

## FairTest's Fishy Finances

By JunkScienceMom

The Boston-based organization, the [National Center for Fair and Open Testing](#) (FairTest), which is dedicated to destroying standardized testing, has more than a few questionable things in its background, as I've noted on these pages in the past. As purveyors of junk science regarding education, they have deliberately distorted the degree to which colleges and universities have made standardized testing part of the admissions process. Their oft-quoted staff has no expertise or understanding of higher education and their roots are not in education but in the abortion movement.

But things get even stranger after reading over FairTest's current financial statement. It turns out the group paid more money in salaries than it raised during the last tax reporting period, is tottering on the edge of being flat out broke, and has as its highest paid employee a public relations guy who lives in Florida and whose background includes no experience with standardized testing.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)			
1	Contributions, gifts, grants, and similar amounts received	1	145,825.
2	Program service revenue including government fees and contracts	2	7,365.
3	Membership dues and assessments	3	
4	Investment income	4	448.
5a	Gross amount from sale of assets other than inventory	5a	
5b	Less: cost or other basis and sales expenses	5b	
5c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) (attach schedule)	5c	
6	Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>	6	
6a	Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	34,671.
6b	Less: direct expenses other than fundraising expenses	6b	11,266.
6c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	23,405.
7a	Gross sales of inventory, less returns and allowances	7a	
7b	Less: cost of goods sold	7b	
7c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	
8	Other revenue (describe _____)	8	
9	<b>Total revenue.</b> Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	<b>177,043.</b>

FairTest's most recent [990-EZ](#)— the tax form filed by small charities and non-profit groups — shows that for the tax year ending September 30, 2009, the organization reported \$177,043 in total revenue for the year. Not a large sum, but many small charities would be happy to raise so much money in a year.

The more one reads, the more odd the situation appears. FairTest paid its staff \$226,388, or 127% of its total revenue based on contributions from their donors that year. Add to that another \$31,311 for professional fees and payments to contractors, \$35,827 in rent and

utilities, \$3,681 for printing, publications, postage and shipping, another \$77,135 for a variety of “other expenses” ranging from payroll taxes and office supplies to travel and bank charges, and it totals \$374,342:

10	Grants and similar amounts paid (attach schedule)	10	
11	Benefits paid to or for members	11	
12	Salaries, other compensation, and employee benefits	12	226,388.
13	Professional fees and other payments to independent contractors	13	31,311.
14	Occupancy, rent, utilities, and maintenance	14	35,827.
15	Printing, publications, postage, and shipping	15	3,681.
16	Other expenses (describe)	16	77,135.
17	Total expenses. Add lines 10 through 16	17	374,342.

RECEIVED  
DEC 15 2009  
OGDEN UT  
IRS-OISC

Page 2 of the 990-EZ for FairTest is also unusual. Not only was the group’s staff of three (reduced of late due to the departure of former executive director Jessie Mermell) paid far more than the charity even managed to raise during the last reporting period, the highest paid staff member, by hourly rate, is Robert Schaeffer:

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -)	(d) to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JESSIE MERMELL, 15 COURT SQUARE, SUITE 820, BOSTON, MA 02108	EXECUTIVE DIRECTOR 40.00	74,618.	0.	0.
DONALD NEILL, 15 COURT SQUARE, SUITE 820, BOSTON, MA 02108	DEPUTY DIRECTOR/EXECUTIVE DIR 40.00	80,475.	9,045.	0.
LAURA BARRETT 20 ASHBURTON PLACE, BOSTON, MA 02108	CLERK 4.00	0.	0.	0.
JUDITH BROOME-DIAHIS, 1730 M STREET, NW, SUITE 401, WASHINGTON, DC 20036	DIRECTOR 2.00	0.	0.	0.
DEBORAH GOLDBERG 37 HYSLOP ROAD, BROOKLINE, MA 02445	DIRECTOR 2.00	0.	0.	0.
DEBORAH MEIER PO BOX 611, HILLSDALE, NY 12529	DIRECTOR 2.00	0.	0.	0.
BETTY RAUCH, 44 WEST 77TH STREET, NEW YORK, NY 10024	TREASURER 2.00	0.	0.	0.
JUDITH RHYNYI, 8305 SHAWNEE STREET, PHILADELPHIA, PA 19118	DIRECTOR 2.00	0.	0.	0.
SOPHIE SA, 101 WEST 79TH STREET, NEW YORK, NY 10024	PRESIDENT 2.00	0.	0.	0.
ROBERT SCHAEFFER 4161 DINGMAN DRIVE, SANIBEL, FL 33957	DIRECTOR 20.00	62,250.	0.	0.
ANN COOK, 317 EAST 67TH STREET, NEW YORK, NY 10021	DIRECTOR 2.00	0.	0.	0.

According to the group’s tax filing, Schaeffer pulled down \$62,250 for the year ending September 30, 2009 for doing part-time work of 20 hours per week. Nice work if you can get it!

Calling Schaeffer a staff member might actually be something of a stretch. He’s a public relations person who has his home and office in Sanibel, Florida which is 1,507 miles from FairTest’s Boston office. As previously mentioned, Schaeffer works only 20 hours a week and has zero background or experience in either higher education or standardized testing. In spite of this, some in the media treat him like he’s some sort of shaman in the world of college admissions when the truth is he’s just one of a couple thousand left-of-center activists who can spin a good one-liner when the phone rings.

A [CNSNews.com story by Mary Grabar](#) gave an insightful look into Schaeffer's role with FairTest and his compensation in the past. According to the article, Schaeffer used to be listed as the organization's treasurer and seems to have a long history of being highly compensated:

"The group's 2006 Internal Revenue Service Form 990, which must be filed by all non-profit 501 (c) (3) organizations, lists Schaeffer as the organization's treasurer, working 21 hours per week and receiving \$60,000 in compensation.

"This remuneration for half-time work represents more than half of the \$111,496 in direct public support noted in FairTest's Form 990 that year. Oddly, their 2006 tax return, the most recent available, was signed February 8, 2008 by Betty P. Rauch, who signed the tax form as 'treasurer' but is noted elsewhere in the tax form as one of the group's unpaid officers."

More from the article on Schaeffer's relationship with FairTest:

"Also curious is the fact that Schaeffer's address, as listed on FairTest's 2006 tax return, is the same as that of his Florida public relations firm, suggesting his services are related to his PR practice. However, the Form 990 section requiring information on the compensation of the five highest paid independent contractors for professional services in excess of \$50,000 reads 'None' for 2006.

"Further convoluting Schaeffer's status are FairTest's 2004 and 2005 tax returns. In both cases, he is the signatory on the group's Form 990 and lists himself as treasurer, filing both returns late and signing them within a 12-day time frame in March 2006."

Given this charity's management of tax-exempt donations, and Schaeffer's odd involvement, I'm surprised nobody has complained about them to the Better Business Bureau.



What's the point of all of this? A quick Internet search shows that the news media pay a lot of attention to FairTest but is that level of attention legitimate? It doesn't appear to be at least if news organizations and reporters are going to pay any attention at all to the code of ethics established by the Society of Professional Journalists. According to the SPJ Code of Ethics:

"Journalists should be honest, fair and courageous in gathering, reporting and interpreting information."

Sounds reasonable. The SPJ Code goes on to say:

"Journalists should: — Test the accuracy of information from all sources and exercise care to avoid inadvertent error. Deliberate distortion is never permissible."

Hmmm... Seems that ethical problems creep into play when one considers FairTest in the context of the media attention lavished on this group. Adherence to the ethics of responsible journalism become even flimsier when one considers the opening sentences in the SPJ Code of Ethics Preamble:

"Members of the Society of Professional Journalists believe that public enlightenment is the forerunner of justice and the foundation of democracy. The duty of the journalist is to further those ends by seeking truth and providing a fair and comprehensive account of events and issues. Conscientious journalists from all media and specialties strive to serve the public with thoroughness and honesty."

Let's break this down. Reporters are supposed to be purveyors of public enlightenment who have a duty to seek truth and to serve the public with thoroughness and honesty. This all sounds very noble but it's not possible for any professional reporter in any medium to credibly claim they follow established journalism ethics and then run to FairTest when covering testing issues.



Think about this for a moment: the group raises tax-free donations to pay salaries which significantly exceeded all the donations made last year to FairTest! Their tax return shows that 35% of total revenue reported last year went to pay their part-time "Public Education Director" who doesn't even live or work anywhere near the FairTest office and has no experience in higher education. Apply these documented facts to any other organization and people could be forgiven if the word 'fraud' comes to mind.

Consider also that the premiere product of FairTest – a listing of colleges and universities [FairTest falsely claims](#) don't require testing for purposes of admission – is grossly inaccurate and purposely designed to distort the facts about college admissions.

This all shows that FairTest simply is not a credible, legitimate group, either in terms of organization or substance. So how can it possibly be that relying on such a shell organization satisfies the ethical standards for journalists established by the SPJ?



No reporter quoting FairTest can say with a straight face that they “tested the accuracy of information from all sources,” like the SPJ *Code of Ethics* requires.

Reporters cannot truthfully believe they are engaged in “public enlightenment” when they turn to an organization that engages in “deliberate distortion,” which is explicitly prohibited by the SPJ Code.

No legitimate journalist can honestly say they are “seeking truth and providing a fair and comprehensive account of events and issues,” when utilizing as a source a person or organization that does not possess the requisite expertise to comment on an issue.

On the other hand, FairTest is a fantastic source for reporters and news organizations that are content to blow-off the established ethics of journalism and promote junk science designed to advance the further destruction of standardized testing and lower educational standards.

The next time you read a news account of standardized testing, see if FairTest comes up in the reporting. If it does, take a quick glance up at the byline and the masthead of whatever you’re reading. Then you’ll know exactly which reporters and news organizations are more interested in spreading the junk science and propaganda of a shell group in pursuit of a political agenda rather than a legitimate news organization staffed by professional journalists.