving campaign contributions from Epic. Joy did not realize that Epic was under investigation and it was clear that Bouziden was asking her whether she was involved in this decision. Joy was concerned about taking additional campaign contributions from Epic and continuing her positive relationship with Epic and Bouziden told her to just keep doing what she was doing.

Rainer asked Joy if she thought that Kinney made this decision in a vacuum, and if so, why? She stated that they had weekly updates with David and if there issues with Epic they would be at the end of the meeting. This rarely occurred because they had an agreement that because of the hiring of Brad in August 2015 Kinney stated that they should build a Chinese Wall between Brad and everyone else because of his prior relationship with Hickman. Joy saw this agreement and concurred. Since Epic supported Joy against Barresi in the 2014 race, Joy stated she felt uncomfortable being involved so she did not want to know details regarding investigations into Epic. She also stated that she declined to give Epic a letter of recommendation for another state after consulting with David.

Normally issues of this magnitude are settled at staff meetings with lots of advisors (because she has no school background). According to her records, this never occurred. She also realized that Bouziden was asking her whether she made this decision and she said "no, absolutely not." Rainer asked who was in the chain of command between her and Kinney. She stated that she has a cabinet (the Chief of Staff position was empty at the time this decision was made) that fell under Matt Holder (her Deputy) and the other cabinet/department members (such as Kinney) were direct reports to her. They met twice per week and any issue such as the OCAS approval situation would have been discussed. Subsequent to the cabinet meeting (once a week), she had a follow-up meeting with her legal staff so she could be briefed on critical legal issues affecting the agency.

Joy stated that she had full confidence in Kinney. Rainer relayed the efforts made by Nancy Hughes to obtain access to Epic records. She was working on a letter, in conjunction with Kinney, to obtain access and this effort was followed by the abrupt decision (the next day) by Kinney to accept the submission. Rainer asked Joy if she had any idea as to why Kinney made

**EPIC CHARTER SCHOOL  
SPECIAL AUDIT  
Interview with Joy Hofmeister, Superintendent, SDE  
For the period of July 1, 2011 through June 30, 2019**

this abrupt U-turn decision. Phil asked if we had interviewed everyone and we stated that we had but that we were not getting consistent stories and that it has been quite some time since this occurred so it is understandable that memories are different. Hofmeister does not have any idea why Kinney made the decision he did but that it might have something to do with the fact that submissions are not supposed to change after December 15<sup>th</sup>. Brenda described the difference between the September 1 and December 15<sup>th</sup> submissions (primarily lease agreements) and Rainer stated that the latter submission was “ridiculous” per Nancy Hughes. Brenda stated that we have the actual purchase orders(PO’s) ( SDE did not receive these PO’s {this is what Nancy was trying to access with Kinney’s help}) and that there was no real PO support for the reclassification of expenses that occurred on December 15<sup>th</sup>.

Joy brought up the fact that they have no real authority if a district certifies their submission as correct under civil and criminal penalties. She said that they are having the same issue with Epic this year. Joy finds it “maddening” to be in this situation where they are not receiving the information they requested and she has instructed her staff to come to her with any issues along these lines but employees appear reluctant to go above their supervisors.

At this point the conversation changed to steps SDE is attempting to take to remedy their inability to obtain access to record and to obtain records earlier so if changes need to be made, there will be time before the data has to be provided to the feds.