September 29, 2020

Complaint re: EdKey Sequoia Choice relationship with Venture Upward LLC.

Arizonans for Charter School Accountability

EdKey Sequoia Choice Online and Venture Upward LLC are defrauding the state of Arizona by laundering ADM – EdKey falsely claiming ADM funding and kicking back half of it to the for-profit private micro-school company Venture Upward without any services being provided by the for-profit micro-school company.

Homeschool parents enrolled with Venture Upward Inc. are being given $1,000 per student in Arizona state education funds called “Venture Rewards”. <https://ventureupward.org/programs/arizona/venture-reward>

# *Venture Reward*

*Every student that enrolls in Venture Upward in Arizona will receive a $1200 Venture Reward ($600 for Kindergarten)! This reward is designed to provide funding for families to purchase a laptop, tablet, or additional learning materials meant to enrich their student’s educational experience.*

*Please note: religiously-based curriculum or materials may not be purchased with this funding, including A Beka, Apologia, Sonlight, and others. The purpose of the Venture Reward is to provide additional learning materials and educational resources directly related to the education of your student. Below, you will find general purchasing guidelines and suggestions:*

* *Computer, laptop, or tablet*
* *Textbooks, workbooks, books*
* *School supplies (including pencils, paper, notebooks, and so on)*
* *Art supplies*
* *Musical instruments or supplies*
* *Printer or related printing supplies*
* *Microscopes, science supplies (non-edible)*
* *Zoo passes, museum passes, theater passes*
* *Subscription Boxes (Little Passports, Tinker Crates, Raddish Kids)*
* *Third Party Courses (musical instrument, swimming, or karate lessons) Local providers must be licensed or certified and pass a criminal background check. Group activities (such as soccer teams or performing groups) do not qualify.*

Parents can also buy their own educational programs:

*“Venture Upward provides curriculum and other resources to students at no cost to you. This works by allotting each student a spending limit that you can use to make your choices for curriculum and other educational resources. This spending limit is called the Venture Reward. For the Arizona school year 2020-2021, the allotments are:*

*Kindergarten $500*

*Grades 1-12 $1,000”*

Public districts are not allowed to give money to parents for these items. Even students receiving Arizona education vouchers in the empowerment scholarship program are only allowed to purchase textbooks and workbooks with ESA funds and are strictly forbidden from purchasing computer hardware or other technology devices (ARS 15-2402 6 .a.) and consumables including paper, pens, or markers (ARS 15-2402 6. C.).

Venture Upward students register through EdKey Sequoia Choice Arizona Distance Learning online charter school. EdKey does not provide educational programing for Venture Upward students and doesn’t host Venture software on the EdKey online platform. All EdKey does is administer the AZMerit test and collect $8,000/pupil in state funds, half of which EdKey gives to Venture Upward.

Venture Upward is not registered as a company in Arizona. Corporation filings in Idaho and Wyoming only lists Registered Agents Inc. as the agent for the company with no individuals listed as company directors.

Venture Upward gives its parents $1000/pupil to perhaps buy Johnny an electric guitar, oil paints, a reflector telescope, a new Monopoly game, a subscription to Forbes for advice on where to invest the money made when parents sell the guitar and telescope, and karate lessons. The thousands of laptops that public districts are providing students during Covid online instruction are loaned to families – they remain the property of the school because they were purchased with state funds. State education funds paid to a charter school cannot be given directly to parents. Venture Upward is giving parents state funds in violation of the Gifting Clause of the Arizona Constitution.

EdKey Sequoia Choice is enrolling Venture Upward students and providing no service to those students other than collecting $8,000/pupil from the state and administering the AZMerit test. EdKey is kicking back thousands of state education dollars per pupil to AZ Learning Community, $1,000 of which is being given as a gift to parents for home computers, supplies, and individual music and sports lessons, a violation of the Gifting Clause of the Arizona Constitution.

This is nothing more than a scheme to launder state education funds into the hands of private companies and homeschool parents.