# 2015

# Quest

# Preparatory

# Academy

# Forensic Audit

*Deloitte Consulting*

# Combined Timeline

Legend: 2013 · 2014 · 2015

## 2013

Feb 1: **Interim-Principal** Employment contract for Debra Roberson signed.

May 6: **The Governing Board** chose Debra Roberson as the **permanent Principal** of QPA.

Jun 18: **The Governing Board** voted to approve a two year Principal contract for Debra Roberson for **$108,000**

Aug: **PERS froze** QPA's account

## 2014

Jan 31: **CFEF** incorporated on with the following officers:
- **David Olive,**
- **Anthony Barney,**
- **Kelli Miller**
- **Debra Roberson**

(all **Quest Preparatory Academy [QPA]** employees)

Feb 24: **Kaye Lynn Olive** was hired by QPA.

Mar 1: **QPA** enters into a six year contract with **CFEF** (signed by **David Olive** on behalf of **QPA** and by **Kelli Miller** on behalf of **CFEF**)

Late Mar: **Anthony Barney** resigns from CFEF

May 16: **John Thomas Olive** was hired by QPA.

May 20: David Olive sent an email to Lee Miller stating **"After much consideration I think that we need to change Deb's title to Superintendent and pay her $175,000 a year effective June 1st. This would be due to the number of campuses we will have this year."**

Jun 5: **David Olive** and **Lee Miller** signed a contract for Debra Roberson as **Superintendent** for **$175,000** annually.

Jul 7: **David Olive** signs a contract with **Sprint Solutions, Inc.** on behalf of QPA ***without board approval***

July 7: **James B. Olive** was hired by QPA.

Jul 9: **David Olive** signs a lease on behalf of **CFEF** with **CSP – Bridger Ave., LLC** for **$27,066.67**/month (unexecuted lease)

Aug 6: **CFEF** signs a sub-lease agreement for the **Bridger Campus** with **QPA** (signed by **David Olive** on behalf of **QPA** and **Kelli Miller** on behalf of **CFEF**) for **$41,778**/month

Sep 24: $200,000 wired into QPA's operating account.

Sep 25: **David Olive** and **Kelli Miller** signed a $200,000 Factoring Agreement between QPA and Chartered Asset Management, LP

Oct 1: **The Governing Board** voted to approve the $200,000 loan.

Oct 7: **David Olive** and **Kelli Miller** signed a factoring agreement for $400,000 with Charter Asset Management Fund, LP on behalf of QPA at a cost of $28,435.26.

Oct 7: $400,000 wired into QPA's operating account

Oct 11: **No discussion of the Oct 7 loan** at the Governing Board meeting

Oct 23: **Kelli Miller** resigns from **QPA** as the Director of Innovation and Grants

Late Oct: **Kelli Miller** resigns from **CFEF**

Oct 27: **Debra Roberson** emailed Morgan McAdorey requesting a salary of **$108,000.00** until **full board approval**

Oct 30: **David Olive** and **Morgan McAdorey** sign a Personnel Action form changing Debra Roberson's pay from **$175,000 to $108,000.**

Oct 31: 2013-2014 Annual Independent Audit - Subsequent events note #19 mentions ***uncertainty about Quest's ability to continue as a going concern***

Nov 14: **The Governing Board** voted to **ratify** the contract with Charter Asset Management Fund, LP and adopt the Superintendent contract

Nov 14: **Stephanie Gabany** joins **CFEF** as Board Secretary (**QPA employee**)

Nov 20: **David Olive** and **Morgan McAdorey** sign a Personnel Action form changing Debra Roberson's pay from **$108,000 to $175,000**

Nov: **No contribution payment** made to PERS

Dec: **Teresa Barber** began to resolve PERS issue, **but no contribution payment made**

Dec 29: Governing Board meeting minutes state: **"President Olive:** Issues with service and hardware. Options to terminate contract. Have held off on payment to **Sprint** due to non-performance on contract. ***May not be fiscally responsible to continue with service contract"*** (first documented board discussion of contract)

## 2015

Jan: **Teresa Barber** gave PERS all requested information

Jan: **No contribution payment** made to PERS

Late Feb: **Anthony Barney** resigns from VP of **QPA**

Feb: **resumed payments** to PERS

Jun 4: **David Olive** resigns from board president of **QPA**

Jun: **CFEF** hires **Anthony Barney** as a lawyer (paid position)

Jun: **John Thomas Olive** resigns from QPA

Late Jun: **Debra Roberson** resigns from **CFEF**

Jul 13: **Timothy Zeidler** signs a settlement agreement with **Sprint Solutions, Inc.** on behalf of **QPA** in the amount of $390,000

Jul 23: **James B. Olive** resigns from QPA

Aug 14: **Kaye Lynn Olive's** last day at QPA

Aug: **Kaye Lynn Olive** was **let go** from QPA due to "little mistakes" she made in payroll

Aug: **Teresa Barber** called Kabrina Feser and was told that currently PERS has only **re-entered** information up to **October 2014.** Kabrina Feser acknowledged QPA **overpaid in 2013.**

Sep 1: **Teresa Barber** had a conversation with Kabrina Feser and Charyl Lacombe. Made an **arrangement** to pay off the past due amount of **$320,191.52 by December 2015.**

"This document is subject to the confidentiality provisions of Nevada Law, including but not limited NRS 179A.070(2), Donrey of Nevada v. Bradshaw, 106 Nev. 630, and 83 Op. Att'y General No. 3."

# Nevada State Public Charter School Authority

## Final Summary

### Quest Preparatory Academy

The Final summary below will provide an overview of the assessment and analysis of Quest Preparatory Academy located in Las Vegas, Nevada for the review period, School years July 1, 2013 to June 30, 2014 and July 1, 2014 to June 30, 2015. To gain an understanding of Quest Preparatory Academy's operations, information was collected from interviews conducted with Quest Preparatory Academy staff and former and current Governing Board Members, Governing Board minutes, Bank Statements, Accounting records in QuickBooks, and agreements and contracts entered into on behalf of Quest Preparatory Academy. Nevada Administrative Code (NAC), Nevada Revised Statues (NRS), and Quest Charter Academy Governing Board Bylaws were read to determine compliance with the therein prescribed procedures. In this summary, an overview of the following areas will be provided:

- Chartered for Excellence Foundation
- Nepotism
- Contract Execution Before Governance Approval
- Public Employee Retirement System

In addition, the 2013-2014 Annual Independent Audit Report issued by WSRP, LLC on October 31, 2014 was read and an interview was conducted with Bryce Wisan, Partner at WSRP, LLC. The 2013-2014 Annual Independent Audit Report included an Unqualified Opinion on the financial statements of Quest Preparatory Academy with an emphasis of matter regarding "Going Concern". According to Quest Preparatory Academy financial statement Note 19 – Going Concern, "the School's monthly expenses were higher than its funding for the first three months of the school year. Those factors create an uncertainty about the School's ability to continue as a going concern."

### Chartered For Excellence Foundation[1]

Chartered for Excellence Foundation (CFEF) is a foundation that was created by David Olive, then Governing Board President of Quest Preparatory Academy, as a non-profit purportedly for the benefit of Quest Preparatory Academy. During the investigation, a number of potential conflicts of interest between Quest Preparatory Academy and CFEF were observed. CFEF was incorporated on January 31, 2014. The registering agent is listed as Anthony Barney and original officers were as follows: Kelli Miller (secretary), David Olive (listed as president and director), and Debra Roberson (treasurer) and Anthony Barney (director). **At the time of incorporation, all these individuals were also affiliated with Quest Preparatory Academy.** The executed independent contractor agreement between Quest Preparatory Academy and CFEF, was signed by David Olive as the president of the Governing Board on behalf of Quest Preparatory Academy and by Kelli Miller on behalf of CFEF as the Secretary on May 17, 2014. **At the time of this agreement, both David Olive and Kelli Miller were part of Quest Preparatory Academy – David Olive as the Governing Board President and Kelli Miller as the Director of Innovation and Grants.** In February 2015, Anthony Barney resigned from the Quest Preparatory Academy Governing Board and was hired as CFEF's attorney (paid position) in June 2015. As of August 20, 2015, CFEF's website names David Olive, Debra Roberson and Stephanie Gabany, Executive Administrative Assistant for Quest Preparatory Academy, as the Board of Directors of CFEF. Debra Roberson and Stephanie Gabany resigned from the Board of Directors of CFEF in June and July 2015, respectively.

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[1] NRS 281A.420 prescribes requirements regarding disclosure of conflicts of interest.

# Nevada State Public Charter School Authority

## Final Summary

According to an email received from David Olive on July 17, 2015, "Quest Preparatory Academy currently has an executed lease with Chartered for Excellence. Given light of the circumstances surrounding your audit of Quest Preparatory Academy it should suffice to know that no employees of Quest Preparatory Academy work for Chartered for Excellence, sit as a serving member of the governance board of Chartered for Excellence or have affiliation with Chartered for Excellence outside a landlord/ tenant relationship."

### Bridger Campus[2]

According to a copy of a building and improvement lease provided by Spencer Gunnerson[3], Governing Board President of Quest Preparatory Academy prior to David Olive, CFEF leased the Bridger Campus property from CSP – Bridger Ave., LLC on July 9, 2014 for an amount of $27,066.67 per month (subject to 3% per annum increase) with a term of 25 years. According to the Nevada Secretary of State records, CSP-Bridger Ave. LLC, is an active limited liability company, which was incorporated in Nevada on July 9, 2014. The sole manager and registered agent for this company is listed as Lawrence W. Rieder, a Nevada resident. On August 6, 2014 CFEF sub-leased the Bridger campus property to Quest Preparatory Academy for an amount of $41,778 per month (subject to 3% per annum increase) for a term of 25 years. The lease was signed by Kelli Miller (Director of CFEF) on behalf of CFEF and David Olive (Governing Board President of Quest Preparatory Academy) on behalf of Quest Preparatory Academy. At this time, David Olive was the President of both CFEF board and Quest Preparatory Academy's Governing Board. Quest Preparatory Academy began making monthly lease payments in January 2015 for $41,778 to CFEF. According to Spencer Gunnerson, the landlord of the property, CSP-Bridger Ave., LLC, leased CFEF the Bridger property to be sub-leased to Quest Preparatory Academy based upon an oral agreement that the lease amount of $27,066.67 be passed directly through CFEF to Quest Preparatory Academy.

### Nepotism[4]

Three relatives of David Olive, then Governing Board President of Quest Preparatory Academy, were hired for positions at Quest Preparatory Academy. Kaye Lynn Olive, David Olive's mother was hired on February 24, 2014 as a Business Office Specialist for an annual salary of $35,000. Subsequently, at end of October 2014, Kaye Lynn Olive was moved to the payroll department to assist Teresa Barber, Human Resources Manager of Quest Preparatory Academy. According to Teresa Barber, Kaye Lynn Olive was let go because there had been "little mistakes" in payroll. Her last day was August 14, 2015. John Thomas Olive, David Olive's uncle, was hired on May 18, 2014 as the Properties and Maintenance Manager for an annual salary of $45,000. In January 2015, David Olive became an independent contractor and resigned in June 2015. James B. Olive, David Olive's father was hired on July 7, 2014 as the Facilities Project Manager for an annual salary of $60,000. James B. Olive had no prior facilities project management experience. James Olive resigned from his position at Quest Preparatory Academy on July

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[2] NAC 386.3265 prescribes requirements regarding the amendment of written charter and request to occupy new or additional facility. NRS 281A.420 prescribes requirements regarding disclosure of conflicts of interest.

[3] The unexecuted Building and Improvement lease provided by Spencer Gunnerson was signed by Kelli Miller on behalf of CEFE as the Director of CEFE, but the lease was not signed by the landlord, CSP-Bridger Ave., LLC.

[4] NRS 281.210 prohibits Officers of State, political subdivision and Nevada System of Higher Education from employing relatives and describes exceptions and penalties.

23, 2015. According to the "conditions of hiring" of the Employment contract for Quest Preparatory Academy, employment is conditioned upon satisfactory completion of a background check and satisfactory completion of a drug test. According to Teresa Barber, Human Resources Manager of Quest Preparatory Academy, drugs tests were not on file for Kaye Lynn, John and James Olive. The HR file shows Kaye Lynn Olive was fingerprinted and background check results were negative. There is no record of fingerprint and background checks in the HR file for John and James Olive.

## Contracts Execution before Governance Approval

### Salary Increase

David Olive, then Governing Board President of Quest Preparatory Academy, unilaterally executed and approved a new contract for Debra Roberson on June 1, 2014 prior to presentation and approval of the Governing Board. The contract increased her salary from the Governing Board approved level of $108,000 as the Quest Principal to $175,000, and changed her role from Quest Principal to Superintendent. The contract was signed by David Olive and Lee Miller, then Human Resources Manager of Quest Preparatory Academy, based on the incorrect assumption that the salary could be increased to reflect the added responsibilities of an additional campus and increased student enrollment for the school year 2014-2015. The board voted to adopt the $175,000 Superintendent contract for Debra Roberson at the November 14, 2014 Governing Board meeting.

### Sprint Contract

On July 7, 2014, David Olive, then Governing Board President of Quest Preparatory Academy, signed a 36 month contract with Sprint Solutions, Inc. without Governing Board approval. The contract committed Quest Preparatory Academy to purchase a minimum of 2,000 devices (laptops and IPads) and each device had a monthly service charge of $59.99. At the full term of 36 months, the total price of contract would have been $4,319,280. The enrollment for school year end 2014 and 2015 was 863 and 1,460, respectively. Due to technology issues and the large contract cost, at the meeting on July 11, 2015, the Governing Board voted to approve a proposed $390,000 settlement agreement between Sprint Solutions, Inc. and Quest Preparatory Academy, and authorized Timothy Zeidler, current Governing Board President, to sign on behalf of Quest Preparatory Academy. The settlement agreement was signed on July 13, 2015. According to the agreement, "the settlement amount represents $338,000 for services previously provided by Sprint and $52,000 for equipment previously provided by Sprint." According to QuickBooks payables information, Quest Preparatory Academy started making payments to Sprint on March 16, 2015. Since then, a total of $137, 059.44 in payments has been paid to Sprint. Chartered for Excellence Foundation asked parents to make a $100 payment to CFEF for a technology fee. According to Melisa Hester, this was not related to the Sprint Contract.

### Bridge Loan[5]

David Olive, then Governing Board President of Quest Preparatory Academy, and Kelli Miller, then Director of Innovations & Grants of Quest Preparatory Academy, signed a factoring agreement between Quest Preparatory Academy and Charter Asset Management Fund, LP for $200,000, dated September

[5] NRS 241.020 requires meetings to be open and public and also states exceptions to this requirement.

25, 2014 at cost of $10,704.94 prior to approval from the Governing Board. The Governing Board of Quest Preparatory Academy voted to approve the $200,000 factoring agreement dated September 25 on October 1, 2014. On October 7, 2014, prior to Governing Board approval, David Olive and Kelli Miller entered into a factoring agreement on behalf of Quest Preparatory Academy for $400,000 from Charter Asset Management Fund, LP at a cost of $28,435.26. At the Governing Board meeting on October 21, 2014, no presentation was made to disclose the additional loan taken on Quest Preparatory Academy's behalf. The Governing Board voted to ratify the $400,000 agreement at the Governing Board meeting on November 14, 2014. Deposits from Charter Asset Management Fund, LP. were used to cover payroll due to the delay in increased Distributive School Account (DSA) payments.

### Public Employee Retirement System[6]

In August 2013, PERS froze Quest Preparatory Academy's account due to overpayments each month. In December 2014, Teresa Barber became the Human Resources Manager. She determined the error was due to an incorrect calculation of the contribution rate for employee salaries and began working with PERS representatives to resolve the issue. In December 2014, David Olive, then Governing Board President of Quest Preparatory Academy, verbally told Teresa Barber to not make payments until the issue was resolved. In February 2015, payments to PERS were resumed. According to PERS documentation, provided by the State Public Charter School Authority (SPCSA) on August 31, 2015, Quest Preparatory Academy is $538,948.51 behind on their PERS contributions. On September 1, 2015, an arrangement was made between Quest Preparatory Academy and PERS to pay off the past due amount of $320,191.52. Under this agreement, repayment was to begin September 2015 and will be made every two weeks until December 2015, at which time Quest Preparatory Academy will be caught up with their PERS payments. The PERS attorney was consulted prior to accepting Quest Preparatory Academy's proposal, however, a written agreement has not been received by Quest Preparatory Academy.

[6] NRS 286.288 defines the responsibility related to inaccurate or misleading information of participating public employers.

# Forensic Analysis

Quest Preparatory Academy

# Quest Preparatory Academy

## Chartered For Excellence Foundation – Conflicts of Interest

**Observation**

**All individuals that were part of Chartered for Excellence Foundation (CFEF) when it was incorporated on January 31, 2014, were also associated to Quest Preparatory Academy, either as a Governing Board member or through employment.**

## Key Findings

- CFEF was incorporated on January 31, 2014. The registering agent is listed as Anthony Barney and original officers were as follows: Kelli Miller (secretary), David Olive (listed as president and director), Debra Roberson (treasurer) and Anthony Barney (director). **At the time of incorporation, all these individuals were also affiliated with Quest Preparatory Academy.**
- The executed independent contractor agreement between Quest Preparatory Academy and CFEF, was signed by David Olive as the president of the Governing Board on behalf of Quest Preparatory Academy and by Kelli Miller on behalf of CFEF as the Secretary on May 17, 2014. **At the time of this agreement, both David Olive and Kelli Miller were part of Quest Preparatory Academy**
- In February 2015, Anthony Barney resigned from the Quest Preparatory Academy Governing Board and was hired as CFEF's attorney (paid position) in June 2015.
- Debra Roberson and Stephanie Gabany resigned from the Board of Directors of CFEF in June and July 2015, respectively.
- Email received from David Olive on July 17, 2015, "Quest Preparatory Academy currently has an executed lease with Chartered for Excellence. Given light of the circumstances surrounding your audit of Quest Preparatory Academy it should suffice to know that **no employees of Quest Preparatory Academy work for Chartered for Excellence, sit as a serving member of the governance board of Chartered for Excellence or have affiliation with Chartered for Excellence outside a landlord/ tenant relationship."**

# Quest Preparatory Academy

## Chartered For Excellence Foundation – Bridger Campus

**Allegation**

**David Olive, entered into, and signed a lease on behalf of CFEF with CSP – Bridger Ave., LLC for the Bridger Campus and CFEF sub-leased the property to Quest Preparatory Academy at a higher amount.**

## Key Findings

- According to a copy of the lease, CFEF leased the Bridger Campus property from CSP – Bridger Ave., LLC on July 9, 2014 for $27,066.67 per month with a term of 25 years. This lease was signed by Kelli Miller on behalf of CFEF but was not signed by CSP – Bridger Ave.,LLC.
- On August 6, 2014 CFEF sub-leased the Bridger campus property to Quest Preparatory Academy for an amount of $41, 778 per month for a term of 25 years.
    - The lease was signed by Kelli Miller on behalf of CFEF and David Olive on behalf of Quest Preparatory Academy.
    - **At this time, David Olive was the President of both CFEF board and Quest Preparatory Academy's Governing Board.**
- **Timothy Zeidler, current Governing Board President , did not know about the per month amount difference of $14,771.33 between the two leases before becoming the Governing Board President on July 11, 2015.**
    - The difference in amount between the two leases, came to light when Timothy Zeidler received an email from CFEF's attorney Anthony Barney regarding Quest Preparatory Academy being behind on their monthly sub-lease payments to CFEF.
    - Timothy Zeidler immediately forwarded the email to Quest Preparatory Academy's attorney Tracy Truman and as of September 17, 2015, **Tracy Truman is in the midst of discussion with Anthony Barney.**
    - **In his opinion, he would not have agreed to the current sub-lease terms because it is for an "absurd amount".**

# Quest Preparatory Academy

## Nepotism

**Allegation**

**David Olive, then Governing Board President of Quest Preparatory Academy, was able to use his influence and power in getting Quest Preparatory Academy to hire his family members.**

## Key Findings

- Kaye Lynn Olive (Mother) – hired on February 24, 2014, as a Business Office Specialist for an annual salary of $35,000. **Teresa Barber wanted to terminate Kaye Lynn Olive due to the "little mistakes" she made in payroll but was unable to do so because she was David Olive's mother.**
- John Thomas Olive (Uncle) – hired on May 16, 2014, as the Properties and Maintenance Manager for an annual salary of $45,000
- James B. Olive (Father) – hired on July 7, 2014, as the Facilities project Manager for an annual salary of $60,000. **If Teresa Barber was to get his resume today, she would not hire him because he had no project management experience.**
- **If Teresa Barber was to hire a Facilities Project Manager and a Properties and Maintenance Manager today, the offered salary would be $45,000 and $35,000 respectively.**
- Employment at Quest Preparatory Academy is conditioned upon satisfactory completion of a background check and a drug test. According to Teresa Barber, Human Resources Manager of Quest Preparatory Academy, there are no drug tests in the HR file for Kaye Lynn, John and James Olive, and only Kaye Lynn Olive was fingerprinted.
- According to a letter dated February 20, 2015, approval was granted by Dale A.R Erquiaga, Superintendent of Public Instruction, pursuant to the provisions of NRS 281.210(2)(a) for Kaye Lynn Olive, James B. Olive and John Thomas Olive to work for Quest Preparatory Academy. **All three of these individuals were hired by Quest Preparatory Academy in 2014.**
    - According to NAC 386.345, **only the State Public Charter School (SPCS) has the authority to approve a person who is related by blood or marriage to an employee of the governing body or charter school.**

# Quest Preparatory Academy

## Contract Execution Before Governance Approval - Bridge Loan

**Allegation**

**David Olive, then Governing Board President of Quest Preparatory Academy, entered into, and signed a bridge loan agreement on behalf of Quest Preparatory Academy prior to presentation and approval of the Governing Board.**

## Key Findings

- On September 24, 2014, funds in the amount of $200,000 from Charter Asset Management Fund, LP were wired into Quest Preparatory Academy's operating account, account ending 7909.
- **On September 25, 2014, David Olive and Kelli Miller signed on behalf of Quest Preparatory Academy, a factoring agreement with Charter Asset Management Fund, LP for $200,000.**
- On October 1, 2014, David Olive presented for **board approval** an unsecured Promissory Note in the amount of $200,000 at a cost of $10,704.94 from Charter Asset Management Fund, LP. The Governing Board voted to approve the $200,000 loan.
- **On October 7, 2014, David Olive and Kelli Miller signed on behalf of Quest Preparatory Academy a factoring agreement for $400,000 with Charter Asset Management Fund, LP at a cost of $28,435.26.**
- On October 7, 2014, funds in the amount of $400,000 were deposited into the operating account ending 7909 from Charter Asset Management Fund, LP.
- According to the October 1, 2014 and October 21, 2014 Governing Board minutes there was no discussion of the October 7, 2014 factoring agreement.
- On November 14, 2014, the Governing Board voted to **ratify** the contract with Charter Asset Management Fund, LP in the amount of $400,000.

# Quest Preparatory Academy

## Contract Execution Before Governance Approval - Sprint Solutions Inc.

**Allegation**

**David Olive, then Governing Board President of Quest Preparatory Academy, appears to have unilaterally made the decision to award a contract to Sprint Solutions, Inc. prior to seeking Governing Board approval.**

## Key Findings

- On July 7, 2014, David Olive, signed a 36 month contract with Sprint Solutions, Inc.
  - If fully executed, the total price of the contract would have been $4.3 million.
  - The contract committed to purchase of 2,000 devices and each device had a monthly service charge of $59.99 (enrollment for school year end 2014 and 2015 was 863 and 1,460, respectively.)
- According to the Governing Board meeting minutes, **there was no discussion, reference, evaluation or approval by the Governing Board for the proposed contract between Quest Preparatory Academy and Sprint Solutions, Inc. prior to David Olive's signing of the contract.**
  - **The first documented discussion** around the Sprint Solutions, Inc. contract was found in the December 29, 2014, Governing Board meeting minutes. According to the minutes, "Board determination is needed to address whether or not to continue the Sprint Technology Services Contract as it currently exists for the school's computers and service or to exercise the termination clause in the contract with Sprint." **"President Olive: Issues with service and hardware. Options to terminate contract. Have held off on payment to Sprint due to non-performance on contract. May not be fiscally responsible to continue with service contract."**
- On July 11, 2015, **due to continuous technological issues and high contract cost, the Governing Board voted to approve a proposed $390,000 settlement agreement. The agreement was signed on July 13, 2015.** $390,000 represents $338,000 for services and $52,000 for equipment previously provided by Sprint.

# Quest Preparatory Academy

## Contract Execution Before Governance Approval - Salary Increase

**Allegation**

**David Olive, then Governing Board President of Quest Preparatory Academy, unilaterally executed and approved a salary increase to Superintendent Debra Roberson's contract, prior to presentation for consideration and approval of the Governing Board.**

## Key Findings

- On May 6, 2013, Debra Roberson, then interim Principal of Quest Preparatory Academy, was chosen as the permanent Principal of Quest Preparatory Academy.
- On June 18, 2013, the Governing Board voted to approve a two year Principal contract for Debra Roberson for $108,000.
- **On May 20, 2014, David Olive sent an email to Lee Miller stating "After much consideration I think that we need to change Deb's title to Superintendent and pay her $175,000 a year effective June 1st. This would be due to the number of campuses we will have this year."**
- **On June 5, 2014, David Olive and Lee Miller signed a contract for Debra Roberson for the position of Superintendent. The contract for Superintendent of Quest Preparatory Academy was from June 1, 2014 to June 30, 2020 for an annual salary of $175,000**
- On October 27, 2014, Debra Roberson sent an email to Morgan McAdorey requesting that her salary be adjusted to $108,000.00 until full board approval.
- The Governing Board voted to **adopt** the contract signed by David Oliver and Lee Miller for one year.

# Quest Preparatory Academy

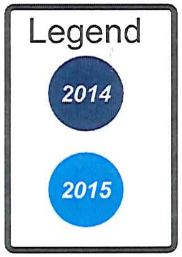
## Public Employee Retirement System

**Observation**

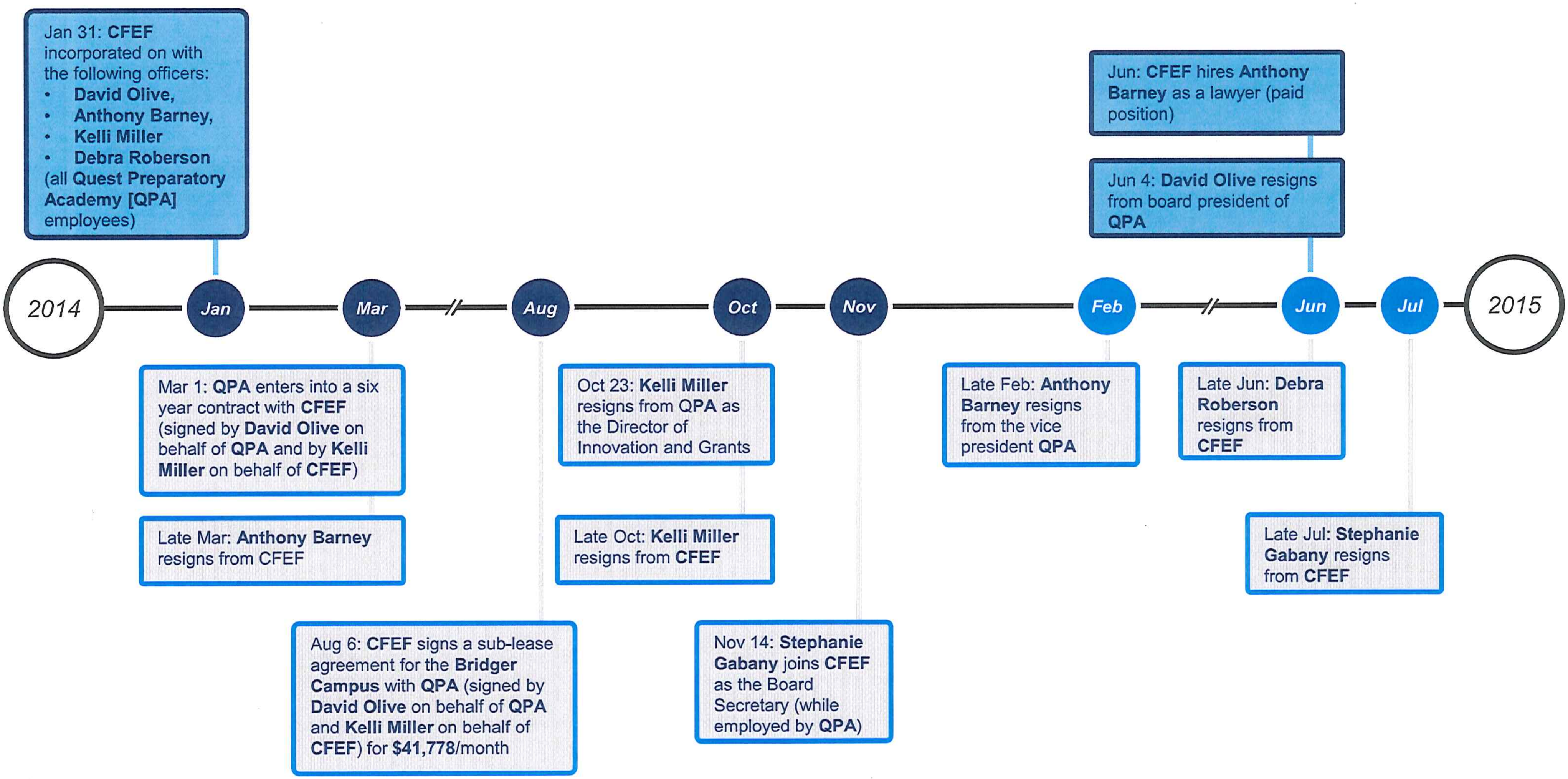
**Quest Preparatory Academy fell behind on the monthly contributions due to the Public Employee Retirement System (PERS).**

## Key Findings

- In August 2013, PERS froze Quest Preparatory Academy's account due to overpayments, which were caused by incorrect calculation of the contribution rate for employee salaries.
- Teresa Barber, Human Resource Manager of Quest Preparatory Academy began working on resolving the PERS issue in December 2014 when she joined the Human Resources department.
- In December 2014, David Olive, then Governing Board President of Quest Preparatory Academy, **verbally told Teresa Barber not to make any payments to PERS until the issues were resolved.**
- According to Teresa Barber, **PERS payments for November 2014, December 2014 and January 2015 are still outstanding.**
- **Resumed making payments in February 2015 (the resumed payments were not for the previously missed payments).**
- According to the PERS documentation related to Quest Preparatory Academy, provided by the State Public Charter School Authority (SPCSA) on August 31, 2015, **total estimated amount due is $538,948.51**
- On September 1, 2015, Teresa Barber had a conversation with Kabrina Feser and Charyl Lacombe, representatives from PERS. **During this conversation, an arrangement was made with PERS to pay off the past due amount of $320,191.52. Under the agreement, the payments will begin in September 2015 and will be made every two weeks until December 2015, by then Quest preparatory Academy will be caught up on the past due payments to PERS.**




# Conflict of Interest Timeline

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# Sprint Timeline

Legend

2014

2015

2014

**Jul**

Jul 7: **David Olive** signs a contract with **Sprint Solutions, Inc.** on behalf of **QPA** ***without board approval***

**Oct**

Oct 31: 2013-2014 Annual Independent Audit - Subsequent events note #19 mentions ***uncertainty about Quest's ability to continue as a going concern***

**Dec**

Dec 29: Governing Board meeting minutes state: "**President Olive**: Issues with service and hardware. Options to terminate contract. Have held off on payment to **Sprint** due to non-performance on contract. ***May not be fiscally responsible to continue with service contract***" (first documented board discussion of contract)

Dec 29: The first documented discussion by the governing Board around the **Sprint Solutions, Inc.** contract as noted in the meeting minutes

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**Jun**

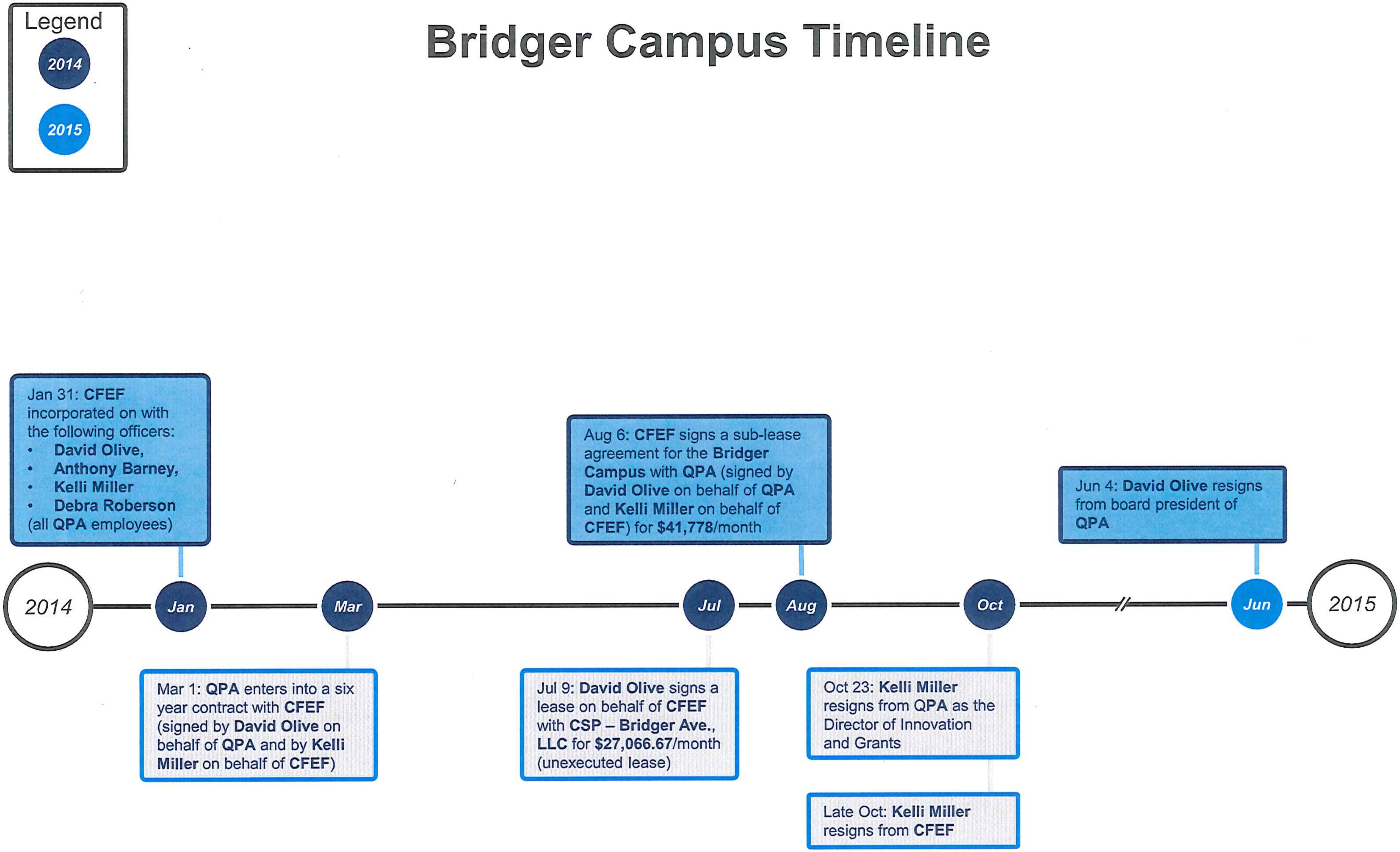
Jun 4: **David Olive** resigns from board president of **QPA**

**Jul**

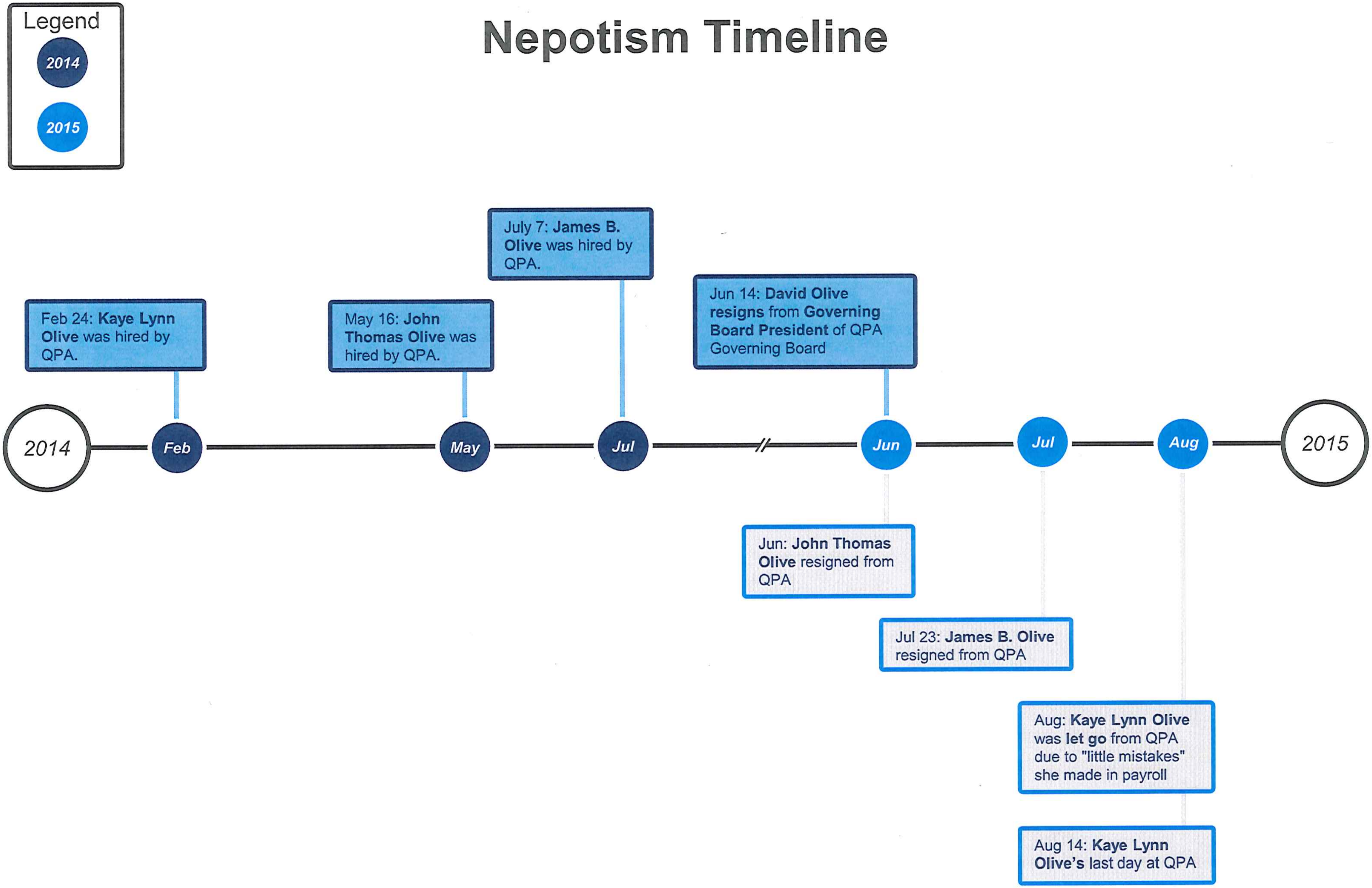
Jul 13: **Timothy Zeidler** signs a settlement agreement with **Sprint Solutions, Inc.** on behalf of **QPA** in the amount of $390,000

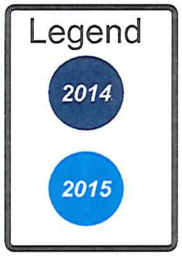
2015

# Bridger Campus Timeline

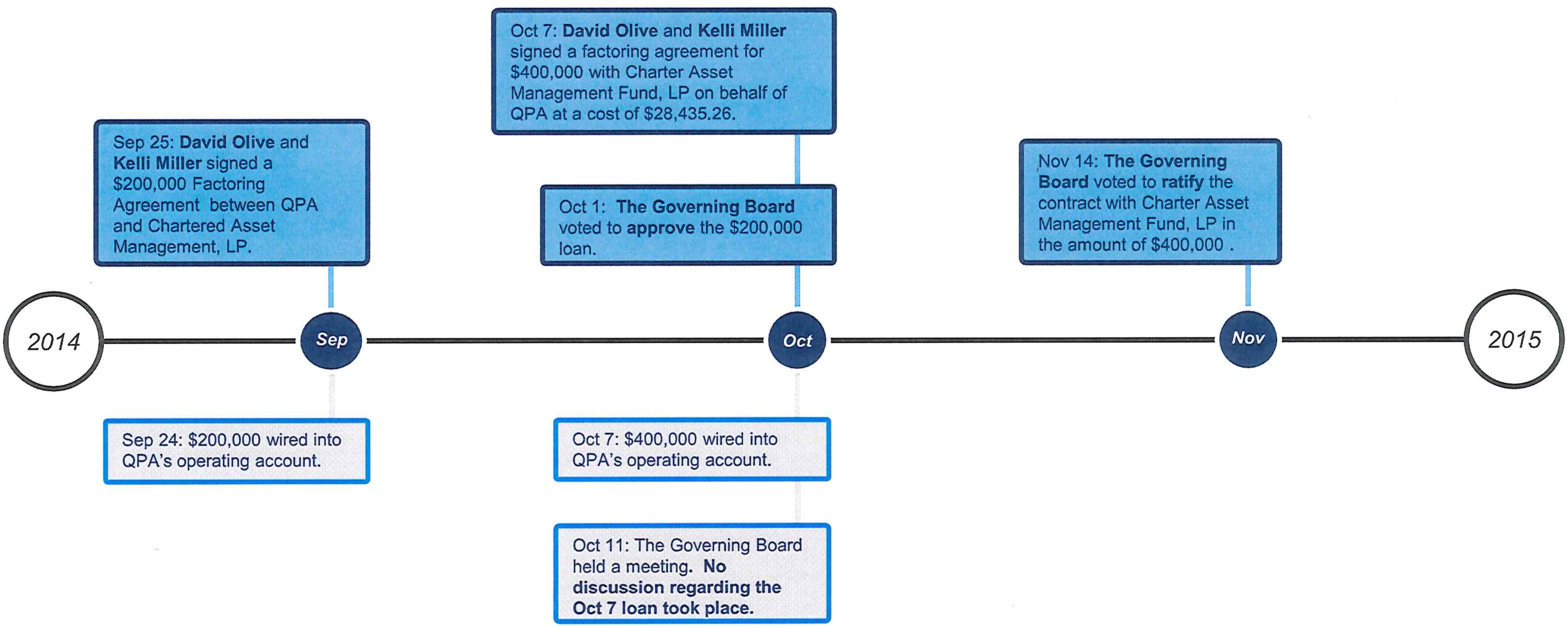


# Nepotism Timeline






# Bridge Loan Timeline




"This document is subject to the confidentiality provisions of Nevada Law, including but not limited NRS 179A.070(2), Donrey of Nevada v. Bradshaw, 106 Nev. 630, and 83 Op. Att'y General No. 3."

# Salary Increase Timeline

Legend: 2013 (light blue), 2014 (dark blue)

2013

**Feb**

Feb 1: **Interim-Principal** Employment contract for Debra Roberson signed.

**May**

May 6: **The Governing Board** chose Debra Roberson as the **permanent Principal** of QPA.

**Jun**

Jun 18: **The Governing Board** voted to approve a two year Principal contract for Debra Roberson for **$108,000.**

**May**

May 20: David Olive sent an email to Lee Miller stating **"After much consideration I think that we need to change Deb's title to Superintendent and pay her $175,000 a year effective June 1st. This would be due to the number of campuses we will have this year."**

**Jun**

Jun 5: **David Olive** and **Lee Miller** signed a contract for Debra Roberson for the position of **Superintendent** for **$175,000** annually.

**Oct**

Oct 27: **Debra Roberson** sent an email to Morgan McAdorey requesting that her salary be adjusted to **$108,000.00** until **full board approval**

Oct 30: **David Olive** and **Morgan McAdorey** signed a Personnel Action form effective **October 27, 2014**, for a Change in Status from the current salary for Debra Roberson for **$175,000 to $108,000.**

**Nov**

Nov 14: **The Governing Board** voted to **adopt** the Superintendent contract signed by David Olive and Lee Miller.

Nov 20: **David Olive** and **Morgan McAdorey** signed a Personnel Action form, for a Change in Status from the current salary for Debra Roberson for **$108,000 to $175,000.**

2014

# PERS Timeline