

In Defense of Liberty

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You've heard that "a lie repeated enough times becomes the truth." So what about setting a whole playlist of falsehoods on loop? Unfortunately, as the media have discovered in their coverage of Arizona's Empowerment Scholarship Account (ESA) program, this approach is even more ruthlessly effective than replaying one fabrication alone.

In the spirit of National School Choice Week, let's take a look at one particularly false and tiresome refrain: the claim ESAs are a hotbed of fraud and abuse.

For those unfamiliar with the program, ESAs take a portion of what the state would have spent covering the costs of a student's education in a public school and allow parents to instead use those monies for tutoring, educational therapies, private school tuition, curriculum materials, and other teaching tools.

ESAs offer this opportunity for about two-thirds the cost of the roughly \$9,500 *per student* per year that Arizona taxpayers spend on each public district school pupil once you factor in all the property, sales, and income taxes that go into supporting them. (For special needs students, public school funding and ESA awards both exceed \$20,000 a year.)

Yet in coverage ranging from *The Arizona Republic* on the eve of the election to continued local TV spots in recent weeks, journalists have been trumpeting the message that ESAs are funneling hundreds of thousands of education dollars to the pockets of opportunistic hucksters out buying designer perfumes rather than curriculum materials for their kids.

And representing the peak of this coverage, the nationally respected journal *Education Week* extended this storyline's circulation across the country with a stunningly deceptive report that stated: "according to a recent audit by the state's attorney general...Arizona parents fraudulently spent \$700,000 in fiscal 2018 on banned items and services" via the ESA program.

As a national, rather than local, onlooker, *EdWeek* can certainly be forgiven for mistakenly attributing the report, which actually came from Arizona's *Auditor General*, to the Arizona *Attorney General*. What is harder to overlook, however, are two extraordinary misrepresentations in *EdWeek's* narrative, which are emblematic of the broader reporting on the story.

First, the claim that ESA parents "fraudulently spent \$700,000" is simply false. For something to count as fraud, there has to be *deceit*. But unlike the Auditor General—who was careful to note that the misspending arises from a host of circumstances—*EdWeek* took the liberty of attributing the entire balance to fraudulent activity.

Under this assumption, Arizona's criminal masterminds include, for example, one ESA grandparent whose account was closed for \$15,000 of "fraudulent" infractions such as... (drumroll)...buying educational games and supplies for her special needs grandson that weren't explicitly required by his at-home curriculum and thus not approved under the program. (For a little perspective, next time you or a loved one is at wits' end trying to decipher which healthcare services are or are not covered by your insurance—like when a hospital is "in-network", but a certain doctor there isn't—perhaps you can appreciate the idea that parents might struggle to navigate the dozens of pages governing ESA program rules and thus make purchases that aren't "covered.")

But what about the cases of *actual* fraud, you ask?

Well, in one case, an ESA parent learned she had earned herself a spot among the highlighted culprits featured in the Auditor General report for having had her card *stolen* and used to purchase cosmetics and clothes. Fraud? Most definitely. A sign of a failed program? Not so much. (And fortunately, this mom's ESA funds were later returned to her account by the bank.)

But what about the *other* cases of fraud?

Well, this takes us to misrepresentation #2. Conspicuously absent in the coverage by all three of *EdWeek*, *The Arizona Republic*, and the recent TV segments, is any discussion of the fact that the reported misspending totaled about *1 percent* of the roughly \$60 million flowing to parents through the ESA program in the 2017-18 school year (meaning that whatever fraction is actually even related to fraud is *smaller*).

But naturally, “99 Percent of ESA Funds Used as Intended” would be a less exciting headline.

And for a little extra context, let’s pick another government-administered program that involves a debit card: the Supplemental Nutrition Assistance Program (SNAP), also known as food stamps. Hailed by the left-leaning Center on Budget and Policy Priorities not only as a pillar of the social safety net, but as an “effective and efficient” one, SNAP chalked up \$592.7 million of fraud and misspending in 2016. Coincidentally, that translates to just shy of 1 percent of the program’s spending.

Of course, the takeaway isn’t that we should stomach the more than half a billion dollars of misuse taking place within SNAP. To the contrary, we should aggressively safeguard taxpayer money. Yet ironically, as Dr. Matthew Ladner of the Arizona Chamber Foundation has pointed out, the very legislation that would have expanded ESA eligibility to all Arizona families last year would also have strengthened the accountability and transparency of the program—requiring, for example, the state to contract with a financial management firm to run the program, and mandating that the Department of Education post information on all program expenditures online for maximum transparency. But thanks to the efforts of the Arizona group “Save Our Schools” (SOS) and other opponents of parental choice, that measure—including the very ESA reforms that would have helped stem misspending and clarify program guidelines for parents—was defeated.

So what’s the takeaway from all this? That instead of drive-by soundbites and half-truths, the public deserves an accurate portrayal of the ESA program. Indeed, the problem isn’t that ESAs fall short in the face of evidence—it’s that those who abhor the idea that parents should ultimately be able to choose the best educational avenues for their children are dominating the airwaves. (I’ve written elsewhere, for example, on the media’s egregiously inaccurate reporting on the program, including manipulating data to bogusly claim that ESAs disproportionately benefit wealthy families.)

Sure, it may be too much to ask for *favorable* coverage of choice programs like ESAs, but at this point, I’d be thrilled with some that’s at least *fair*.

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