

# The Kansas headlines and public record on Andrew Hysell's Reading Roadmap

## Key points:

- The Reading Roadmap program run by Andrew Hysell in Kansas received a no-bid contract from TANF money to operate literacy programs.
- An audit in 2019 was prepared to show “excessive payments” to executives of the firm Hysell Wagner LLC and a failure to follow basic standards for spending or accounting.
- Audit found \$2.3 million incorrectly claimed and paid to Hysell Wagner LLC. It suggests funds need to be recouped from Hysell firm. Hysell received salary of \$192K.
- 38 Trips paid for with TANF money for executive to travel from east and west coast.
- High administrative costs (over the federal limit of 15%).
- Lack of documentation for over \$800K in salary and benefits paid by the state to Reading Roadmap.
- Another \$870K poorly documented non-payroll costs. \$86,000 in un-retained unspent grant funds.
- Hysell reached a \$100,000 settlement to end the audit before its final release and in turn he abandon a \$9 million contract Hysell had received from the state of Kansas.

## **Kansas boots reading company after it wrongly got millions, used welfare cash for trips**

Wichita Eagle 8/16/2019

<https://www.kansas.com/news/politics-government/article234074552.html#storylink=cpy>

Millions in incorrect claims. Excessive payments to company executives. Cross-country trips funded with welfare dollars.

Gov. Laura Kelly's administration cut ties on Friday with the company that runs a statewide reading program for children after it failed to adhere to a “basic standard” for efficient spending, despite months of elevated scrutiny, the Kansas Department for Children and Families said.”

“An audit conducted during the Brownback administration – but never finalized or released – found the company, Hysell & Wagner LLC, received nearly \$2.3 million in incorrect payments in 2014 and 2015 related its grant to operate the Kansas Reading Roadmap.”

“But since Kelly took office in January, DCF said it had found additional concerns with the Washington, D.C.-based company, including: Excessive payments to company executives involving TANF dollars that surpassed federal salary limits 38 trips by top company officials between Kansas, Washington, D.C., and San Diego over the course of a single year that were paid for with TANF dollars Administrative costs that exceeded 15 percent of grant costs, in violation of the grant agreement

## **Kansas DCF renewed D.C. company's \$8M reading grant weeks before cancellation, CEO says**

Wichita Eagle 8/20/2019

<https://www.kansas.com/news/politics-government/article234153327.html#storylink=cpy>

The agency last week cited a litany of concerns, from financial accounting issues to excessive payments to company executives and inordinate amounts of publicly-funded travel. A 2017 draft audit conducted during Gov. Sam Brownback's administration found nearly \$2.3 million in incorrect payments and the company had high overhead expenses, DCF said."

"DCF on Monday released the draft audit, which found nearly \$2.3 million had been incorrectly claimed and paid to Hysell & Wagner in 2014 and 2015. The audit recommends DCF should recoup the money, saying the payments weren't properly earned or spent."

"DCF said company executives had received "excessive payments" from public funds. Hysell provided a grant document showing his salary for the upcoming year would be \$192,500.

### **Kansas Cancels Contract For Kids' Reading Program Over Millions In Questionable Spending**

KCUR Kansas Public Radio, 8/16/2019

<https://www.kcur.org/government/2019-08-16/kansas-cancels-contract-for-kids-reading-program-over-millions-in-questionable-spending>

"An audit started during Brownback's tenure, DCF Secretary Laura Howard said, and an additional investigation after Democratic Gov. Laura Kelly took office showed the money isn't being spent efficiently. The audit found more than \$2 million that DCF said was incorrectly paid to Hysell & Wagner.

"After reviewing the results of a DCF audit and despite heightened oversight during the first six months of 2019, it's clear that Hysell & Wagner is falling short of this basic standard," she said.

"Further review from the agency found Hysell & Wagner spent money on 38 trips between Kansas and the homes of company executives on the east and west coasts. In addition, Howard said hundreds of thousands of dollars went to the owners of the group, through direct and indirect payments.

"To see TANF dollars," she said, "going at that high of a level essentially to subsidize two individuals, (it was) very frustrating to me."

The agency said there were unsuccessful efforts to correct issues with Hysell & Wagner.

### **New acting Kansas securities commissioner tied to \$2.3M Reading Roadmap scandal**

Kansas Reflector 12/28/2020

<https://kansasreflector.com/2020/12/28/new-acting-kansas-securities-commissioner-tied-to-2-3m-reading-roadmap-scandal/>

The audit indicated Hysell & Wagner lacked proper documentation for \$820,000 in salary and benefit payments paid by the state to the Reading Roadmap contracts. The audit also showed insufficient documentation for \$870,000 in nonpayroll and indirect costs. The audit challenged nearly \$1 million in advance payments to subcontractors, because some of those payments exceeded actual costs. DCF auditors returned to Hysell & Wagner in 2017 to determine whether the company enacted higher

standards of accountability for grant funding. The audit said: "There was little, if any, improvement made."

### **Kansas drops literacy program provider for allegedly bilking welfare fund to inflate salaries**

The Topeka Capital-Journal, 8/16/2019

<https://www.cjonline.com/story/news/politics/state/2019/08/16/kansas-drops-literacy-program-provider-for-allegedly-bilking-welfare-fund-to-inflate-salaries/4446722007/>

DCF said the Brownback administration initiated but didn't finalize the audit into Hysell & Wagner, which administers the Reading Roadmap program. DCF internal auditors determined the company incorrectly claimed and was paid \$2.3 million between February 2014 and December 2015.

The DCF investigation revealed the company used Temporary Assistance for Needy Families, or TANF, funds for bloated salaries and expenses, as well as 38 trips between Kansas and CEO residences in Washington, D.C., and San Diego from July 2018 to June 2019. The company's owners received \$216,000 in direct expenses, and more than \$607,000 was designated in the grant as guaranteed payments that would go to the owners to cover indirect expenses.

"I've always been concerned about the use of no-bid contracts and lack of accountability under the previous administration," Kelly said. "It's clear that the state of Kansas cannot continue to support Hysell & Wagner's administration of the Kansas Reading Roadmap program."

### **Known campaign contributions from Andrew Hysell to Republican officials and committees**

- Contributions to the Republican Governor of Kansas Jeff Colyer on 12/18/2017 (\$1000), 4/3/2018 (\$500), 8/7/2018 (\$500), 4/19/2021 (\$250).
- A contribution to Derek Schmidt the republican AG of Kansas on 9/30/2021 (\$100)
- A contribution to the former Republican Party Chair of Kansas Amanda Adkins for her campaign for Congress on 4/27/2020 (\$250).
- A contribution to a Republican PAC in Kansas, The Right Way PAC for Government Efficiency run by a former Kansas Republican State Representative Marvin Kleeb on 12/19/2018 (\$1000).
- A contribution to Wisconsin Republican Senator Mary Felzkowski on 3//23/2021 (\$100)
- Contributions to Arkansas Republican State Senator Jeremy Hutchinson on 1/28/2010 (\$200) and on 10/1/2013 (\$250)
- A contribution to Arkansas Governor Asa Hutchinson on 7/31/2014 (\$250)
- Each of these contributions can be verified at one of these sites:
  - <https://www.opensecrets.org/search?q=andrew+hysell&type=donors>
  - <https://cfis.wi.gov/>
  - [https://sos.ks.gov/elections/campaign\\_finance/cfr\\_online.aspx](https://sos.ks.gov/elections/campaign_finance/cfr_online.aspx)