



News Release

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ESA Voucher Fraud Case Including Fake Children Raises Integrity Concerns About Universal Vouchers

Phoenix—On Monday, Dec. 2, news broke that an out-of-state couple were indicted for defrauding the Empowerment Scholarship Account (ESA) universal voucher program, by submitting applications for 50 children, 43 of whom do not exist, according to the Arizona Attorney General's Office.

According to [the indictment](#), Johnny Lee Bowers and Ashley Meredith Hewitt, aka Ashley Hopkins, used the fraudulently-gained funds to pay for living expenses in Colorado. The fraud began in December 2022 and the couple amassed [\\$110,258.28](#) through the scheme. The couple now are thought to live in Utah.

While state Superintendent of Public Instruction Tom Horne takes credit for referring the suspected fraud to the Attorney General's office, the case raises significant financial integrity questions related to the ESA universal voucher program. It also illustrates the need for the reforms the Grand Canyon Institute called for initially this summer, if the program were to continue.

Question 1: If the couple were not so greedy, would they have gotten away with it?

It appears before resorting to ghost children, the couple started with children that did exist but used falsified documents to suggest they qualified for ESA universal vouchers. While not known yet definitively, most of the 50 children, including most of the 43 ghost children, [appear based on dates of application](#) to have been APPROVED for participation in the ESA universal voucher program.

Systematic Problem: Under the original, targeted ESA voucher program, almost every student had to first attend a district or charter school for at least 45 days. The Grand Canyon Institute (GCI) estimates, however, that [only about 20% of ESA UNIVERSAL voucher](#) students have previously attended a district or charter school which would serve to screen students to ensure

that they truly exist. The absence of this requirement makes the program ripe for this kind of fraud.

Question 2: Exactly what kind of expenses did the couple undertake to "educate" these fictitious children?

Expenses totalling \$110,000 were also APPROVED, even though the couple lived in another state and were using funds for living expenses.

Systematic Problems:

1. Inadequate oversight of educational plans for children with no accountability for educational outcomes.
2. With the tax credit Student Tuition Organization program, the recipient needed to attend a private school to benefit from the program—the universal program has loosened this requirement to the extent that the Arizona Dept. of Education is faced with a myriad of questionable educational expenses from expensive Lego sets, to top-of-the-line ballet shoes, and nearly three dune buggies.

The Grand Canyon Institute has made a series of financial oversight recommendations that the state legislature and governor should prioritize to strengthen the integrity of the program.

Financial Oversight Recommendations:

- Audit all independent evaluations submitted to request eligibility for special needs children in the universal program to verify if criteria used is sufficiently consistent with the federal Individuals with Disabilities Education Act (IDEA).
- End the carry-over of ESA funds from year to year and sweep existing carry-over balances.
- Audit educational expenditures approved to date relative to the educational needs of the child by the Auditor General.
- Require that ESA awards are contingent on education plans that thoroughly document how funds will be used to meet the educational needs of the child.
- Require parents to re-apply each year with an educational plan for the child along with documentation of results and an evaluation from the prior educational plan including changes being made (in the absence of any testing requirement).
- Require all vendors receiving \$200,000 or more in ESA funds to submit detailed independent audits that, like charter school audits, would be made publicly available.
- Require that all private schools charging tuition for a comprehensive educational program that receive ESAs submit Annual Financial Reports, like charter schools.

Read this far? It's Giving Tuesday!

The Grand Canyon Institute's work on accountability and transparency for ESA vouchers has been cited this year, not just in Arizona, but by numerous news outlets across the country, such as [in Nebraska](#) where the issue was on the ballot (and defeated), as well as by the [BBC](#) and [ProPublica](#).

GCI does not have its own billionaire supporting it, nor does it receive significant dollars from national organizations. Instead it needs the help of people like you.

You witnessed millions of dollars wasted on fairly useless television commercials during the election campaign, yet it's the policy work in between elections that often is much more critical in determining the issues that will be debated in the next election cycle. So please consider a tax deductible donation. Thank you!

Catch up on the last three GCI ESA Reports:

[Cost of the Universal ESA Voucher Program \(June 6, 2024\)](#)

[ESA Voucher Program FY2023: Where the Money Went \(Aug. 1, 2024\)](#)

[ESA Voucher Program Had \\$360 Million Unspent, While the State Pulls from the Opioid Settlement \(Sept. 17, 2024\)](#)

About

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