

330 West Broadway
San Diego, CA 92101
(619) 531-4040

SanDiegoDA.com

OFFICE OF
THE DISTRICT ATTORNEY
COUNTY OF SAN DIEGO

SUMMER STEPHAN
DISTRICT ATTORNEY

DWAIN D. WOODLEY
ASSISTANT DISTRICT ATTORNEY

June 1, 2022
For Immediate Release

Contact: [Steve Walker](#) (619) 531-3890
[Tanya Sierra](#) (619) 531-3315
En Español [Barbara Medina](#) (619) 531-3305

\$18.8 Million in Fines Paid to County as Part of Guilty Pleas and Sentencing in Massive School Corruption Case

Restitution & Fines Will Support K-12 Students in San Diego County

San Diego County District Attorney Summer Stephan announced that an additional \$18.75 million has been paid to the county as part of a [Superior Court judgement](#) for restitution and fines in connection with the A3 Charter School corruption scandal in which multiple defendants stole tens of millions of public-school funds in a massive fraud scheme. In all, 10 co-defendants in the case have pleaded guilty.

Sean McManus, 49, who was convicted of stealing more than \$50 million in public funds, was ordered on May 16 to pay \$18.75 million in fines by San Diego Superior Court Judge Fredrick Link. The figure is McManus' portion of the previous \$37 million ordered to be jointly paid by McManus and co-defendant Jason Schrock. McManus was also sentenced to four years in prison.

The transfer of funds to San Diego County, completes the \$37.5 million in total fines. Additionally, \$14 million in restitution has been paid to victims in kindergarten through 12th grade, which is being held in trust and administered by the San Diego Foundation. So far, \$95 million has been recovered and distributed to the California State Treasury, with up to \$90 million more to be distributed at the conclusion of the receivership.

Under a resolution passed unanimously by the San Diego County Board of Supervisors earlier this year, the fines imposed by the court related to this case will be earmarked and exclusively dedicated to programs that directly serve the needs of kindergarten through 12th grade students in San Diego County. The District Attorney's Office is recommending the funds be allocated in the areas supporting educational equity and acceleration of learning, behavioral health needs, housing and food stability needs, mentorship, and other needs that allow children to thrive, all of which is consistent with Judge Fred Link's order to the receiver.

“Due to the expertise and dedication of our public corruption team, led by Deputy District Attorney Leon Schorr, this massive fraud case that bilked millions in public funds on the backs of students and parents was stopped and the perpetrators held accountable,” [District Attorney Summer Stephan](#) said. “I am grateful to our team for successfully prosecuting this case and recovering millions of stolen funds that will go back to supporting students. Judge Fred Link, who oversaw this entire case, made sure that the children of San Diego County would see justice by returning the stolen funds to programs that will help students succeed.”

McManus, the CEO and president of A3 Education, along with Jason Schrock and nine other defendants were indicted in May of 2019 on a several criminal counts including conspiracy, misappropriation of public funds, and conflict of interest.

Steven Van Zant, the former Mountain Empire Superintendent and owner of Ed Hive and Ed Collective, the back-office provider for A3 during much of its existence also pleaded guilty on May 16 to felony conspiracy to commit grand theft. He was sentenced to six months of home confinement and ordered to pay \$500,000 in restitution and fines within 30 days. If he does not pay, he faces four years in prison. He is also ordered to complete three years of probation, which includes cooperating with the DA's Office and the Receiver in recovering additional stolen funds held by third parties.

The case is one of the nation's largest fraud schemes targeting taxpayer dollars intended for primary education. Schrock pleaded guilty to felony charges including conspiracy and conflict of interest. He has been on house arrest in his home in Orange County since he was arraigned. As part of the DA's investigation, more than \$240 million in assets and fraudulently acquired taxpayer funds is being recovered, representing one of the nation's largest recoveries.

Prosecutors said a case of this magnitude, with foreign parties and compounded with the set back of the pandemic, could take a decade to see through trial and appeals, during which time hundreds of millions of dollars would have been unavailable to children for educational purposes. By coming to an early resolution and recovering all the funds, the DA's office was able guarantee accountability under the law that puts money back into the system to help educate youth as intended.

The County is using these funds to provide an opportunity for smaller community-based organizations to begin promising new programs or to expand existing programs to improve educational outcomes and reduce inequities and disparities in our communities.

Proposals for the K-12 Youth Services Community Grant must focus on one or more of the following focus areas:

- Educational Equity/Acceleration of Learning
- Behavioral Health Needs
- Housing, Food Stability, Poverty
- Mentorship

Organizations interested in applying for a K-12 Youth Services Community Grant must apply by 5 p.m., Friday, June 3. Grants are expected to range from \$50,000 to \$250,000 to be utilized for up to a 12-month period.

For more information or to apply, visit sandiegocounty.gov.

###

About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.