

**COMMONWEALTH OF PENNSYLVANIA  
STATE CHARTER SCHOOL APPEAL BOARD**

POCONO MOUNTAIN CHARTER SCHOOL,	:	
Petitioner	:	
	:	
v.	:	DOCKET NO. CAB 2010-06
	:	
POCONO MOUNTAIN SCHOOL DISTRICT	:	
Respondent	:	

**OPINION AND ORDER**

**I. Introduction.**

This matter is before the Pennsylvania State Charter School Appeal Board (CAB) on Appeal by the Pocono Mountain Charter School (“PMCS”) from the decision of the Pocono Mountain School District (:School District”) to revoke its charter.

**II. Findings of Fact.**

1. The School District is a public school district serving Mount Pocono Borough and Barrett, Coolbaugh, Jackson, Paradise, Pocono, Tobyhanna and Tunkhannock Townships within Monroe County, Pennsylvania.
2. PMCS is a public charter school operating at 16 Carriage Square, Tobyhanna, PA 18466. (Certified Record, hereinafter “C.R.” at 2368, 2407, 2410 and 2456 – School District Exhibits 1, 2, 3; Joint Exhibit 16).
3. On February 19, 2003, the School District’s Board of School Directors (the “School Board”) granted PMCS a three-year charter commencing September 1, 2003 and ending June 30, 2006. (C.R. at 624, 858, 3038; Charter School Exhibit 3).
4. On June 6, 2006, the School Board voted to renew the PMCS’s charter for another five-year term ending June 30, 2011 and both parties boards subsequently signed the renewed charter, which contained sixty-two conditions. (C.R. 2330: Joint Exhibit 5).

5. During the spring and summer of 2007, the School District and PMCS exchanged several letters regarding School District concerns about PMCS compliance with terms of its renewed charter and the Charter School Law. (C.R. 383-394, 2550, 2553, 2802, School District Exhibits 14, 15, 23).

6. On May 21, 2008, the School Board adopted a resolution seeking to revoke the charter of PMCS. (C.R. 2321 – Joint Exhibit 1).<sup>1</sup>

7. The School Board's Resolution listed 27 reasons for the proposed revocation of PMCS's charter which included, but were not limited to, the following:

a. PMCS operating its business and educational programs in such a manner as to constitute an unconstitutional entanglement with Shawnee Tabernacle Church,<sup>2</sup> *id.* at ¶ 1;

b. PMCS paying an excessive salary and benefits to its Chief Executive Officer ("CEO"), *id.* at ¶ 5;

c. PMCS's CEO, or private institutions controlled by PMCS's CEO, deriving improper financial benefits from PMCS, *id.* at ¶ 8;

d. PMCS paying excessive rentals and fees for its school facilities for the direct benefit of the Shawnee Tabernacle Church, *id.* at ¶ 9;

e. PMCS and Shawnee Tabernacle Church entering into a lease for school facilities which was not an arm's length transaction and that unfairly benefited the landlord, *id.* at ¶ 10;

f. PMCS operating as an alter ego of its landlord, the Shawnee Tabernacle Church, *id.* at ¶ 14; and

g. PMCS failing to obtain competitive bids for products and services where such bids are required by Pennsylvania law, *id.* at ¶ 26.

8. On June 10, 2009, the School Board commenced the public hearing regarding the proposed revocation of PMCS's charter.

9. The School Board held 15 additional public hearing sessions regarding the proposed charter revocation on September 15, November 23 and 24 and December 8, 2009; February 1, 2, 8 and 9; March 18, 19 and 29; and June 1, 3, 4 and 10, 2010, all of which were duly advertised as required by law.

---

<sup>1</sup> We take note of the fact that a separate proceeding regarding renewal of the Charter has been initiated and stayed pending the outcome of these proceedings.

<sup>2</sup> Shawnee Tabernacle Church is the owner of the property and buildings that are leased for charter school purposes when school is in session and for school activities.

10. After the conclusion of the hearing sessions, the public had 30 days to submit written comments directly to the hearing officer regarding the proposed charter revocation consistent with Section 17-1729-A(c) of the Charter School Law. (C.R. 2309-2310).

11. On October 6, 2010, the School Board, after reviewing the record, unanimously approved an 18-page adjudication to revoke PMCS's charter for violation of four specified provisions of the Charter School Law. (C.R. 4977-4996).

12. On November 4, 2010, PMCS filed an appeal from the School Board's revocation decision with the Charter School Appeal Board ("CAB").

13. On November 8, 2010, the School District filed with CAB a copy of the certified record from the PMCS revocation proceedings.

14. On November 15, 2010, the School District filed its answer in opposition to PMCS's appeal.

15. On February 16, 2011, CAB's counsel set a schedule for the parties to submit briefs and proposed findings of fact and conclusions of law in this appeal.

16. The parties timely submitted their briefs and proposed findings of fact and conclusions of law in compliance with CAB's February 16, 2011 directive.

17. Argument was held before CAB on July 26, 2011.

18. At its meeting of September 27, 2011 CAB voted to grant the appeal and overturn the School District's revocation decision.

19. On January 12, 2012 the School District filed an Application for Reconsideration, Motion to Retain Jurisdiction and Petition to Re-Open Record and Accept Supplemental Evidence, which was amended on February 14, 2012, based upon the issuance of an Audit Report on PMCS by the Auditor General.

20. PMCS filed an answer to the application and a Motion to Quash.

21. After argument before CAB, CAB vacated its prior decision and re-opened the record for acceptance of the Audit Report and "for the parties to submit any other new and supplemental information related to the Audit Report ..."

22. Both parties submitted supplemental exhibits and each party objected to the submissions of the other party.

23. CAB then referred the supplementary evidence to a hearing officer for review to determine the admissibility thereof and to prepare a report of supplemental findings for CAB.

24. After holding a hearing and accepting stipulations by way of a letter of agreement, proposed findings and briefs, the hearing officer issued her report on April 30, 2013.

25. Shawnee Tabernacle Church is a nondenominational Christian Church founded by Pastor Dennis Bloom and his wife, Reverend Grisel Bloom. (C.R. 432-434, 693-694, 2604-2611; School District Exhibit 15 at Exhibits 7A and 7D).

26. Pastor Bloom has simultaneously served as Shawnee Tabernacle Church's Senior Pastor and PMCS's Chief Executive Officer ("CEO") since the opening of the charter school until December 3, 2010. (C.R. 370, 433, 624, 2601, 2768-2772; School District Exhibit 15 at Exhibit 7A; School District Exhibit 17).

27. Pastor Bloom's wife, the Reverend Grisel Bloom, simultaneously served as Shawnee Tabernacle Church's First Lady and PMCS's Assistant CEO from the opening of the charter school until 2008. (C.R. 433, 642, 648, 2611, 2763, 2890; School District Exhibit 15 at Exhibit 7D; School District Exhibits 16, 28 and 41).

28. Pastor Bloom received an annual salary as PMCS's CEO of \$107,993 during the 2006-7 school year and of \$120,000 during 2007-8 and 2008-9. (C.R. 438,642,647, 2611, 2763, 2890; School District Exhibits 24 and 25).

29. Grisel Bloom's salary as Assistant CEO of PMCS was \$67,308 in 2006-7 and \$76,000 in 2007-8. (C.R. 488-89, 648,2835, 2878; School District Exhibits 24 and 25).

30. During the same time period the average salary of PMCS' teachers was approximately \$20,000. (C.R. 518).

31. Pastor and Mrs. Bloom also each received "bonus" payments from PMCS of \$15,200 and \$8,079, respectively, in 2008, which may have been for accrued paid leave days. (C.R. 519).

32. Pastor Bloom's son and daughter both worked at PMCS. (C.R. 509-510, 620-621, 1938, 1946-1948). On June 20, 2007, Pastor Bloom's daughter was paid a \$1,500 bonus, along with other summertime workers, on the recommendation of PMCS's principal and subject to the approval of Pastor Bloom. (C.R. 701-702, 1810-1811, 1829, 1848; Charter School Exhibit 22 at p. 3).

33. No evidence was produced that the bonuses were approved by PMCS's Board of Trustees.

34. Pastor Bloom testified that he received no salary or reimbursement for a car lease from Shawnee Tabernacle Church for his service as Senior Pastor. (C.R. 686, 697-698).

35. A 2004 draft audit report of PMCS indicated that “on approximately five occasions, the PMCS paid Reverend Bloom’s car lease payments; the payments were for approximately \$700 for each payment.” These car lease payments should have been paid by Shawnee Tabernacle Church. (C.R. 1895-1896, 3044-3045; Charter School Exhibit 4 at pp. 5-6).

36. The 2004 draft audit report of PMCS also stated, “it is important to note that Reverend Bloom is a central figure [in the charter school] that has influence and control over the operations and could easily circumvent internal controls that have been put in place.” (C.R. 1906, 3045; Charter School Exhibit 4 at p. 6).

37. Pastor Bloom’s exercise of dual control over both PMCS and Shawnee Tabernacle Church has been facilitated by significant turnover among members of PMCS Board of Trustees. (C.R. 678-79).

38. As charter school CEO, Pastor Bloom exercised significant influence and control over both school and church operations and oversaw various PMCS expenditures which substantially benefited the church. Regarding these expenditures Pastor Bloom negotiated or executed legal documents on behalf of both entities and signed checks from both school and church accounts. (C.R. 372-4, 378-9, 693, 2543, 2549, 2773, 2888, 3244-55, 3383-85: school District Exhibits 12, 13, 18, 26, 53 and Charter School Exhibit 30)

39. PMCS and Shawnee Tabernacle Church share space in the same building at 16 Carriage Drive, Tobyhanna, PA 18466. (C.R. 416, 1418-1419).

40. PMCS has leased space for school facilities from Shawnee Tabernacle Church since 2003.

41. After renewal of PMCS’s charter in 2006, PMCS entered into a series of lease agreements with Shawnee Tabernacle Church pursuant to which the charter school paid (in addition to its rent) the cost to construct various improvements on the property, several of which benefited the church. (C.R. 2368-2422).

42. Under the terms of the leases PMCS was obligated to maintain and repair the leased premises and to make improvements, if such were desired by PMCS. (C.R. 2372-2373).

43. On June 5, 2003, Pastor Bloom signed the original lease between PMCS and Shawnee Tabernacle Church. Pastor Bloom signed the lease in his capacity as the President of Shawnee Tabernacle Church, even though he was also charter school CEO at

the time. The president of PMCS Board of Trustees signed for the charter school. (C.R. 1895-1896, 3255; Charter School Exhibit 30 – Exhibit “C”).

44. PMCS paid Shawnee Tabernacle Church \$410,000 in rent for the portion of the facility it used for school year 2005-6. (C.R. 3337; School District Exhibit 40).

45. On July 26, 2006, PMCS and Shawnee Tabernacle Church executed a document entitled “Second Amendment to Lease Agreement.” This lease was signed by PMCS’s Board of Trustee’s president and the president of the Board of the Shawnee Tabernacle Church.

46. Under the Amended Lease, PMCS paid Shawnee Tabernacle Church \$18,756.56 each month for a building that was being constructed by the church but was not yet usable. (C.R. 414, 2407; School District Exhibit 2).

47. Shawnee Tabernacle Church took out a \$3.9 million mortgage for the building expansion. (C.R. 633, 667).

48. During the 2006-2007 fiscal year, PMCS paid \$443,477 to Shawnee Tabernacle Church for rent. (C.R. 2823, 3358 – School District Exhibit 24).

49. On February 7, 2007, PMCS and Shawnee Tabernacle Church executed a document entitled “Ground Lease” to lease church-owned property for a parking lot, which lease was also signed by the presidents of both boards. (C.R. 2412; School District Exhibit 3 at p. 3).

50. On July 7, 2007, PMCS and Shawnee Tabernacle Church executed a “Master Lease to Lease Agreements” (hereinafter “Master Lease”) which replaced all prior leases between the parties. Pursuant to the Master Lease, PMCS leased from the Church the following two buildings and a parcel of land: (a) Premises A, designated as an existing 30,000 square foot building; (b) Premises B, designated as a proposed 35,000 square foot building; and (c) Premises C, designated as athletic fields. (C.R. 2369; School District Exhibit 1 at p. 2).

51. During the 2007-2008 fiscal year, PMCS paid \$849,175 to Shawnee Tabernacle Church for rent. (C.R. 2867 – School District Exhibit 25 at p. 20).

52. After the final completion of the newest building (Premises B), PMCS paid \$929,000 annually to Shawnee Tabernacle Church for rent on the combined premises. (C.R. 450).

53. Under the 2007 Master Lease, PMCS was given use of the leased premises between 7:00 a.m. and 5:00 p.m., Monday through Friday, and only on school days – not during evenings, weekends, school vacation days or the summer break. (C.R. 462-463, 2371-2372; School District Exhibit 1 at pp. 4-5).

54. Under the 2007 Master Lease, PMCS agreed to pay the cost of gas, water, electric and sewer utilities provided to the leased premises and Shawnee Tabernacle Church was required to reimburse PMCS for 10% of those utility costs. (C.R. 416, 2377; School District Exhibit 1 at p. 10). PMCS only bills the church once or twice a year for utilities. (C.R. 418-419, 420, 692).

55. PMCS's real estate appraiser testified that the 2007 Master Lease between PMCS and Shawnee Tabernacle Church cannot be considered an "arms-length transaction" because it is an agreement between two related parties. (C.R. 1422-1423, 1425, 1431, 3111; Charter School Exhibit 12 at p. 9).

56. PMCS's real estate appraiser concluded that as of the effective date of his appraisal, September 25, 2008, the fair market "net lease value" of PMCS's combined leased premises is \$14.50 a square foot. The appraiser's opinion of value is very close to the actual lease terms of \$14.29 per square foot net, which was the initial rental subject to annual increases. (C.R. 1411, 3142, 3156; Charter School Exhibit 12 at pp. 40 and 54).

57. PMCS's appraiser reached his opinion of net lease value as of September 25, 2008 taking into account only the improvements at the property in their condition at that time. (C.R. 1426, 1430, 1474).

58. PMCS's appraiser admitted he failed to take into account the following:

a. That to create the facilities he valued as of September 25, 2008, PMCS had paid approximately \$900,000 to construct various improvements since renewal of its charter in 2006. (C.R. 1425, 1427, 1474).

b. That PMCS had (under the Second Amendment to the lease described above) paid \$18,756.56 per month in rent for Premises B prior to its completion. (C.R. 1429, 1474).

c. That PMCS did not have full leased rights to the premises because it was prohibited access during evenings, weekends, school vacations and summer break. (C.R. 1427, 1428-1429, 1474).

59. Because of these very important omissions in the analysis by PMCS's appraiser, even if one accepts the appraiser's testimony that \$14.50 per square foot is fair market value of a net lease for the combined premises in their condition as of September 25, 2008, it is abundantly clear that the **total amount** PMCS has paid to Shawnee tabernacle Church for the leased premises – rental payment **plus** the cost of improvements incurred by PMCS – is greatly in excess of fair market value for the benefit received by PMCS, which provided an undue benefit to the church.

60. Under the 2007 Master Lease PMCS spent over \$900,000 in public funds to make interior and exterior improvements to church-owned property, without receiving

any abatement or credit from rent it paid pursuant to its lease. (C.R. 2855, 2857, 2867 – School District Exhibit 25 at pp. 7, 9, 19).

61. In addition, expenditures by PMCS actively promoted Shawnee Tabernacle Church, by placing the church's name on its gymnasium floor, the exterior of its school building, and an electronic message board located at the driveway for the charter school and church.

62. On July 31, 2007, Pastor Bloom received a written proposal from Miller Flooring Company, Inc., to install a gymnasium floor in Premises B of the Church's property for a cost to PMCS of \$124,501.68. (C.R. 458-459, 2773; School District Exhibit 18).

63. The proposal called for the thirty-inch (30") capital lettering spelling "SHAWNEE TABERNACLE" to be painted on the gymnasium floor in two locations along the sides of the basketball court. (C.R. 469-470, 2773; School District Exhibit 18 at p. 1).

64. PMCS paid the full cost of \$124,501.68 to install the gymnasium floor in Premises B (C.R. 459, 468-469, 2773; School District Exhibit 18).

65. PMCS contracted in late 2010 to have the wording "SHAWNEE TABERNACLE" removed from the gymnasium floor; however, this occurred after the School District questioned this action and initiated revocation proceedings.

66. On June 26, 2007, PMCS and Degler-Whiting, Inc., entered into an agreement for the purchase and installation of the following fixtures for the newly-constructed gymnasium in Premises B of the Church's property: Six (6) Porter Basketball Backstops, Porter Motorized Divider Curtain, Porter Volleyball Equipment and Tennis Sleeves, Fair Play Scoreboards, Corridor Lockers, and Interkal Telescoping Bleachers. (C.R. 472-473, 2787; School District Exhibit 22).

67. PMCS paid over \$200,000 to Degler-Whiting, Inc., for the gymnasium equipment noted in paragraph 66. (C.R. 472-473, 2787; School District Exhibit 22).

68. Tobyhanna Impact athletic Center is a 501(c)(3) nonprofit corporation. (C.R. 470, 1999 – Transcript at 371, 1741).

69. Pastor Bloom's then teenaged daughter, Priscilla Bloom, was listed with the Department of State as being the president of the Tobyhanna Impact Athletic Center. (C.R. 470-471, 619, 2620; School District Exhibit 15 at Exhibit 7G).

70. Tobyhanna Impact Athletic Center advertised that it offered basketball, volleyball, wrestling, boxing, aerobics, weight training and after-school programs for a fee in a "state-of-the-art NBA gymnasium." (C.R. 470, 471, 2786; School District Exhibit 21).



71. Tobyhanna Impact Athletic Center was created to offer after-school programs to the community on Fridays. (C.R. 639, 1999).
72. Tobyhanna Impact Athletic Center paid no rent to PMCS for the use of the gymnasium, nor did it reimburse the charter school for utilities. (C.R. 471, 473, 1999, 2000).
73. Shawnee Tabernacle Church also uses PMCS gymnasium every Friday for community outreach. (C.R. 1999, 3308; Charter School Exhibit 39).
74. In October 2007, PMCS and A+Signs, Inc., entered into an agreement for \$39,200 for the installation of a sign with an electronic message board. (C.R. 492, 494-495, 1992, 2888; School District Exhibit 26).
75. Pastor Bloom directly negotiated with A+ Signs, Inc., regarding the payment schedule for the sign, the location of the sign and obtaining the necessary township permit for its installation. (C.R. 495, 2888; School District Exhibit 26).
76. The electronic message board was installed right outside the property fence facing Route 196; the electronic message board sign can change messages and is controlled by a computer. (C.R. 491, 644).
77. PMCS paid the entire cost of the electronic message sign. (C.R. 492, 1992).
78. The sign features the name "SHAWNEE TABERNACLE CHURCH" and also includes the church logo. The bottom of the sign says "Pocono Mountain Charter School." There is an electronic message board in between top billing for the Church and the lower billing for PMCS. The electronic message board can be used to display messages. (C.R. 491-492, 1994, 3309; School District Exhibit 51).
79. The electronic message board has been photographed displaying the following messages: "DID YOU REMEMBER JESUS TODAY? HE REMEMBERS YOU"; "COME HOME! . . . GOD"; "JESUS IS THE TRUTH AND THE LIGHT." (C.R. 3309 – School District Exhibit 51).
80. PMCS offered no explanation during the revocation proceedings why the name Shawnee Tabernacle Church appears on the sign or why the church's name is given top billing over PMCS's.
81. Despite Pastor Bloom's testimony that PMCS "wanted the sign," the November 2007 PMCS Board of Trustee meeting minutes do not reflect any action being taken to approve the A+ Sign, Inc. agreement or any agreement with Shawnee Tabernacle regarding the placement of the LCD sign. (C.R. 492, 495-496, 2889 – Transcript 393, 396-397; School District Exhibit 27).

82. The newly-constructed building at Premises B on the Church property occupied by PMCS has a large sign affixed to its exterior saying "SHAWNEE TABERNACLE" with the church logo. (C.R. 1430-1431, 3142; Charter School Exhibit 12 at p. 43).

83. Because the building was constructed by the Church, it is reasonable for the Church to have affixed its name to the building.

84. On January 5, 2007, PMCS agreed to pay Otis Elevator Company \$42,900 to install an elevator in the newly constructed building. (C.R. 506, 2900-2916; School District Exhibit 29).

85. PMCS's Business Manager, Loletta Robertson, signed this agreement on behalf of the charter school (C.R. 2900-2916; School District Exhibit 29).

86. PMCS paid the entire cost for the installation of the elevator. (C.R. 506).

87. On November 30, 2006, PMCS and General Supply Company entered into an agreement to install 46 classroom doors in the newly-constructed building for a cost of \$63,825. (C.R. 2963; School District Exhibit 40).

88. On October 25, 2007, PMCS entered into another agreement with General Supply Company for \$6,325 to install "replacement doors at the connecting vestibule." (C.R. 2970; School District Exhibit 40, p. 8).

89. Pastor Bloom testified that PMCS paid for the installation of doors in the newly-constructed building. (C.R. 605).

### **III. Supplemental Findings of Fact Regarding Auditor General's Report**

90. By Joint Stipulation, the District's Supplemental Exhibits 1 through 21, the District's 7 Rebuttal Exhibits, and the Charter School's Supplemental Exhibits 1 through 55 are admitted.

91. The Auditor General's Office of Pennsylvania conducted a Performance Audit of the Charter School for the following time period: July 1, 2006 through August 20, 2010. *See Auditor General's Report*, pp. 1, 8.

92. The Auditor General's Audit was conducted under the authority of 72 P.S. §403. *Audit Report*, p. 8.

93. The Auditor General's Audit was conducted in accordance with Government Auditing Standards issued by the Controller General of the United States. *Audit Report*, p. 8.

94. The articles of incorporation for the Charter School were submitted by the Pennsylvania Non Profit Corporation, as required by the Charter School Law. It was not “founded” by the Church as stated by the Auditor General at page 12 of his report. Charter School Supp. Exh. 23.

95. Finding No. 1 of the Audit Report concluded that the Charter School may have engaged in improper entanglements with a Church, in violation of the Charter School Law, 24 P.S. §17-1717-A(a). Audit Report, p. 12.

96. Finding No. 1 of the Audit Report found that the Charter School was so closely affiliated with Shawnee Tabernacle Church, the school’s Landlord, that “it was difficult to make a distinction between the *public* school entity and the *private* religious entity” in which it shared common founders, officers/employees, and building space. Audit Report, p. 12 (emphasis in original).

97. Finding No. 2 of the Audit Report concluded that the Charter School may have engaged in related-party financial transactions and conflicts of interest in violation of the Ethics Act. Specifically, 65 Pa. C.S. §1102 defines a conflict as use by a public official or a public employee of the authority of his office or employment or any confidential information received through his holding office or employment for the “private, pecuniary benefit of himself, member of his immediate family or business with which he or a member of his immediate family is associated.” Audit Report, pp. 17-22.

98. Support for Findings No. 1 and No. 2 of the Auditor General’s Report is found in the Charter School’s underlying lease agreements which:

- a. provided the Charter School with limited access to the school;
- b. provided for the Charter School to pay rent for additional space that was not in use and was under construction; and
- c. increased the Charter School’s base rent from \$259,000.00 in June 2003 to \$929,000.00 in 2007 through 2008, even though the Charter School paid for the physical expansion of the Charter School. Audit Report, pp. 12-14 and Charter School Supp. Exhs. 18, 19 and 20.

99. The entanglement between the Charter School and its Landlord, Shawnee Tabernacle Church, is shown by the Charter School purchasing gym equipment from the Church in the amount of \$39,579.00. Audit Report, p. 14.

100. The entanglement between the Charter School and its Landlord, Shawnee Tabernacle Church, is demonstrated by the Charter School’s payment for an LED sign, in which the Shawnee Tabernacle Church was prominently displayed on the top of the sign. Audit Report, p. 15.

101. Based upon the March 8, 2012 affidavit of Samuel Kemmerer, an employee of Entertainment Services Group, Inc., the Charter School ordered audio equipment paid for by \$8,903.54 check written on the Pocono Mountain Charter School Expansion account. District Supp. Exh. 1.

102. Samuel Kemmerer worked for Entertainment Services Group during the Fall months of 2007. District Supp. Exh. 1.

103. Mr. Kemmerer oversaw the installation of the audio-related equipment that was billed to and paid for by the Charter School. District Supp. Exh. 1.

104. This audio-related equipment was installed in the Church's sanctuary not within the school portion of the building. District Supp. Exh. 1.

105. Based upon the March 8, 2012 affidavit of Wendy E. Frable, the Shawnee Tabernacle Church utilized the video and audio related equipment referenced in the Kemmerer affidavit on July 27, 2011, July 31, 2011, and September 28, 2011. District Supp. Exh. 4.

106. According to the January 5, 2011 minutes of the Charter School Board of Trustees, the Charter School contracted with its landlord, Shawnee Tabernacle Church, for snow removal. The Board of Directors agreed to accept the proposal from Shawnee Tabernacle to rent a snow plow and loader under the terms of a written agreement. District Supp. Exh. 10.

107. The Charter School admits that the Shawnee Tabernacle Church occupied the gymnasium, a space that the Charter School paid for in its rent to the Landlord, Shawnee Tabernacle Church. Charter School Supp. Exh. 20, pp. 4-5.

108. As evidenced by the Shawnee Tabernacle Church newsletters of June and December, 2010, the Church still occupies the building located at 16 Carriage Square, Tobyhanna, Pennsylvania. The Shawnee Tabernacle Church's newsletters establish that the Church continues to occupy and use the building regularly on Mondays, Tuesdays, Thursdays, Saturdays and Sundays. The Charter School has offered no evidence to establish that Shawnee Tabernacle Church pays for its use of the facility leased by the Charter School. District Rebuttal Exh. 4.

109. The Charter School paid for the gym floor at the Church. It agreed that it should not have paid for the Church's religious logo on the floor. The Church reimbursed the Charter School for this cost in December 2009 and paid for the removal of the logo. Charter School Supp. Exhs. 35, 36, and 37.

110. In November, 2010 the Charter School contracted to change the Shawnee Tabernacle lettering on the gym floor to Pocono Mountain Charter lettering on the gym floor. Charter School Supp. Exh. 38.

111. The Charter School later paid for the removal of the Shawnee Tabernacle Church lettering on the Charter School's gymnasium floor. Charter School Supp. Exh. 36.

112. The Charter School admitted that it used public taxpayer dollars to pay for permanent improvements to its leased building. Audit Report, p. A-17.

113. The Charter School paid for the removal of the words "Shawnee Tabernacle" from the entranceway to the School. District Supp. Exhs. 7 and 9.

114. With respect to the criticism that the Church not be permitted to use gym equipment such as basketball backstops, a divider curtain, and the like, the Charter School adopted a Facilities Policy which would prevent the improper use of this equipment. Charter School Supp. Exh. 33.

115. Ms. Michelle Dezonie, an employee of the Charter School, worked on church business during the Charter School's business hours. District Supp. Exh. 13, pp. 52-53.

116. In creating flyers for the church, Ms. Dezonie would use the Charter School's computer system and would do the flyers during the Charter School's business work day. District Supp. Exh. 13, p. 53.

117. Antoine Thompson was employed by the Charter School and, at least on one occasion, was unavailable for a Charter-School-related job assignment because he needed to shovel snow from Pastor Bloom's driveway. District Supp. Exh. 13, pp. 92, 96.

118. On the occasion that Thompson was called to the Pastor's home to shovel snow out of the Pastor's driveway, Thompson was needed to cover lunch duty and he could not do so because he went to the Pastor's house even after objections from the then CEO of the Charter School. District Supp. Exh. 13, pp. 96-97.

119. Ms. Marion Kelly had been employed by the Charter School, presumably as CEO, after Pastor Bloom's purported resignation from the Charter School. District Supp. Exh. 13, p. 15, District Supp. Exh. 9, Charter School Supp. Exh. 53.

120. On December 3, 2010, Pastor Dennis Bloom submitted his resignation to the Board of Trustees of the Pocono Mountain Charter School. Charter School Supp. Exh. 47.

121. Based upon the Pocono Mountain Charter School Board of Trustees minutes of December 1, 2010, the resignation of Pastor Dennis Bloom as CEO of the Charter School was accepted and Marion Kelly was appointed as the new CEO effective December 10. District Supp. Exh. 9.

122. After Pastor Bloom resigned as CEO, Ms. Kelly negotiated with him regarding her salary. District Supp. Exh. 13, pp. 98-99.

123. Based upon the deposition testimony of Marion Kelly, CEO after Pastor Bloom's resignation, Marion Kelly offered the opinion that Pastor Bloom continued to be involved with the day-to-day operations of the Charter School in dealing directly with the Business Manager. District Supp. Exh. 13, pp. 16-17.

124. Based upon the examples offered by Ms. Kelly, Pastor Bloom continued to be involved with the day-to-day operations of the Charter School. District Supp. Exh. 13.

125. After Pastor Bloom's formal resignation, Marion Kelly was requested by the Charter School Business Manager to pay Pastor Bloom approximately \$100,000 in a lump sum. She was never shown a document which authorized this payment. District Supp. Exh. 13, pp. 35-37.

126. Pastor Bloom was paid over \$89,000 after his purported resignation. This payment to Pastor Bloom was not authorized at any Board of Trustees' meetings. District Supp. Exhs. 8, 9, 10 and 11.

127. Pastor Bloom advised Ms. Kelly that he had a secret agreement whereby he would continue to be involved with the Charter School in a consultant's capacity. District Supp. Exh. 13, pp. 75-94.

128. During Ms. Kelly's tenure as purported CEO of the Charter School, an issue arose concerning Pastor Bloom's continuing access to the Charter School's computer system and related software programs. District Supp. Exh. 13, pp. 19-20.

129. After his resignation as CEO, Pastor Bloom ordered the technology person for the Charter School to maintain Microsoft licensing on his computer. District Supp. Exh. 13, pp. 19-20.

130. Pastor Bloom would ask the Charter School's Business Manager school-related questions and/or demand that the Charter School do certain things, even though he was no longer the official CEO of the Charter School. District Supp. Exh. 13, pp. 16-17.

131. Pastor Bloom requested that the Charter School make a three months' advance rental payment to the Charter School's Landlord, Shawnee Tabernacle Church. District Supp. Exh. 13, pp. 16-17.

132. After Pastor Bloom resigned as CEO, he continued to maintain the same office at the Charter School he used when he was CEO. District Supp. Exh. 13, pp. 25, 30.

133. After Pastor Bloom resigned as CEO he continued to use the copy machine and supplies, such as paper, that belonged to the Charter School. District Supp. Exh. 13, p. 44.

134. Pastor Bloom, after formally resigning from the Charter School's employ, continued to have his cell phone paid for by the Charter School. District Supp. Exh. 21.

135. Pastor Bloom continued to have access to and to use the Charter School's Honda Pilot after his resignation as CEO of the Charter School. District Supp. Exh. 13, pp. 22-24.

136. After resigning her position with the Charter School, Gricel Bloom continued to occupy her office within the school. District Supp. Exh. 13, pp. 25-26, 28.

137. The Auditor General questioned the process used in awarding the lease to the church:

Our primary concern, based on the evidence we found, was not whether the Charter School was paying a reasonable rent. Instead our finding focused on whether the Charter School awarded its lease contracts in an "open and public process," allowing the public to scrutinize whether the Charter School's CEO and ACEO had a relationship with its Landlord that might lead to an improper influence of power and/or personal gain. As previously stated, the Charter School could not provide documentation to demonstrate that such a process had taken place.

Audit Report, p. A-11.

138. Significant benefit was received by the Church in items paid for by the Charter School. These included gym equipment purchased by the Church and then sold to the Charter School, gym floor, motor-operated gym concession door, parking lot, and installation of an elevator. Audit Report, pp. 13-16.

139. The Charter School paid for an elevator, parking lot expansions, and motorized concession door. It also paid rent for space while it was being constructed. Charter School Supp. Exh. 18, 19, 20.

140. The Charter School paid the sum of \$348,679 for the parking lot which is used by the church on Sunday. Charter School Supp. Exh. 34.

141. The Charter School paid the sum of \$42,900 for the elevator. Audit Report, p. 15, A-5.

#### **IV. Conclusions of Law**

1. The Charter School Law (“CSL”), 24 P.S. § 17-701-A, et seq., governs the application process, the operation and revocation/renewal process and appeals process for charter schools in Pennsylvania.

2. Section 17-1729-A of the CSL governs the renewal and revocation process and provides that a charter may be revoked for any of the following reasons:

- a. One or more material violations of any conditions, standards or procedures contained in the written charter signed pursuant to section 1720-A, 24 P.S. § 17-1729-A(A)(1);
- b. Failure to meet the requirements for student performance set forth in [State Board regulation] . . . or failure to meet any performance standard set forth in the written charter signed pursuant to section 1716-A;
- c. Failure to meet generally accepted standards of fiscal management or audit requirements;
- d. Violations of provisions of the CSL;
- e. Violation of any provision of law from which the charter school has not been exempted including Federal laws and regulations governing children with disabilities; and
- f. Conviction for fraud, 24 P.S. § 17-1729-A(a)(1-6).

3. In regard to violations of the CSL that may serve as grounds for revocation of a charter, the law provides, in pertinent part, that:

- a. “[a] charter school shall be nonsectarian in all operations.” 24 P.S. §17-1715-A(4); and



- b. “[a] charter school shall not provide any religious instruction, nor shall it display religious objects and symbols on the premises of the charter school.” 24 P.S. § 17-1715-A(5).
- c. A charter school shall have the power to “[r]eceive and disburse funds for charter school purposes only. 24 P.S. §17-1714-A(4).

4. In *In re: Eloise and Edith Academy, A Charter School*, CAB Docket No. 1999-3, the Charter School Appeal Board (“CAB”) interpreted § 17-1715-A(4) as prohibiting a “strong entanglement” between a charter school and a sectarian school and church. *Id.* at pp. 12-13.

5. PMCS has violated § 17-1715-A(4) by impermissibly entangling its operations with Shawnee Tabernacle Church, and many of the factors relied upon in *Eloise* exist in this case as well.

6. *Eloise and Edith Academy* also stands for the proposition that § 17-1715-A(5) prohibits a charter school from being located in a church where students would pass by religious symbols displayed in the church sanctuary during the school day. *Id.* at p. 14.

7. In *In re: Mt. Jewitt Area Charter School for Academic Excellence*, CAB Docket No. 2009-01, CAB interpreted § 17-1715-A(5) as prohibiting a charter school from being housed in a church building with a large cross affixed to its exterior. *Id.* at pp. 2, 9. CAB explained that the cross was a religious symbol which is “likely to be associated with the school that is being attended” by charter school students, thus violating § 17-1715-A(5). *Id.* at p. 9.

8. PMCS has violated § 17-1715-A(5) because the signage involved, although not religious objects and/or symbols, does prominently identify Shawnee Tabernacle Church and streams messages that are clearly religious in nature.

9. PMCS has also violated § 17-1714-A(4) and § 17-1729-A(a)(3) by spending charter school funds for the direct and sole benefit of Shawnee Tabernacle Church and by disbursing funds for noncharter school purposes.

10. The above violations individually and collectively constitute material violations of the CSL and support revocation of the school's charter.

## V. Discussion

### A. Procedural Issue

Initially, we address several procedural arguments<sup>3</sup> raised by PMCS, all of which generally assert that the School District either failed to provide or provided PMCS with inadequate notice of the grounds upon which its revocation of PMCS' charter was based. What governs the rights of the charter school here on appeal is the law, not some modification thereof that may have been agreed to in the written charter.<sup>4</sup> In this instance, the Charter School law provides that "[a]ny notice of revocation ... shall state the grounds for such action with reasonable specificity and give reasonable notice ... of the date on which a public hearing concerning the revocation ... will be held." 24 P.S. §17-1729-A(c). PMCS did not contend that the grounds for revocation were not set forth

---

<sup>3</sup> PMCS argues (1) that the School District failed to comply with a provision of the school's charter that required the school district to provide PMCS with notice of violations and to allow PMCS 60 days to correct those violations; (2) that the revocation motion was oral and only three issues were identified in the minutes of the meeting at which the motion was made and approved; (3) that a subsequent written motion sent to PMCS contained twenty-seven (27) reasons for revocation; (4) that many of the asserted reasons for revocation were unclear; and (5) that the final adjudication did not reference the numbered allegations in the written motion.

<sup>4</sup> PMCS asserts that a condition numbered 65 in its charter entitles it to notice and a 60 day cure period for any violations of its charter.

in the written motion that was provided to it. Although PMCS argues that some of the reasons were unclear, it was able to defend itself against the allegations, and successfully at that, over the course of 16 hearing sessions. Thus, we find that PMCS did receive adequate notice and that it was afforded due process of law and this appeal will proceed on the merits.<sup>5</sup>

**B. Substantive Issues**

The adjudication issued by the School District on October 6, 2010 listed three bases for revocation of PMCS charter:

1. violation of 24 P.S. §17-1715-A(4), because of PMCS strong entanglement with Shawnee Tabernacle Church and its expenditure of substantial charter school funds for the church's benefit and that of its pastor;
2. violation of 24 P.S. §17-1715-A(5), by intentionally exposing its students to religious objects and symbols during the school day; and
3. violation of 24 P.S. §17-1715-A(4) and 24 P.S. §17-1729-A(a)(3), because PMCS disbursed funds for non-charter school purposes and failed to meet generally accepted standards of fiscal management.

(C.R. 4977). These purported reasons for the School District's revocation of PMCS charter will be addressed in the remainder of this discussion and, as explained therein, CAB finds that these violations are substantiated and that the revocation of PMCS charter should be upheld.

---

<sup>5</sup> We note that there were two other procedural issues that were previously disposed of. PMCS had moved for the acceptance of evidence to supplement the record and the School District had filed a motion for discovery. These matters were submitted to a hearing officer, who in a June 30, 2011 opinion which we hereby adopt, quashed the motion to supplement the record and denied the discovery motion.

i. **Excessive Entanglement**

Section 1715-A(4) provides that “[a] charter school shall be nonsectarian in all operations.” 24 P.S. §17-1715-A(4). CAB has previously construed and applied this provision.

The seminal case concerned the Eloise and Edith Academy, in which CAB upheld the denial of this school’s charter application by the Steel Valley and Pittsburgh School Districts. *In re: Eloise and Edith Academy, A Charter School*, CAB Docket No. 1999-3. In that case, CAB interpreted Section 17-1715-A(4) as prohibiting a “strong entanglement” between a charter school and a sectarian school and church. *Id.* at pp. 12-13. CAB considered various aspects of the relationship between the Eloise and Edith Charter School and related sectarian operations in determining whether such strong entanglement existed and found several factors which violated this prohibition. First, the primary organizer and potential Chief Executive Officer (CEO) of the charter school was also the CEO of a sectarian day school. Second, both the proposed charter school and the sectarian day school were to share space in a church-owned building and the charter school was to be leasing the space from the church. *Id.* at 5. Finally, the sectarian school and the charter school were to be sharing certain portions of the church facility and would also be sharing services. For example, the sectarian school was to provide financial and in-kind aid to the charter school. *Id.* at 7. Thus, CAB concluded that the distinction between these two schools and the church would be blurred and that excessive entanglement would of necessity occur. CAB stated that the relationships between the proposed charter school, the sectarian school and the church “preclude a conclusion that the Charter School would be ‘nonsectarian in all operations’....” *Id.* at 13.

In a later case, *Ricci J. Hausley Charter School of Business*, CAB Docket No. 2001-4, the charter applicant was actually a sectarian entity. *Ricci J. Hausley Charter School of Business*, CAB Docket No. 2001-4, at p. 3. The case, however, had similarities to *Eloise and Edith Academy* in that the applicant also operated a sectarian school, and the record established that some facilities would be shared by the schools. *Id.* at 4. Thus, following the precedent set in *Eloise and Edith Academy*, CAB dismissed this appeal because “the cumulative nature of the evidence suggests that ... a sectarian entity was at the time of its Application too strongly entangled with the proposed charter school.” *Id.* at 13.

This precedent is instructive in the instant appeal, even though this appeal involves an existing charter school, which has relationships with a church – the Shawnee Tabernacle Church.<sup>6</sup> In applying the holdings in *Eloise and Edith Academy* and *Ricci J. Hausley* to the facts of this appeal, we find that significant entanglement between the charter school and the church clearly exists. First, Pastor Dennis Bloom is the founder of Shawnee Tabernacle Church, and he served as both Shawnee Tabernacle Church’s Senior Pastor and PMCS’s Chief Executive Officer (“CEO”) since the opening of the charter school until 2010. Even after Pastor Bloom’s resignation as CEO, he continued to be involved in the activities of PMCS. His wife, the Reverend Grisel Bloom, while serving as Shawnee Tabernacle Church’s First Lady, was also PMCS’s Assistant CEO from the opening of the charter school until 2008. Finally, both Bloom children also work for the charter school. PMCS operates on the grounds of Shawnee Tabernacle Church and leases a portion of the church facility for school use.

---

<sup>6</sup> Although it might in retrospect appear that the approval of PMCS charter application in 2003 should have been questioned, the record establishes that many of the issues raised in the course of this revocation proceeding post-dated the granting of the charter.

Regarding Pastor Bloom, a 2004 draft audit report of PMCS stated, “it is important to note that Reverend Bloom is a central figure [in the charter school] who has influence and control over the operations and could easily circumvent internal controls that have been put in place.” Pastor Bloom’s exercise of dual control over both PMCS and Shawnee Tabernacle Church has been facilitated by significant turnover among members of PMCS’s Board of Trustees

As charter school CEO, Pastor Bloom exercised significant influence and control over both school and church operations and oversaw various PMCS expenditures which substantially benefited the church. Regarding these expenditures Pastor Bloom negotiated or executed legal documents on behalf of both entities and signed checks from both school and church accounts. For example, on June 5, 2003, Pastor Bloom signed the original lease between PMCS and Shawnee Tabernacle Church. Pastor Bloom signed the lease in his capacity as the President of Shawnee Tabernacle Church, even though he was also charter school CEO at that time. Another aspect of entanglement exists under the 2007 Master Lease. The lease gave PMCS use of the leased premises between 7:00 a.m. and 5:00 p.m., Monday through Friday, and only on school days – not during evenings, weekends, school vacation days or the summer break. Monitoring this shared usage results in undue entanglement.

Thus, it should come as no surprise that Finding No. 1 of the Audit Report of the Attorney General concluded that PMCS may have engaged in improper entanglements with a Church, in violation of the Charter School Law, 24 P.S. §17-1717-A(a). The Audit Report further found that PMCS was so closely affiliated with Shawnee Tabernacle Church, the school’s landlord, that “it was difficult to make a distinction between the

*public* school entity and the *private* religious entity” in which it shared common founders, officers/employees, and building space.

The entanglement between PMCS and its landlord, Shawnee Tabernacle Church, is illustrated by PMCS’s payment for an LED sign on which the Shawnee Tabernacle Church was prominently displayed at the top of the sign. Another example of entanglement between the PMCS and the church is the purchase of the church’s gym equipment by PMCS for approximately \$40,000, when such equipment is readily available commercially. Thus, the Auditor General concluded that PMCS may have engaged in related-party financial transactions and conflicts of interest in violation of the Ethics Act. *See*, 65 Pa. C.S. §1102.

Based upon the above, CAB finds that PMCS violated section 1715-A(4) of the CSL, that such violation constitutes a material violation and that such violation warrants revocation of PMCS’s charter.

ii. **Exposure to Religious Symbols**

Next, CAB will consider whether Pocono Mountain violated Section 1715-A(5) by intentionally exposing its students to religious objects and symbols during the school day. The applicable law provides that “[a] charter school shall not ... display religious objects and symbols on the premises of the charter school.” 24 P.S. §17-1715-A(5). Although CAB is reluctant to expand the category of religious symbols and objects to include church names, CAB still finds a violation here because the underlying intent of the law was violated by prominently placing the church name on the sign, the newly constructed building and gymnasium floor, and by scrolling messages of a clearly religious nature on the electronic message board at the property entrance. The intention

of Section 1715-A(5) is to avoid exposing impressionable children who must be in a charter school to items of a clearly religious nature, be it symbols, objects, prayers, devotional exercises or even signage. PMCS, a public school, clearly failed to do this.

Under the terms of the leases between the church and PMCS, PMCS was obligated to maintain and repair the leased premises and to make improvements to the facilities. Several of these improvements promoted Shawnee Tabernacle Church. PMCS placed the church's name on its gymnasium floor, the exterior of its school building, and purchased and installed an electronic message board at the driveway into the property. More specifically, in thirty-inch (30") capital lettering the name "SHAWNEE TABERNACLE" was emblazoned on the gymnasium floor in two locations along the sides of the basketball court, which gymnasium was used by PMCS students. In addition, in October 2007, PMCS and A+Signs, Inc., entered into an agreement for \$39,200 for the installation of a sign with an electronic message board. Pastor Bloom directly negotiated with A+ Signs, Inc., regarding the payment schedule for the sign, the location of the sign and obtaining the necessary township permit for its installation. The electronic message board was installed right outside the property fence facing the road. The sign features the name, "SHAWNEE TABERNACLE CHURCH," and also includes the church's logo at the top. At the bottom, the sign says "Pocono Mountain Charter School." In between is a space for an electronic message which can change messages and is controlled by a computer. The electronic message board has been photographed displaying the following messages: "DID YOU REMEMBER JESUS TODAY? HE REMEMBERS YOU"; "COME HOME! . . . GOD"; "JESUS IS THE TRUTH AND THE LIGHT." Despite Pastor Bloom's testimony that PMCS "wanted the sign," the November 2007 PMCS



Board of Trustee meeting minutes do not reflect any action being taken to approve the A+ Sign, Inc. agreement or any agreement with Shawnee Tabernacle regarding the placement of the LED sign. Finally, the newly-constructed building at Premises B on the Church property occupied by PMCS has a large sign affixed to its exterior saying “SHAWNEE TABERNACLE” with the church logo. Thus, the students attending PMCS drove in and out of the school property past a sign reading “SHAWNEE TABERNACLE CHURCH” at the top and seeing messages about Jesus scrolling across the message board beneath the church’s name. They then drove up to a building with a sign reading “SHAWNEE TABERNACLE” also containing the church logo. Lastly, during gym or indoor recess they would be on a gymnasium floor prominently displaying the name, “SHAWNEE TABERNACLE.”

We find that the above displays of the Shawnee Tabernacle name, the church logo and the messages about Jesus on the message board constitute intentional exposure to items of a clearly religious nature, that such displays were violative of the CSL and thus support the District’s revocation of PMCS’s charter.

**iii. Expending Public Funds for Sectarian Purposes**

Finally, we will consider whether PMCS violated Sections 1714-A(4) and 1728-A(a)(3) of the CSL by expending charter school funds for the benefit of Shawnee Tabernacle Church and/or failure to meet generally accepted standards of fiscal management. Specifically, charter schools are responsible for “disburs[ing] funds for charter purposes only.” 24 P.S. §17-1714-A(4). As CAB’s review of the record makes clear, PMCS failed to exercise this responsibility in numerous respects.

The record in this case establishes numerous instances of Charter School funds being used for the benefit of Shawnee Tabernacle Church. For example, Pastor Bloom testified that he received no salary or reimbursement for a car lease from Shawnee Tabernacle Church for his service as Senior Pastor. However, he did have a vehicle provided to him as pastor. A 2004 draft audit report of PMCS indicated that “on approximately five occasions, the PMCS paid Reverend Bloom’s car lease payments; the payments were for approximately \$700 for each payment.” These car lease payments should have been paid by Shawnee Tabernacle Church. This issue may have contributed to the auditor’s observation that “it is important to note that Reverend Bloom is a central figure [in the charter school] that has influence and control over the operations and could easily circumvent internal controls that have been put in place.”

In addition, under the Second Amended Lease for the school facility, PMCS paid Shawnee Tabernacle Church \$18,756.56 each month for a building that was being constructed by the church but was not yet usable. We find that this clearly benefited the church and provided no value to PMCS. Also, regarding the leases, PMCS’s real estate appraiser testified that the 2007 Master Lease between PMCS and Shawnee Tabernacle Church cannot be considered an “arms-length transaction” because it is an agreement between two related parties. The appraiser concluded that as of the effective date of his appraisal the fair market “net lease value” of PMCS’s combined leased premises was \$14.50 a square foot. The appraiser’s opinion of value is very close to the actual lease terms of \$14.29 per square foot net, which was the initial rental subject to annual increases. However, PMCS’s appraiser reached his opinion of net lease value as of September 25, 2008 taking into account only the improvements at the property in their

condition at that time. He failed to take into account the facts that PMCS had paid approximately \$900,000 to construct various improvements since renewal of its charter in 2006; had paid \$18,756.56 per month in rent for Premises B prior to its completion; and did not have full leased rights to the premises because it was prohibited access during evenings, weekends, school vacations and summer break. Because of these significant omissions in the appraiser's analysis, it appears that the total amount PMCS has paid to Shawnee Tabernacle Church for the leased premises – rental payment plus the cost of improvements paid for by PMCS – is greatly in excess of fair market value and provided an unwarranted benefit to the church. Under the 2007 Master Lease PMCS spent over \$900,000 in public funds to make interior and exterior improvements to church-owned property without receiving any abatement or credit from rent it paid pursuant to its lease.

A beneficiary of PMCS's expenditures on the gymnasium was the Tobyhanna Impact Athletic Center ("the Center"), a 501(c)(3) nonprofit corporation. Pastor Bloom's then teenaged daughter, Priscilla Bloom, was listed with the Department of State as being the president of the Center. The Center advertised that it offered basketball, volleyball, wrestling, boxing, aerobics, weight-training and after-school programs for a fee in a "state-of-the-art NBA gymnasium." The Center was created to offer after-school programs to the community on Fridays. It used the school gymnasium but paid no rent to PMCS for this use; nor did it reimburse the charter school for the cost of utilities used during its hours of operation. Shawnee Tabernacle Church also uses PMCS's gymnasium every Friday for community outreach. Thus, some of PMCS's costs related to the gymnasium benefit other noncharter school entities in contravention of the CSL.

Regarding the electronic message sign at the entrance to the property, PMCS paid the full cost. The sign features the name, "SHAWNEE TABERNACLE CHURCH," and also includes the church logo. The bottom of the sign says "Pocono Mountain Charter School." There is an electronic message board in between top billing for the Church and the lower billing for PMCS. The electronic message board can be used to display messages. It has been photographed displaying the following messages: "DID YOU REMEMBER JESUS TODAY? HE REMEMBERS YOU"; "COME HOME! . . . GOD"; "JESUS IS THE TRUTH AND THE LIGHT." This sign, paid for by PMCS, clearly benefits the church.

Based upon the March 8, 2012 affidavit of Samuel Kemmerer, an employee of Entertainment Services Group, Inc., the Charter School ordered audio equipment for \$8,903.54 paid for by a check written on the Pocono Mountain Charter School Expansion account. Samuel Kemmerer worked for Entertainment Services Group during the autumn of 2007. He oversaw the installation of the audio-related equipment that was billed to, and paid for, by the Charter School. However, this audio-related equipment was installed in the Church's sanctuary and not within the school portion of the building. Based upon the March 8, 2012 affidavit of Wendy E. Frable, the Shawnee Tabernacle Church utilized the video and audio related equipment.

PMCS employees were also called upon to do work for the church. Ms. Michelle Dezonie, an employee of the Charter School, worked on church business during the Charter School's business hours. In creating flyers for the church, Ms. Dezonie would use the Charter School's computer system and would do the flyers during the Charter School's business work day. In addition, Mr. Antoine Thompson was employed by the

Charter School but, at least on one occasion, was unavailable for a Charter-School-related job assignment because he had to shovel snow from Pastor Bloom's driveway. Mr. Thompson was needed to cover lunch duty at PMCS; but he could not do so because he had gone to the Pastor's house, even after objections from the then CEO of the Charter School, to shovel snow out of the Pastor's driveway,

Finally, Pastor Bloom continued to reap benefits from PMCS, even after his resignation as CEO. For example, Marion Kelly was asked by the Charter School Business Manager to pay Pastor Bloom approximately \$100,000 in a lump sum. She was never shown a document which authorized this payment. Pastor Bloom also continued to occupy his school office, use the copy machine and supplies, such as paper, that belonged to the Charter School, use a school vehicle and use internet and cellular service paid for by PMCS after his resignation. These expenditures of school funds did not benefit the school.

The above instances, as well as others in CAB's factual findings, are material violations of the CSL's expenditure requirements. These findings support the revocation of PMCS's charter.

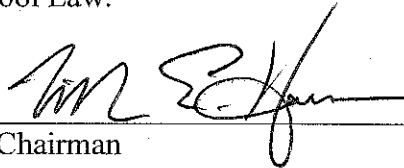
Thus, based upon the findings of fact and conclusions of law set forth above and as discussed in this opinion, the State Charter Appeal Board makes the following:

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF EDUCATION  
STATE CHARTER SCHOOL APPEAL BOARD

POCONO MOUNTAIN CHARTER SCHOOL, :  
: Petitioner, :  
v. : Docket No. CAB 2010-06  
: POCONO MOUNTAIN SCHOOL DISTRICT, :  
: Respondent :

ORDER

AND NOW, this 2<sup>nd</sup> day of August, 2013, based upon the foregoing and the vote of this Board,<sup>1</sup> the appeal of the Pocono Mountain Charter School from the revocation of its charter by the Pocono Mountain School District is **DENIED**; and the Charter School is directed to dissolve as provided for in the Charter School Law.

  
Chairman

*For Petitioner:* Daniel M. Fennick, Esquire  
Anderson, Converse & Fennick, P.C.  
1423 East Market Street  
York, PA 17403

*For Respondent:* Ellen C. Schurdak, Esquire  
King, Spry, Herman, Freund & Faul, LLC  
One West Broad Street, Suite 700  
Bethlehem, PA 18018

*Date Mailed:* 8/5/13  
*emailed 8/2/13*

<sup>1</sup> At the Board's July 30, 2013 meeting the appeal of the Pocono Mountain Charter School was denied by a vote of 6 to 0, with Members Harner, Lawrence, Magnotto, Marks, Munger and Yanyanin voting to deny the appeal. Board Member Barker was absent.