

THIRTY-SEVEN YEARS OF EDUCATIONAL FRAUD

The Lake Wobegon Effect: How America's Public Schools Continue to Deceive Parents, Taxpayers, and Policymakers

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Executive Summary

Thirty-seven years ago, a West Virginia physician named John Cannell discovered that every state in America was reporting its elementary school students performed above the national average on standardized achievement tests. This statistical impossibility -- since named the Lake Wobegon Effect after Garrison Keillor's fictional town where all the children are above average -- was documented in reports published in 1987 and 1988, confirmed by the U.S. Department of Education, covered by the Washington Post, New York Times, Wall Street Journal, and 60 Minutes, and led to congressional hearings.

Nothing changed.

Today, the same structural fraud continues. State tests still report flattering results that collapse when compared against the National Assessment of Educational Progress (NAEP) -- the only secure, independently administered national benchmark. Mississippi claims 75% reading proficiency; NAEP finds 16%. New York City reports 49% ELA proficiency on state tests; NAEP reports 28%. Cleveland reported record reading gains in 2022 while NAEP showed fourth-grade reading proficiency falling from 13% to 7%.

The United States remains the only high-performing nation in the 2022 Programme for International Student Assessment (PISA) without a single national, secure, independently administered examination with school-level and student-level scores. U.S. educators pick the test, administer the test, and report the results -- the equivalent of asking taxpayers to audit their own tax returns and submit the results to the IRS.

This white paper summarizes the history of this fraud, documents its continuation in the present, and proposes two concrete reforms.

I. The Discovery: West Virginia, 1985

In 1985, West Virginia newspapers announced that all 55 of the state's counties had tested above the national average on commercial standardized achievement tests.

At the time, I was practicing general medicine in Flat Top, West Virginia. My patients included adolescents whose school records showed above-average scores on the Comprehensive Test of Basic Skills. Many of these patients could not read. Their teachers explained the mechanism: the test questions were the same every year, teachers were instructed to review the test before administration, and by the following year the questions had been taught directly to students.

In 1987, I founded Friends for Education and had my clinic staff call the education departments of all 50 states. Every state reported above-average elementary achievement. Ninety percent of school districts claimed above-average performance. Approximately 70% of individual students were told they performed above the 50th percentile. I named this the Lake Wobegon Effect and published despite publisher threats.

II. The Mechanism: How the Fraud Works

The Lake Wobegon Effect is not primarily a story of individual teachers cheating. It is structural corruption -- a testing infrastructure that produces flattering results regardless of actual student learning.

The Norming Problem

Commercial norm-referenced tests compare current students to a norm group that may be five to seven years old.

Curriculum alignment increases over time. Publishers sold districts the ability to choose norm groups that would look good in year one or produce flattering annual gains. Unchanged questions guaranteed rising scores regardless of learning.

The Security Problem

Unlike college entrance, medical licensing, or other professional exams, public school achievement tests have historically been administered by the educators whose performance they measure. Handbooks instructed teachers to review questions before administration. Questions did not change. Scores rose. Learning did not.

The Exclusion Problem

Districts systematically excluded special education and limited-English-proficiency students from reported pools, inflating averages without genuine improvement.

The Preparation Materials Problem

At a 1990 pre-filming meeting, 60 Minutes correspondent Morley Safer showed test-preparation materials from districts that contained actual test questions with answers. Some consultants who designed tests also sold such materials.

III. The Evidence: State Tests vs. NAEP

NAEP is administered by an independent contractor, uses secure questions that change each cycle, and is not controlled by the educators whose students it tests. The gap between state tests and NAEP is the direct measure of the Lake Wobegon Effect.

Mississippi (Reading): 75% state vs 16% NAEP. New York City (ELA): 49% vs 28%. Cleveland 4th grade reading 2022: record gains reported vs 7% NAEP (down from 13%). West Virginia 3rd grade reading 2005: 78% vs 26%. Tennessee 8th grade reading 2005: 88% vs 26%. California Stanford-9 1998-2002 rose with reused booklets, then fell when forms changed; NAEP showed no real improvement.

IV. Current Evidence: The Fraud Continues

Mississippi still shows the largest documented proficiency gap. NYC's 21-point gap affects more than one million students. Cleveland reported gains while NAEP showed collapse. Texas prosecutors identified more than 430 fraudulent teacher certifications since 2020 (Texas Tribune, Oct 29, 2024). A Westerville, Ohio principal altered 63 student records to boost graduation rates (Columbus Dispatch, Aug 23, 2023).

V. The International Context

The United States ranked 34th in mathematics among PISA 2022 participants. Every top-ranked nation maintains a national, secure, independently administered examination with individual student and school-level scores. In Singapore, Japan, Estonia, and Finland, educators do not have advance access to examination questions.

School choice cannot function without honest measurement. Choice built on Lake Wobegon scores is a market built on fraudulent price signals.

VI. The Political Economy of Dishonest Testing

The Lake Wobegon Effect persists because it serves every adult interest in the system: politicians, administrators, teachers' reported success, publishers, consultants, and local news. The only constituency that does not benefit is the child told she is at grade level while she cannot read.

For four decades, 'high-stakes pressure' narratives have deflected responsibility from publishers and administrators onto an abstraction. When NAEP is lower than state tests, officials claim they have not aligned to NAEP -- as if NAEP were the outlier.

VII. Current Opportunity

Interest in school choice creates a cross-partisan opening: choice requires honest comparative data; equity requires honest identification of failure. The U.S. spends roughly \$1.7 billion annually on commercial testing that systematically inflates. Federal purchasing power through Title I could demand valid instruments.

VIII. Proposed Reforms

Reform 1: Expand NAEP to Grades 4, 8, and 12 (Census)

Expand NAEP from a sample survey to testing every student in grades 4, 8, and 12 so parents receive an honest, independently validated measure of their child's performance relative to national norms. Security infrastructure already exists.

Reform 2: Independent National Testing Agency

Remove educator control of assessment. An independent agency -- modeled on college entrance and professional licensing exams -- would develop questions, maintain security, administer tests through independent contractors, and report results directly to parents.

Prohibit by statute: selling test preparation materials containing live content; reusing questions across consecutive years without replacement; allowing educators access to examination content before administration.

IX. Conclusion: Thirty-Seven Years Is Enough

In 1990, after public confrontation, Arkansas improved testing security; 60 Minutes aired 'Teacher is a Cheater'; Congress held hearings; the U.S. Department of Education confirmed the findings. Nothing structural changed.

Mississippi still reports 75% while NAEP finds 16%. New York City still reports 49% while NAEP finds 28%. The mechanism is the same as Flat Top, West Virginia, in 1985.

These reforms are not ideological. They require only that the instrument used to measure whether American children are learning should actually measure whether American children are learning.

Thirty-seven years is enough.

About the Author

John Jacob Cannell, MD, is a board-certified psychiatrist and forensic psychiatrist who practiced medicine for 42 years in eight states. In 1987 he founded Friends for Education. His findings were confirmed by the U.S. Department of Education and covered nationally, and contributed to NAEP state-by-state comparison. He founded the Honest Education Alliance in 2025. Contact: info@honesteducationalliance.com | https://en.wikipedia.org/wiki/John_Cannell

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