



OFFICE OF INSPECTOR GENERAL

August 7, 2008

Hon. Scott McGregor
United States Attorney for the
Eastern District of California
501 I Street, Suite 10-100
Sacramento, CA 95814

Re: Kevin Johnson and Dana Gonzalez

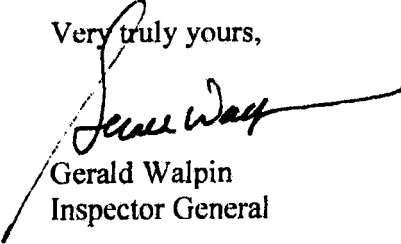
By Federal Express

Dear Mr. McGregor:

As the Inspector General of the Corporation for National and Community Service, I have today forwarded to Messrs. Brown, Vincent, and Newman a referral for criminal and civil prosecution of Kevin Johnson and Dana Gonzalez, respectively President/CEO and Executive Director of St. HOPE Academy. Messrs. Brown, Vincent and Newman had previously met with and spoken to two Special Agents from my office, responsible for this investigation.

As I noted in my covering letter to your three colleagues (a copy of which I enclose herewith), I have asked to come to your office to discuss this referral with them (and any other person your office believes should be present). I would of course welcome your presence, but, whether you decide to participate or not, I would appreciate the opportunity of meeting you during my visit.

Very truly yours,



Gerald Walpin
Inspector General

cc: Messrs. Brown, Vincent, and Newman



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OFFICE OF INSPECTOR GENERAL

August 7, 2008

Lawrence G. Brown, Esq.
First Assistant United States Attorney

John Vincent, Esq.
Chief of the Criminal Division

Kendall J. Newman, Esq.
Chief of the Civil Affirmative Section

Office of the United States Attorney
for the Eastern District of California
501 I Street
Suite 10-100
Sacramento, CA 95814

Re: Kevin Johnson and Dana Gonzalez

Via Federal Express

Dear Messrs. Brown, Vincent, and Newman:

I am forwarding to each of you herewith our referral to your office for criminal and civil prosecution of Kevin Johnson and Dana Gonzalez, respectively President/CEO and Executive Director of the St. HOPE Academy ("SHA"), for false and fraudulent conduct in connection with \$845,018.75 in Federal funds, disbursed to and for SHA under a grant to SHA covering grant years 2004-05, 2005-06, and 2006-07. Accompanying the 30 page referral are two binders of supporting documents referenced in the referral providing evidentiary support for the statements in the referral. (I have not burdened Mr. Brown with the evidentiary binders, but, if I am incorrect in my assumption that he would prefer not to receive them, I will forward another set to him on his request.)

As detailed in the accompanying referral, Mr. Johnson converted for his personal use and for the use of St.HOPE Academy (Mr. Johnson's controlled entity) the portion (\$677,310.77) paid directly to SHA, and fraudulently caused the Government to disburse the balance (\$167,707.94) to persons not entitled to benefit. Violations of various Federal penal statutes, including obtaining by fraud Federal funds under a grant (18 U.S.C. § 666), filing of false and fraudulent claims (18 U.S.C. § 287), and the making of false and fraudulent statements (18 U.S.C. § 1001) are detailed.



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I would hazard a guess that most U.S. Attorney's offices have had experience in prosecuting those violations in the context of a for-profit Government contractor, but not in the context of a not-for-profit Government grantee. No one hesitates for a moment in prosecuting a for-profit Government contractor who executes a contract with the Government to produce a specified product, but instead uses the Government funds for other purposes, such as financing other non-contract activities, and, to obtain the Government funds, misrepresents to the Government that the funds had been used for the contract specified activities. This type of criminal conduct has occurred, for example, in the cost-plus contract context, when the contractor uses its labor and material for a non-contract activity but charges those costs to the Government contract.

That is essentially what our accompanying referral shows occurred here, except that the recipient was not a for-profit entity but a not-for-profit entity, obtaining Government funding by proclaiming its purpose was to do a specific and identified type of activity to benefit the community, and instead used the funds and labor financed by the Government for other purposes.

Prosecution here would be in furtherance of the formation late in 2006, by the Criminal Division of the Justice Department of the National Procurement Fraud Task Force, of which I am now a member. As the Deputy Attorney General then stated, in announcing this new endeavor, because "[w]e simply cannot tolerate fraud and abuse in government contracting, it is necessary" to increase criminal enforcement in areas of procurement fraud -- which he specifically defined as including "grant fraud" -- to make clear to the "public" that "anyone who is cheating the system will be held accountable." To that end, the DOJ "encourage[s] agencies to refer more cases for civil and criminal prosecution." And DOJ, in the announcement of this initiative, stated that "the key to a renewed and sustained effort against procurement fraud is an energized and empowered IG community working in tandem with ... Federal prosecutors." That is exactly what this IG office is endeavoring to do here.

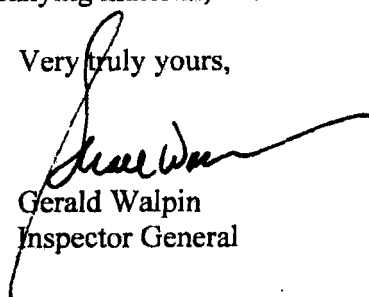
In some ways, this type of crime is worse in the not-for-profit context than in the for-profit context. While I certainly do not minimize the importance of preventing fraud and improper conversion of Government funds in the for-profit context, the primary damage to the Government is usually money. In contrast, in the not-for-profit context about which I write, the damage to the Government has two important aspects: certainly improper taking of Government funds is one; but the second is the serious adverse effect it has to this important Government program to incentivize Americans to volunteer for the benefit of the community and those in need of assistance. At the heart of this referral is AmeriCorps, a Congressionally-mandated program, involved here, to obtain mainly young-adult Americans who contribute a block of their time to revitalize a community and tutor young disadvantaged in order to raise their educational prowess. When those who sign up to do this work (for a *de minimis* living allowance and, on completion of the required number of hours, an Education Award up to a maximum of \$4725 which can be used for tuition or payment of college loans), are not used to do the specified tutoring and community improvements, but instead for menial tasks, these volunteers become discouraged and, when the reality of their AmeriCorps time becomes known to prospective volunteers, it turns them off and disparages the reputation of the AmeriCorps program as a whole.

In addition, because the grant world seems to have its own means of communication, the fact that principals of a grantee engaged in this type of conduct without any significant penalty weakens any deterrence against similar conduct by others.

Because of the importance that I and my office put on this referral, I, together with my two Special Agents, Jeffrey Morales and Wendy Wingers, who have pursued this investigation, would like to meet with the three of you in your office to discuss this matter, at the earliest time after you have had an opportunity to review it. I will call you to discuss a date that meets your schedule.

When we fix on a date, I would appreciate the opportunity of greeting Scott McGregor, the U.S. Attorney, or, at his decision, having him join in our discussion. For that reason, I am forwarding to him a copy of this letter (without the accompanying material) with a cover note.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gerald Walpin", with a long horizontal flourish extending to the right.

Gerald Walpin
Inspector General

Referral from
Office of Inspector General of the Corporation for National and Community Service
to
The Office of United States Attorney for the Eastern District of California
Concerning
Kevin Johnson - President/Chief Executive Officer
and
Dana Gonzalez - Executive Director
St. HOPE Academy, Sacramento, California

Table of Contents

Table of Contents	(i)
List of Exhibits	(ii)
Introduction.....	1
Nature of Referral	1
Understanding the Grant Involved.....	2
Understanding AmeriCorps	7
Relevant Controlling Statutes and Regulations	8
Summary of Relevant Evidence and Charges.....	11
A. Misappropriation of Federal Funds for Purposes Other Than the Grant Purpose By Misusing AmeriCorps Members to Benefit Mr. Johnson and His Entities	11
Summary	11
1. AmeriCorps Members Served St. HOPE, Not The Community	12
2. AmeriCorps Members Performed Menial, Clerical, Receptionist, Cleaning and Paining Work for St. HOPE.....	13
3. AmeriCorps Members Were Used For Mr. Johnson’s Personal Needs, Including Chauffeuring Him and Washing His Personally-Owned Car.....	14
4. AmeriCorps Members Were Used To Recruit Students For Johnson’s Charter Schools.....	14
5. Gonzalez, SHA Executive Director, Admitted that AmeriCorps Members Were Used For Non-Grant Purposes	16
6. AmeriCorps Members Performed No Tutoring	16
7. Johnson and Gonzalez Knew of and Directed this Misuse of AmeriCorps Members	17
B. Misappropriation of Federal Funds to Pay For, or Supplement the Pay of, SHA’s Employees.....	18
C. Wrongful Imposition of Landlord/Tenant Relationship On Members and Failure to Disclose Proceeds as Program Income, and Grant Funds to Related Party.....	19
D. Fraudulent Inflation of Members’ Time	22
E. Instructing Members to Work In Political Campaigns	23
F. Requiring AmeriCorps Members To Complete Boot Camp	24
G. Improper Sexual Physical Conduct.....	26

Exhibits (number of pages, where more than one, in each exhibit in parenthesis)

Exhibit 1: (1-3) 2004-2005 Grant Agreement Summary and Standard Agreement

- A: (1-2) California Service Corps – 2004 AmeriCorps Grant Award
- B: (1-18) California Service Corps – 2004 AmeriCorps Grant Award Terms and Conditions
- C: (1-6) Cost Per Member Policy dated July 1, 2004
- D: (1-42) AmeriCorps Title Page/Program Narrative/Performance Measures
- E: (1-6) Budget Form and Budget Narrative
- F: (1-53) AmeriCorps Provisions dated February 2004
- G: (1-2) Travel Reimbursement Rates/Conditions
- H: Assurances and Certifications

Exhibit 2: 2005-2006 Grant Agreement Summary

- A: (1-2) California Service Corps – 2005 AmeriCorps Grant Award
- B: (1-18) California Service Corps – 2005 AmeriCorps Grant Award Terms and Conditions
- C: (1-7) Cost Per Member Policy dated July 1, 2005
- D: (1-36) AmeriCorps Title Page/Program Narrative/Performance Measures
- E: (1-6) Budget Form and Budget Narrative
- F: (1-33) AmeriCorps Grant Provisions – Effective 9/6/05
- G: (1-2) Travel Reimbursement Rates/Conditions
- H: (1-3) Assurances and Certifications
- I: AmeriCorps Matching Requirements

Exhibit 3: 2006-2007 Grant Agreement Summary and Standard Agreement

- A: (1-7) CSC Policies and Requirements
- B: (1-34) AmeriCorps Grant Provisions – updated 7/1/06
- C: AmeriCorps Matching Requirement
- D: (1-21) AmeriCorps Title Page/Program Narrative/Performance Measures
- E: (1-7) Budget Form and Budget Narrative
- F: (1-2) Travel Reimbursement Rates/Conditions
- G: (1-2) Payments
- H: (1-7) Cost Per Member Service Year Policy
- I: (1-3) Assurances and Certifications
- J: (1-12) State of California Terms and Conditions

Exhibit 4: (1-2) Notice of Grant Award

- Exhibit 5: (1-4) Allison Alair Sworn Statement dated May 6, 2008**
- Exhibit 6: (1-6) Megan Caldwell-Meeks sworn statement dated May 13, 2008**
- Exhibit 7: (1-2) Diego Carillo Memorandum of Interview dated May 7, 2008**
- Exhibit 8: (1-2) Sheila Coleman Memorandum of Interview dated April 28, 2008**
- Exhibit 9: Alice Elkins Memorandum of Interview dated May 28, 2008**
- Exhibit 10: (1-4) Dana Gonzalez Memorandum of Interview dated April 28, 2008**
- Exhibit 11: (1-5) Kevin Hiestand Memorandum of Interview dated June 27, 2008**
- Exhibit 12: (1-4) Erik Jones Memorandum of Interview dated May 1, 2008**
- Exhibit 13: (1-8) Sharon Maccini Sworn Statement dated May 28, 2008 and
Memorandum of Interview dated May 3, 2008**

- Exhibit 14: (1-2) Catherine Munsec Memorandum of Interview dated May 27, 2008
- Exhibit 15: (1-3) Christopher Orr Memorandum of Interview dated May 7, 2008
- Exhibit 16: (1-2) Tom Rutten Memorandum of Interview dated May 27, 2008
- Exhibit 17: (1-2) Feuy Saechao Memorandum of Interview dated May 3, 2008
- Exhibit 18: (1-5) Tamara Shelton Sworn Statement dated May 28, 2008
- Exhibit 19: (1-15) ██████████ Sworn Statement dated April 29, 2008
- Exhibit 20: (1-9) ██████████ Sworn Statement dated April 27, 2008
- Exhibit 21: (1-2) Johannes Troost Memorandum of Interview dated June 13, 2008
- Exhibit 22: (1-6) Jacqueline Wong-Hernandez Memorandum of Interviews dated May 3, 2008 and June 5, 2008
- Exhibit 23: Nicole West Memorandum of Interview dated May 29, 2008
- Exhibit 24: (1-3) Edward Wyre Memorandum of Interview dated May 8, 2008
- Exhibit 25: (1-2) Alan Young Memorandum of Interview dated June 18, 2008
- Exhibit 26: (1-11) "The Hood Files" by Tamara Shelton
- Exhibit 27: (1-11) St. HOPE Newsletter "Pipeline"
- Exhibit 28: St. HOPE – Harlem Project
- Exhibit 29: (1-2) St. HOPE Development Listed on St. HOPE Academy Website
- Exhibit 30: St. HOPE Academy Staff Directory
- Exhibit 31: (1-40) Payroll Register 9/1/06 through 7/31/07
- Exhibit 32: (1-21) 2003 AmeriCorps Forms and Instructions
- Exhibit 33: (1-18) Financial Status Reports
- Exhibit 34: (1-106) Inflation of Members Time Sheets vs. WBRS
- Exhibit 35: Article from the Sacramento Bee
- Exhibit 36: (1-3) The Housing Authority of the City and County of Sacramento 2005
- Exhibit 37: (1-5) Housing Opportunities

Referral from

Office of Inspector General of the Corporation for National and Community Service

to

The Office of United States Attorney for the Eastern District of California

Concerning

Kevin Johnson - President/Chief Executive Officer

and

Dana Gonzalez - Executive Director

St. HOPE Academy, Sacramento, California

Introduction

Nature of Referral

This is a referral for criminal prosecution and civil recovery against Kevin Johnson, at all relevant times President and Chief Executive Officer of St. HOPE Academy (“SHA”), located in Sacramento, California, and Dana Gonzalez, at all relevant times Executive Director of SHA. It arises out of a grant that the Corporation for National and Community Service (the “Corporation”), a United States Government Agency, made and which was obtained by SHA covering grant years 2004-05, 2005-06, and 2006-07. By this grant, the Corporation obligated \$845,018.71 in Federal funds, of which \$677,310.77 was for payment directly to SHA for the expenses of implementing the grant purposes and \$167,707.94 was to finance Education Awards to which AmeriCorps Members, assuming they performed for SHA pursuant to the grant, were entitled.

As discussed below, Mr. Johnson converted for his personal use and for the use of SHA (Mr. Johnson’s controlled vehicle) those grant funds paid directly to SHA, instead of applying those funds to the purposes for which SHA had sought the grant, for which the grant was

awarded, and for which SHA falsely certified the funds had in fact been used. Further, Mr. Johnson's actions caused the Corporation to be fraudulently misled to finance the Education Awards which were not in fact earned.

Ms. Gonzalez assisted Mr. Johnson in these violations, by, *inter alia*, (1) submitting and instructing her staff to submit Financial Status Reports ("FSR"), as required by the terms of the grant¹ in order to receive Federal funds, that falsely and fraudulently certified that "all outlays . . . are for the purposes set forth in the award documents"; (2) directing the impermissible payment of grant funds to three employees of SHA in order to reduce SHA's expenses; and (3) inflating and falsely reporting, to the Corporation, hours served by AmeriCorps Members in the Corporation's on-line records system, Web Based Reporting System ("WBRs"), thereby commencing the procedure whereby Federal funds are set aside for the payment by the Corporation of education awards to which AmeriCorps Members were not entitled because they had not served the statutorily required number of hours.

Other criminally culpable and/or relevant conduct by Mr. Johnson and Ms. Gonzalez is discussed below.

Understanding the Grant Involved

A Corporation grant is, both in appearance and in legal substance, a contract between the Corporation and the recipient of Federal grant funds. The procedure started with SHA preparing

¹ Paragraph 32 of Exhibit B to SHA's Grant Application (Ex. 1-B hereto) required SHA to "create, approve, and submit in WBRs, the Web-Based Reporting System . . . quarterly FSRs (Financial Status Reports)."

and submitting² a proposal (akin to an offer) entitled “Application for Federal Assistance,” which expressly stated that it is being “submitted to Corporation for National and Community Service” (see Ex D, p. 1 to Award documents, Ex. 1-D hereto), in which SHA set forth the amount of funds it was requesting and detailed the program and activities for which it would use the funding. SHA’s proposal also contained SHA’s express acknowledgement that “[b]y accepting funds under this grant, the grantee [SHA] agrees to comply with the AmeriCorps Grant Provisions, all applicable Federal statutes, regulations and guidelines” (Ex B, p. 2 to Ex. 1-F hereto). When SHA’s offer was accepted, the Corporation agreed to fund the grant, and a contract was thereby created. Despite the fact that the grant was for three grant years, SHA was required, as are all grantees receiving a multi-year grant, to submit an application annually, with the same information and representations as contained in the initial application, subject to any changes in the information known to SHA, and any changes in the application form made by the Corporation.

CSC’s notification to SHA, that SHA’s application for the grant had been accepted, was sent to SHA as a cover memorandum for each year of the grant. Each of those notifications expressly advised SHA that SHA had received its “AmeriCorps Grant Award Contract for

² As a technical matter, SHA is considered the subgrantee of the California Service Corps (“CSC”). While, SHA applied for each grant and submitted necessary information, both to obtain the awards and as required to perform and receive funds under the grants, the grants were made through CSC. Thus, SHA submitted its proposal to CSC, which then received the Corporation’s approval, by “Notice of Grant Award” (Ex. 4 hereto), which contained the provision that, “[b]y accepting funds under this grant, the Grantee agrees to comply with all provisions of the grant . . . , all assurances and certifications made in the Grant application, and all applicable Federal statutes, regulations and guidelines.” This technicality of SHA being a sub-grantee has no impact on this referral as SHA was, by the terms of its application and the grant, required to comply with all grantee’s obligations imposed by Federal statutes and Corporation regulations.

Program Year [specific year identified] as awarded by the Corporation for National and Community Service in accordance with your approved application, budget, and objectives”

(Ex. 1, 2 & 3 hereto).

SHA applied for and was awarded the 3-year grant from the Corporation based on SHA’s grant application which SHA agreed would govern its use of the grant funds received. The Notice of Grant Award provided to SHA, notified SHA that one of the terms and conditions was that SHA’s “[a]ctivities with respect to this agreement shall be conducted in accordance with pertinent Federal and State rules and regulations, including relevant Office of Management and Budget (OMB) circulars . . . and the AmeriCorps Grant Provisions attached as Exhibit F” (See ¶ 22 of Ex. B to Grant Application, Ex. 1-B hereto). The same procedure followed for the second and third year of the grant, with the same conditions and requirements for those years.

SHA, of which Mr. Johnson was President and Chief Executive Officer, itself wrote the description (Ex. D to each grant application),³ in which it agreed that the grant funds were to be used for the purpose of

- “(1) providing one-on-one tutoring to elementary and high school students;
- (2) managing the redevelopment of one building per year in Oak Park [the Sacramento neighborhood in which SHA operates]; and
- (3) coordinating logistics, public relations, and marketing for the Guild Theater and Art Gallery events, as well as hands-on workshops, guest artist lectures, and

³ Ms. Nicole West, employed at St. HOPE from 2001 through October 2006, stated that she wrote the grant proposal after Mr. Johnson asked her to do so, and that Ms. Gonzalez assisted her in the writing and reviewed it before it was submitted to CSC. See interview of Ms. West, Ex. 23 hereto.

art exhibitions for Sacramento High School of the Arts and PS7 Elementary School” [Ex. D, p. 3 to each grant application, part of Exs. 1-D, 2-D & 3-D] all for the purpose

“(1) to improve the reading and math achievement of 100 elementary and high school students . . . as part of the after school program; (2) to stimulate economic growth in Oak Park by managing the redevelopment of the Walton Pediatrics building, an investment of \$1.6 million dollars into the community; (3) to increase arts programming in Oak Park, and (4) to recruit and train 500 volunteers to complete 10,000 hours of service in Oak Park” [*id.* at p. 2].⁴

Another form that SHA completed (see, *e.g.*, “2006-07 California AmeriCorps Application Primary Needs and Service Performance Measurement Worksheet”) specified that there would be 34 AmeriCorps Members serving at “tutoring and other academic support activities,” detailed as involving “one-on-one and small group tutoring, in-class small group instruction, homework assistance and/or in-school and after school intervention classes” (Ex. 1-D, p. 35 hereto).

The grant application, filed by SHA through CSC, contained the provision that the “subgrantee may not revise the [described] ‘Scope of Work,’” for which the grant funds were to be used, “without written approval of the” California Service Corps (Ex. A to grant for 2006-07, p. 1, Ex. 3-A hereto). No such revision was ever sought or obtained by SHA. Further, any

⁴ SHA’s paperwork for the 3-year grant and for financing of the second and third year contain the identical first quoted provision; the second quoted provision is substantially identical for each year, with only the identity of the building to be redeveloped changed and the number of volunteers recruited and trained reduced.

“changes in the scope, objectives or goals of the Program” could not be made absent “prior written approval of the AmeriCorps Program Office” (Ex. B to grant for 2006-07, p. 21, Ex. 3-B hereto), which is the Corporation.

The grant’s “Agreement Summary,” which CSC provided to SHA with the Notice of Grant Award, expressly reiterated that AmeriCorps grants are made to “strengthen communities through projects that address education, public safety, the environment, and other unmet human needs,” and reminded SHA that its spending of the grant funds must be in compliance “with all provisions of the grant [and] . . . in accordance with . . . representations made in support of the approved Grant Application” (“Agreement Summary” in Ex. 1 hereto).

Because the grant funds must be used only for the community service purpose specified in the grant, SHA was not allowed to use the grant funds to pay for any of its expenses which it had or would have had without the grant. That means that SHA may not apply grant funds to pay all or part of salaries of its employees or its administrative or management structure, unless provided for in the grant. Further, because the controlling statute, 42 U.S.C. § 12637, prohibits grant funds or service-providers financed with grant funds from being used to deprive the community of job opportunities, no person financed with grant funds may assume a position which has been filled or could reasonably be filled by a job-seeking member of the community. These controls also effectively prevent a grantee from using grant funds to shore up the financial condition of or subsidize its non-grant operations. Accordingly, SHA was prohibited from creating an AmeriCorps Member status for one who was, and continued to be, a SHA employee performing the same assigned duties, in part then paid by grant funds. Similar language is

contained in controlling regulation 45 C.F.R. § 2540.100 (f), as well as in the grant provisions, section C33, to the Grant Application, Ex. 1-F hereto.

Understanding AmeriCorps

The grant involved here is an AmeriCorps grant, involving, in major part, the provision of Federal funds to pay for the number (as specified in the grant) of AmeriCorps Members who will provide community services as described in the grant documents. AmeriCorps Members are effectively volunteers, who sign a contract with SHA to serve in a program. They receive a living allowance and, if they complete 1700 hours of service under the grant terms, an education award for \$4,725 which the Member can then use for education tuition, expenses, or repayment of education debt.⁵

The Corporation, which runs AmeriCorps, together with each grantee to which AmeriCorps Members are assigned, has the responsibility to protect the safety, security and sanctity of AmeriCorps Members in the course of the service (AmeriCorps Grant Provisions C29, Ex F to 2004-05 Grant Application, Ex. 1-F hereto) Thus, AmeriCorps Members should not be abused, harassed, deprived of their personal or financial rights, placed into situations adverse to their health or safety, or required to engage in activities not included in the program for which the Member contracted to serve. (*Id.* and Ex B to Grant Application for 2006-07, Ex. 1-F hereto).

⁵ The 1700 hour requirement applies to Full-Time AmeriCorps Members. The Grant Award provisions (Ex. 1-F hereto ¶¶ 8 & 12) also authorize the Half-Time and Quarter-Time Members that were used by SHA. Half-Time Members required a minimum of 900 service hours, and were entitled to an Education Award of \$2,362.50, while Quarter-Time Members serving at least 450 hours were entitled to an Education Award of \$1,250.00. Living allowances were paid pro-rata to the number of hours served. *Id.* ¶ 11.

Relevant Controlling Statutes and Regulations

18 U.S.C. § 666 - Entitled "Theft or bribery concerning programs receiving Federal funds," makes it a crime when "an agent of an organization" that "receives, in any one year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract . . . or other form of Federal assistance," "embezzles, steals, obtains by fraud, or otherwise without authority knowingly converts to the use of any person other than the rightful owner or intentionally misapplies" such grant funds or property "under the care, custody, or control of such organization." Simply put, it makes it a crime for an officer or employee of an organization which receives Federal grant funds to use such funds for his/her personal purposes or for any purpose other than for which the Federal funds were granted.

18 U.S.C. § 287 - Entitled "false, fictitious or fraudulent claims" makes it a crime for a person who "makes or presents to . . . any department or agency [of the United States], any claim upon . . . any department or agency [of the United States], knowing such claim to be false, fictitious, or fraudulent."

18 U.S.C. § 286 - Entitled "conspiracy to defraud the Government with respect to claims," makes it a crime for persons to conspire "to defraud the United States, or any department or agency thereof, by obtaining or aiding to obtain the payment . . . of any false, fictitious or fraudulent claim."

18 U.S.C. § 1001 - Entitled "Statements or entries generally" makes it a crime when "whoever, in any matter within the jurisdiction of any department of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry."

42 U.S.C. § 12637 - Entitled "Nonduplication and Nondisplacement"

"(b) (1) In General

An employer should not displace an employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such employer of a participant in a program receiving assistance under this subchapter.

* * * *

(3) (A) Duplication of Services

A participant in any program receiving assistance under this subchapter shall not perform any services or duties or engage in activities that would otherwise be performed by an employee as part of the assigned duties of such employee."

45 C.F.R. § 2520.25 - Entitled “What direct service activities may AmeriCorps members perform?” limits the services which members may perform to those “that are included in, or consistent with, [the] Corporation-approved grant application.”

45 C.F.R. § 2520.65 - Entitled “What activities are prohibited in AmeriCorps subtitle C programs?” proscribes members from being used to “engage[e] in partisan political activities, or other activities designed to influence the outcome of an election to any public office.”

42 U.S.C. § 12634 - Entitled “Prohibition on use of funds” prohibits any “assistance made available under a grant” from being “used to provide religious instruction . . . or engage in any form of proselytization,” or to “finance, directly or indirectly, any activity designed to influence . . . the outcome of an election to a State or local public office.”

St. HOPE Grant Provision (Section B4g of Ex. 1-F hereto)

“While charging time to the AmeriCorps Program . . . or otherwise performing activities supported by the AmeriCorps program or the Corporation, staff and member may not engage in the following activities, and the grantee may not use grant funds to support the following activities:

* * *

- e. Engaging in partisan political activities or other activities designed to influence the outcome of an election to any public office.
- f. Participating in or endorsing, events or activities that are likely to include advocacy for or against . . . political candidates, proposed legislation, or elected officials.

g. Engaging in religious instruction; . . . providing instruction as part of a program that includes mandatory religious instruction or workshop”⁶

Summary of Relevant Evidence and Charges

We believe that the evidence establishes the violations of law as hereinafter specified:

A. Misappropriation of Federal Funds for Purposes Other Than the Grant Purpose –
By Misusing AmeriCorps Members to Benefit Mr. Johnson and His Entities

1. Summary

As noted above, both the grant application and the grant award specified that the AmeriCorps members financed by the grant were to be used for one-on-one tutoring of elementary and high school students, managing the redevelopment of one building each year in Oak Park, service for the Guild Theater and Art Gallery events, and workshops, guest artist lectures, and art exhibitions for Sacramento High School of the Arts and PS 7 Elementary School. SHA certified and confirmed, in each FSR filed quarterly with the Corporation, that “all outlays and unliquidated obligations are for the purposes set forth in the award documents,” *i.e.*, that the funds were used for what SHA had represented it would use the funds. The evidence established that most, if not all, of the AmeriCorps Members were in fact not used for those purposes, but were instead used for Mr. Johnson’s personal needs and purposes and/or to provide added free or subsidized staff for one or more of the entities controlled by Mr. Johnson. Significantly, even if one were to assume the possibility that Mr. Johnson and Ms. Gonzalez

⁶ Starting with the 05-06 year, these prohibitions were in regulations concerning AmeriCorps [45 CFR § 2540.100 (b)], and were therefore omitted from the grant application for that and following years.

intended, prior to the beginning of the first grant year, to fulfill the purposes in the grant application -- a possibility without any factual support -- they knew during the first year that they were not doing so. Yet, SHA certified compliance in the FSR filed for each quarter and, in applying for the second and third year financing of the grant, they repeated the purposes specified in the original application without material change.

This evidence establishes violations of 18 U.S.C. § 666 (“knowingly converts to the use of any person . . . or intentionally misapplies” grant funds); 18 U.S.C. § 286 (“false, fictitious or fraudulent claim”); 18 U.S.C. § 287 (conspiracy); and 18 U.S.C. § 1001 (false and fraudulent representations to Government)

Sworn statements and interviews of witnesses, including AmeriCorps Members and St. HOPE staff and employees, are attached hereto as Exhibits 5 through 25, with each of those exhibits containing, as a cover explanation for your convenience, a summary by subjects of the information that the witness provided.

We here provide an even shorter summary of the nature of the evidence supporting each specification with the name of the witnesses identified:

2. AmeriCorps Members Served St. HOPE, Not The Community

When asked whether the AmeriCorps Members served St. HOPE or the community, Allison Alair, a teacher and staff member, responded: “St. HOPE because everything they did was designed to support St. HOPE daily operations They were St. HOPE’s support staff.”

Sharon C. Maccini, another St. HOPE employee, described the use of AmeriCorps Members as “offered as the solution to a labor need, clerical, physical, etc.” for SHA. Similar statements were made by other SHA employees including Alan Young, one principal of Sacramento High School (“SAC High”) (the name of St. HOPE’s charter school), Jacqueline Wong-Hernandez, and Erik Jones. Tamara Shelton, in a summary of her experience as an AmeriCorps Member with SHA (Ex. 26 hereto), described her view of SHA as follows:

“From the outside, it may look like to all the St. HOPE partners and endorsers that the academy is actually doing something positive for the community of Oak Park, but with me being an insider . . . I can say without hesitation and exaggeration that they are not doing *anything* that is benefiting either the community or the students of Sacramento High School” [emphasis in original].

3. AmeriCorps Members Performed Menial, Clerical, Receptionist, Cleaning And Painting Work For St. HOPE

Every one of the 19 witnesses, both Members and SHA staff, asserted that Members were used to perform essentially menial or administrative tasks for SHA, including front office receptionist, clerical and telephone answering, cleaning, painting, and manning the school uniform store. The St. HOPE Newsletter (Ex. 27 hereto), p. D2, confirms that AmeriCorps Members were used for “moving furniture from classrooms and the front office . . . taping and painting.”

4. AmeriCorps Members Were Used For Mr. Johnson's Personal Needs, Including Chauffeuring Him and Washing His Personally-Owned Car

Ms. Alair, a teacher and staff member, observed Members "driving Kevin Johnson to different functions, running errands, getting water," all being "his personal stuff" (Ex. 5 hereto) Edward Wyre (Ex. 24 hereto), an AmeriCorps Member from 2005-07, reported that, on several occasions, Mr. Johnson instructed him to wash Mr. Johnson's personally-owned car. Substantially similar information was provided by Megan Caldwell-Meeks (Ex. 6 hereto), Sharon Maccini (Ex. 13 hereto), Alan Young (Ex. 25 hereto) and Tamara Shelton (Ex. 18 hereto).

[REDACTED], an AmeriCorps Member, described her AmeriCorps work as "prep work and T.A. [Teacher Assistant] stuff for Mr. Johnson, and getting whatever he needed (Ex. 20 hereto)".

5. AmeriCorps Members Were Used To Recruit Students For Johnson's Charter Schools

At least nine of the staff and AmeriCorps Members who were interviewed provided information that a major assignment given to AmeriCorps Members was to recruit students for Mr. Johnson's St. HOPE charter school.

Ms. Alair reported that "Kevin Johnson planned . . . and . . . instructed" the use of AmeriCorps Members to solicit new enrollment. Ms. Megan B. Caldwell-Meeks (Ex. 6 hereto), an AmeriCorps Member, related that Mr. Johnson instructed her to do recruiting because "we

need to raise enrollment in order to make sure the charter was renewed.” Other similar statements were provided by [REDACTED] (Ex. 20 hereto), Edward Wyre (Ex. 24 hereto), [REDACTED] (Ex. 19 hereto), Diego Carillo (Ex. 7 hereto), Erik Jones (Ex. 12 hereto), and Chris Orr (Ex. 15 hereto).

Mr. Johnson’s use of AmeriCorps Members for recruiting purposes went so far as having six AmeriCorps Members ([REDACTED], Sheila Coleman, Jimmy Haynie, Charles Hudson, [REDACTED], and Joy Smith), serving in Sacramento, California, travel to Harlem, New York, with Mr. Johnson for a three-week period in which AmeriCorps Members were used to solicit parents, community and students at the Choir Academy in Harlem, to agree to Mr. Johnson’s taking over that charter school. See interviews of [REDACTED] (Ex. 19 hereto) and Erik Jones (Ex. 12 hereto). The SHA document covering this trip, entitled “St. HOPE-Harlem Project Junior Task Force” (Ex. 28 hereto), identifies Mr. Johnson as the “Project Lead,” and summarizes the project as follows:

“St. HOPE has formed a partnership with the students and parents of Boys Choir of Harlem (BCH) to help them save both their school and their nationally acclaimed choir. As part of this partnership, St. HOPE has created a Junior Task Force comprised of a teacher and six Sacramento High School students and alumni to go into the community for three weeks this summer to build strong relations between St. HOPE and the families of Harlem as well as ensure positive summer activities are made available to students from the Boys Choir.”

6. Gonzalez, SHA Executive Director, Admitted that AmeriCorps Members Were Used for Non-Grant Purposes

In her first interview, Dana Gonzalez, the SHA Executive Director, denied that AmeriCorps Members were performing clerical duties, and claimed that they did tutoring. Four days later, she asked to reopen the interview to change the information that she had provided. She then admitted that AmeriCorps Members had been used to perform clerical duties including, making copies, preparing lesson plans and annual reports, cleaning and recruiting (Ex. 10 hereto).

7. AmeriCorps Members Performed No Tutoring

Both SHA staff members, including teachers, and AmeriCorps Members asserted that AmeriCorps Members had not performed any tutoring. Ms. Alair, who spent three years at St. HOPE as a teacher, Student Activities Director and Alumni Coordinator, asserted that she saw and was aware of what AmeriCorps Members did, and that she “never” saw any Member tutoring students (Ex. 5 hereto). Ms. Maccini, who worked at St. HOPE for about 3½ years, once “ask[ed] the after school coordinator and the other staff members” whether Members did any tutoring, and the answer was “none,” which was identical to her own observation that “I did not see . . . members tutoring students (Ex. 13 hereto).” Similar information was provided by Tom Rutten (Ex. 16 hereto) and Alan Young (Ex. 25 hereto), the Principals of SAC High.

That AmeriCorps Members did not perform any tutoring is implicitly confirmed by the St. HOPE Newsletter (Ex. 27 hereto), which describes all stages of the Members’ activities with

only a passing mention of tutoring in its eleven pages. See particularly pages A2, B2, C1, C2, E1.

8. Johnson and Gonzalez Knew of and Directed this Misuse of AmeriCorps Members

As noted above, Ms. Gonzalez has admitted that she knew that AmeriCorps Members were misused by putting them to work on non-grant purposes. Several of the staff and AmeriCorps Members confirmed the knowledge and complicity of both Mr. Johnson and Ms. Gonzalez.

Edward Wyre, an AmeriCorps Member from 2005 through 2007, related his conversation with Mr. Johnson (Ex. 24 hereto). Mr. Wyre said that, because he had joined the AmeriCorps program on being told that he would be tutoring children, which he said rarely occurred, he was dissatisfied. He therefore complained to Mr. Johnson, who told him that, if he didn't like it, he should quit.

Alan Young, a SAC High principal, stated that he was instructed by Mr. Johnson that AmeriCorps Members were to be used for "grunt work," meaning any menial work needed at the school (Ex. 25 hereto). Teacher and Student Activities Director Ms. Allison Alair related that all of the use made of AmeriCorps Members was pursuant to Mr. Johnson's instructions "to use AmeriCorps members" for these non-grant purposes (Ex. 5 hereto). AmeriCorps Member Megan B. Caldwell-Meeks described both Mr. Johnson and Ms. Gonzalez as micromanaging the AmeriCorps program, with "most of the orders com[ing] down from Mr. Johnson," and "nothing happened unless Mr. Johnson approved it (Ex. 6 hereto)." Ms. Maccini, a SHA staff member for

3½ years, related that the non-grant activities of AmeriCorps Members were directed by Mr. Johnson who “was on-site as the top administrator,” who “micromanag[ed] every aspect of the organization” and who “does not allow anyone to implement or manage any aspect of the organization without his buyin He controlled everything from how the offices were arranged to how the work was done . . . (Ex. 13 hereto).” Jacqueline Wong-Hernandez, the SHA Recruitment Advisor, stated that Ms. Gonzalez informed her that she should use AmeriCorps Members in any capacity that she needed in the recruitment effort (Ex. 22 hereto).

B. Misappropriation of Federal Funds to Pay For, or Supplement the Pay of, SHA’s Employees

When Diego Carillo was hired as Student Recruitment Director for SHA, Mr. Johnson told him that he would place Mr. Carillo in the AmeriCorps program to receive the money paid to AmeriCorps Members, with SHA paying only the balance of his \$36,000 salary (Ex. 7 hereto). Sheila Coleman, an SHA teacher, reported that, in 2004, Mr. Johnson had her become a “fellow” Member in the AmeriCorps program while her teaching status continued, so that she would receive her salary in the form of AmeriCorps benefits, with SHA limited to paying her fringe benefits (Ex. 8 hereto). Alan Young, a SAC High principal, corroborated that he was aware that Mr. Johnson had arranged for AmeriCorps to pay for part of Ms. Coleman’s salary, although he recalled it as one-third of the salary (Ex. 25 hereto). Jacqueline Wong-Hernandez reported that another employee, Courtney Hoover, was to be enrolled as an AmeriCorps Member in order for her to receive part of her salary through AmeriCorps grant funds (Ex. 22 hereto).

This use of grant funds to pay part of the compensation of SHA's non-grant related employees was contrary to the provisions of the grant. Moreover, it violated 42 U.S.C. § 12637 in that SHA was effectively using Federal funds partially to displace a SHA employee with a participant in the AmeriCorps program. Further, SHA used what it denoted as a Member to "engage in activities that was otherwise performed by an employee as part of the assigned duties of" SHA.

C. Wrongful Imposition of Landlord/Tenant Relationship On Members and Failure to Disclose Proceeds as Program Income, and Grant Funds to Related Party

SHA required St. HOPE AmeriCorps Members to pay \$300 to \$350 each month in rent for assigned apartments, owned by St. HOPE Development Co., a sister company to St. HOPE Academy.⁷ Full-time Fellow AmeriCorps Members were required to live in the apartments and pay rent to St. HOPE Development. Initially, AmeriCorps Members received their full living allowance from SHA and were required to pay their rent monthly to St. HOPE Development Co.'s representative, Natoma Company (See Ex. 9 hereto). When some of the Members were slow or delinquent in paying their rent, Ms. Gonzalez, on behalf of SHA, changed the procedure and paid the rent directly to that representative, deducting the amount from the living allowance paid to each renting Member. (See Exs. 9 & 31 hereto, payroll for ██████████ Charles Hudson, and ██████████ showing payment to each of them of full living allowance for the first two

⁷ The "Development Company" is listed on the St. HOPE web site (Ex. 29 hereto). Also, Al Williamson, whom Ms. Alice Elkins identified as the person responsible for maintenance at this housing site (Interview of Ms. Elkins, Ex. 9 hereto), is listed in the St. HOPE Staff Directory as Project Manager for St. HOPE Development Co. (Ex. 30 hereto).

years, and September 2006, followed by the deduction for rent thereafter; all payroll records for the relevant Members reflect the same change).⁸

This rental obligation imposed on Members was a violation of both regulatory requirements and criminal law on several independent grounds.

First, when CSC, as the Corporation's agent, inquiring of Ms. Gonzalez because of a complaint received from a concerned citizen that the housing arrangement for Members was required, Ms. Gonzalez misrepresented by asserting that it was not required (Ex. 21 hereto).

Second, it was not disclosed, as required, in the grant application. The instructions for applications require disclosure of the manner of "orienting, supervising, training and developing members" (§ I C of Ex. 32 hereto). SHA looked upon Members living in the provided housing as ensuring orientation to the community and their placement site. SHA was likewise required to disclose "the living allowance" to be provided (*id.* at Budget Narrative § II A). SHA did in fact disclose the total amount paid for all Members' living allowances, which was not the required full truthful disclosure when it failed to disclose that \$300 of each Member's living allowance

⁸ The owner of Natoma Company disclosed (see Ex. 9 hereto) that these apartments were rented under Housing Authority approval, and that partial payment for the rent came from the Sacramento Housing and Development Agency, with SHA and each renting Member splitting the balance. This suggests that this renting was pursuant to the HUD-funded Housing Choice Voucher program, which provides low-income families with vouchers to cover a portion of their rent (see Ex. 37 hereto).

While not a matter within our jurisdiction (although it would be within your office's jurisdiction), and therefore we have not done any investigation, we note that substantial questions are apparent as to how SHA obtained this subsidized renting to individual Members, particularly as the waiting list was closed from June 2001 until September 25, 2006, and 33,000 families, who had signed-up for the list waited as much as seven years to be selected (see article in the Sacramento Bee, Ex. 35 hereto) and families residing in Sacramento, families displaced by government action and veterans, in that order, are given preference (see Housing Authority of the City and County of Sacramento 2005 Admissions and Continued Occupancy Policy, p. 4-6, annexed as Ex. 36 hereto).

was not really an allowance, but had to be forwarded by the Member to SHA's sister company. Moreover, the falsity of the filing became even more clear when the represented amount of the living allowance was not in fact paid to each Member, but \$300 of that allowance was monthly withheld from the Member and instead directly paid for the benefit of SHA's related company.

Third, rent paid by SHA to a related company must be limited to actual cost. See 2 C.F.R., Part 230, Appendix B, 43C. St. HOPE Development Co. meets the definition of a related company to SHA (*id.*). Yet, SHA never disclosed that it was paying Federal funds to a related company and therefore never showed its related company's cost.

Fourth, the regulations provide a fail-safe so that, even if somehow the expenses charged were not limited to cost, SHA's charge to the grant funds was still improper. Because SHA's related company, St. HOPE Development Co., received income due to or "related to projects financed in whole or part with Federal funds," it fits within the definition of Program Income, 45 C.F.R. § 2543.24(a), and therefore should have been used as a "deduct[ion] from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based" -- in simple language, that net rental income should have been used, dollar for dollar, to reduce the Corporation's outlay on this grant (*id.* at (b)(3)). For that purpose, the income thereby received by SHA's sister company should have been reported as program income on the Financial Status Reports ("FSR"). St. HOPE's FSRs do not contain that required disclosure, making them misrepresentations to the Corporation (Ex. 33 hereto).

Significantly, it is likely that the requirement that Members pay rent to a grantee-related party would not be accepted as a grant provision, and that SHA so recognized. As already noted, CSC personnel reported that, upon receiving an allegation that Members were required to live and pay rent to program officials, they conducted a site visit in 2005 (Ex. 21 hereto). If Ms. Gonzalez had believed that this requirement was permissible, she would have admitted it. Instead, she then made a false statement to the CSC officials when she told them that the apartments housed only members of Hood Corps, which she described as a separate program, and that no AmeriCorps Members lived, or were required to live, in the St. HOPE-operated complex.

D. Fraudulent Inflation of Members' Time

Our interviews of former AmeriCorps Members established that no service hours were actually spent on the grant-authorized services, making all hours recorded on Member time sheets and in the Web Based Reporting System ("WBRS") reported by St. HOPE false and fraudulent for each of the grant years. Further, even the hours that were recorded on some Members' time sheets did not suffice to reach the required terms of service to trigger an education award. Our review established that some of the service hours that Ms. Gonzales reported on WBRS, and that she certified for education award eligibility, also inflated the number of hours over the hours reported on the time sheets so as to reach the 450, 900 or 1700 - hour level. (Example for each year of both time sheets and WBRS input annexed as Ex. 34 hereto.)

E. Instructing Members to Work In Political Campaigns

In addition to the regulation and grant provisions (quoted p. 10 *supra*) prohibiting use of AmeriCorps Members for such political campaigning, the grant provisions, with which SHA agreed to comply in making its proposal and in accepting Federal funds under the grant, expressly (Ex F, Paragraph B-4, to the grant provisions, Ex. 1-F hereto) prohibited staff and Members from participating in or using grant funds to engage in any “activities designed to influence the outcome of an election to any public office” or “activities ... for or against ... political candidates ... or elected officials.”

Various AmeriCorps Members affirmed that they were required to engage in political campaigning for candidates for the Board of Education who, SHA leadership believed, would be more likely to vote in favor of renewing SAC High’s charter. Indeed, Ms. Gonzalez, SHA’s Executive Director, confirmed that AmeriCorps Members, during school hours, campaigned for the reelection of Board of Education incumbents (Ex. 10 hereto). Those hours spent on political campaigning were impermissively recorded as AmeriCorps service hours.

Ms. Megan B. Caldwell-Meeks related that she and all other “Jr. Fellows” AmeriCorps Members campaigned for candidates who “were most likely to vote in favor of Sac High’s charter renewal (Ex. 6 hereto)”. While she could not recall specifically who instructed them to do so, she stated that most orders came from Mr. Johnson.

Erik Jones, a SHA teacher, confirmed that AmeriCorps Members solicited votes for school board incumbents during school hours (Ex. 12 hereto). Kevin Hiestand, SHA Director

and its Counsel, also confirmed that AmeriCorps Members engaged in political solicitations for the Board of Education election, but stated that it was done only after hours (Ex. 11 hereto). All Members interviewed who were assigned to SAC High reported that their political campaigning was done between 8 a.m. and 6 p.m., and all were impermissibly recorded by SHA officials as AmeriCorps service hours.

F. Requiring AmeriCorps Members To Complete Boot Camp

Evidence established that AmeriCorps Members were required to engage in an extremely strenuous, perhaps sadistic, Boot Camp, that was not described in the grant application as required,⁹ and thus not authorized by the grant award. Yet the Boot Camp involved up to 13 weeks of Members' hours which were not used for the service activities promised in the grant application.

The strenuous part of the Boot Camp was described by one AmeriCorps Member, [REDACTED] (Ex. 19 hereto), as a Triathlon including swimming nine laps, biking six miles and running two miles. Other portions of the Boot Camp were described by another Member, [REDACTED], as including a test on New Testament scriptures, which is an impermissible insertion of religion

⁹ The only possible rationale for the Boot Camp requirement for AmeriCorps Members would be that it was for Member development and training. The 2003 AmeriCorps State Application Instructions for Programs (Ex. 32 hereto) requires "description of the training and support you will provide to volunteers and what role AmeriCorps members will have in these activities" (§ IB), and "plans for orienting . . . training and developing members" (§ IC).

into the required activities financed by Federal funds,¹⁰ a test on St. HOPE trivia, fasting for a day, and a challenge to return from San Francisco to SHA within two hours (Ex. 20 hereto). No visits with family were allowed during Boot Camp.

One Member, Tamara C. Shelton (Ex. 18 hereto), confirmed that Boot Camp was “mandatory.” She quit the AmeriCorps program because of an incident during Boot Camp in which, while performing a Boot Camp run starting at 4:30 a.m., she collapsed, but was forced to get up and continue with a mile added because of that fall. She continued with additional collapses. Helped to her apartment, her condition, including being unable to walk, resulted in her being taken to a hospital by ambulance. The diagnosis was likely a seizure. She also related that hers was not the first such serious incident at Boot Camp; she recounted that Ashley Ramsey had, during an early morning run, tripped and fallen, injuring her ankle, but was required to continue running, with the result that Ms. Ramsey could not perform as scheduled in a dance company program.

The St. HOPE Newsletter (Ex. 27 hereto), p. E1, confirms that Full-Time Members (denominated as Fellows) “must go through one of the most challenging experiences . . . Boot Camp,” which, that year, lasted “nine weeks,” with “the dreaded boot camp test” at the end.

¹⁰ The grant award, expressly prohibited use of Federal funds or Members for “a program that includes religious instruction or worship.” See Exhibit F, Para. 4, to the grant awards which are Ex. 1-F hereto. The St. HOPE Newsletter (Ex. 27 hereto) evidences St. HOPE’s violation of this provision: under “Accomplishments” there are “Visited over 25 churches in Oak Park” and “Read the entire New Testament” (see p. A2). See also reprinting in that Newsletter (p. D1) of “Scripture” from the New Testament.

Yet, when CSC staff questioned Ms. Gonzalez, after receiving a complaint from a concerned citizen that, *inter alia*, Members were compelled to attend Boot Camp, Ms. Gonzalez falsely represented that was untrue (Ex. 21 hereto).

This Boot Camp requirement, in addition to the failure to disclose it, violated AmeriCorps Grant Provision (Ex. F, ¶ C29 to 2004-05 Grant Application in Ex. 1-F hereto; Ex. F, ¶ E26, to 2005-06 Grant Application in Ex. 2-F hereto; and Ex. B, ¶ VF, to 2006-07 Grant Application in Ex. 3-B hereto), which mandates that “The Grantee must institute safeguards as necessary and appropriate to ensure the safety of members. Members may not participate in projects that pose undue safety risks.”

Both Ms. Gonzalez (Ex. 10 hereto), the SHA Executive Director, and Sharon C. Maccini (Ex. 13 hereto), a SHA teacher, also confirmed that Members were required to participate in Boot Camp for between 10-16 weeks. Ms. Gonzalez also admitted that she and Mr. Johnson woke Fellow Members at 3 a.m. for Boot Camp, and did not cancel or alter the regime even when, during the 2006-07 year, the school pool used for the swimming requirement was closed to the students due to the unsanitary conditions (filter not working), as well as having no heating.

G. Improper Sexual Physical Conduct

Our investigation disclosed evidence of sexual misconduct towards young female Members by Mr. Johnson. One Member, ██████████ (Ex. 19 hereto), reported that, in the February/March 2007 time frame, she was entering grades into the SAC High database system per Mr. Johnson’s instructions at the St. HOPE office at night, purportedly as part of her

AmeriCorps service. ██████ contacted Mr. Johnson to inform him that she had completed the grades and wanted him to review them. About 11:00 pm, Mr. Johnson arrived at St. HOPE and instructed ██████ to gather her things and come with him. Mr. Johnson drove to ██████ apartment, which is managed by St. HOPE Development and houses its AmeriCorps Members, purportedly so that they could review the students' grades. While in ██████ apartment, in which another AmeriCorps Member had a separate bedroom, Mr. Johnson laid down on ██████ bed. ██████ sat on the edge of the bed to show him the grades, at which time Mr. Johnson "layed down behind me, cupping his body around mine like the letter C. After about 2-3 minutes or so, I felt his hand on my left side where my hip bone is." Further, although not detailed in her written statement, ██████, during the interview, demonstrated, while explaining, that Mr. Johnson's hand went under her untucked shirt and moved until his hand was on her hip. ██████ immediately got up and stated she was done and left the room. When she returned, Mr. Johnson was still in her bed, but now apparently sleeping. Only after ██████ sought to take a blanket to sleep elsewhere did Mr. Johnson exit to the living room of the apartment. ██████ related that Mr. Johnson slept on the couch in her apartment living room that night and subsequently left the apartment at approximately 6 a.m. the next day.

After, as ██████ put it, she "got the courage to tell . . . my supervisors," she reported the incident, which, she was informed, was communicated to St. HOPE Academy's Human Resources Department and the Chief Financial Officer. The night after ██████ made her report, Mr. Johnson approached her and apologized. Subsequently, Kevin Hiestand, Johnson's

personal attorney,¹¹ met with ██████████, described himself only “as a friend of Johnson,” and “basically asked me to keep quiet.” Also, about one week after this incident, when ██████████ told Mr. Johnson she was going to quit because of financial and family reasons, Mr. Johnson “offered to give me \$1,000 a month until the end of the program,” stating that it would be confidential “between him and I.” As ██████████ related that conversation, Mr. Johnson “said all he needed was my savings account number,” he would make the deposit and “no one needed to know about it.” ██████████ did not accept this offer by giving Mr. Johnson her account number.

Another former Member, ██████████ (Ex. 20 hereto), reported that, while attending a St. HOPE sponsored trip to Harlem, NY, from June 26 to July 16, 2006, Mr. Johnson, on three occasions, “brushed [her] leg with his hand,” including once “flip[ing] up the edge of” her skirt. Other times, she stated, Mr. Johnson kissed her cheek, brushed up against her as he walked past, and massaged her shoulders. ██████████ also reported another incident that occurred in Sacramento, CA, in which Mr. Johnson touched ██████████ on her thigh with his hand while enroute to a restaurant. ██████████ said she did not report the incidents to AmeriCorps officials at that time because she feared she would be terminated from the program and because Mr. Johnson was assisting her in obtaining acceptance into the United States Military Academy, where she subsequently enrolled.

In addition, former SAC High teacher Mr. Erik Jones (Ex. 12 hereto) reported that a former AmeriCorps Member, ██████████, reported to him, sometime in 2007, that, while at SAC High, Mr. Johnson had inappropriately touched her. Mr. Jones stated that ██████████ had

¹¹ Mr. Hiestand also served as Deputy Editor of the St. HOPE Newsletter (see p. F1 of Ex. 27 hereto).

reported that Mr. Johnson started massaging her shoulders and then reached over and touched her breasts. (Attempts to interview ██████████ have been so far unsuccessful.) Mr. Jones related that, after he reported this incident to St. HOPE Academy officials, he was contacted by Mr. Hiestand, Mr. Johnson's attorney, but who identified himself solely as St. HOPE's counsel, and stated he was conducting an internal investigation. Mr. Hiestand told Mr. Jones that ██████████ "story" was different from Mr. Jones' and told Mr. Jones to change his "story" and then go back to work. Mr. Jones, realizing what he was being asked to do, elected to resign as a teacher and left SAC High.

We recognize that there may not be enough evidence at this time to support a charge against Mr. Johnson concerning these incidents of improper conduct. But there are sufficient reasons, we suggest, to use the grand jury for further digging. ██████████ declined to speak to our office's investigators after Mr. Hiestand, counsel both to St. HOPE and to Mr. Johnson, spoke to her. Mr. Hiestand talked to Erik Jones, to whom ██████████ had first reported Mr. Johnson's improper conduct, and, as Mr. Jones understood, Mr. Hiestand asked Mr. Jones to cover up the information he had received from ██████████. Refusing to do that, Mr. Jones resigned.

Other circumstances warrant use of the grand jury to get to the bottom of the facts. What caused Mr. Johnson to offer to pay into ██████████ bank account \$1000 per month after ██████████ had informed St. HOPE administration of Mr. Johnson's conduct?

Mr. Hiestand's involvement also warrants exploration. What was the ethics of Mr. Hiestand, who was a long time close friend and business associate of, and counsel to, Mr. Johnson, talking to at least one of the complainants as SHA's counsel? Did Mr. Hiestand seek to induce Mr. Jones to lie? Why didn't Mr. Hiestand, in his capacity as counsel to, and a director of, SHA report the charge against Mr. Johnson to the police? Mr. Hiestand explained that he concluded that Mr. Johnson and ██████████ were consenting adults, despite the obvious facts that Mr. Johnson was the CEO and much older than ██████████, and there was no basis to conclude that ██████████ had consented.

Questioning the various witnesses before the grand jury would ensure doing what is warranted to get to the bottom of these allegations, which seriously impact on both the security of young Members placed in the care of grantees, and, if such incidents occur, the ability of AmeriCorps to continue to attract volunteers.

Exhibit: 12

Interview of Erik Jones

(1) Misuse of AmeriCorps Members

Mr. Jones started work as an English teacher at Sac High School in 2003. He was familiar with the AmeriCorps because, unrelated to Sac High School, his wife had been an AmeriCorps member. Based on what he saw, he concluded that AmeriCorps Members were not performing the service they should have been performing. Instead, they were used to solicit enrollment for Sac High School; to travel to Harlem, NY with Mr. Johnson to try to take over another charter school; to prepare and grade papers; to perform clerical duties in the front office; and to drive Mr. Johnson around.

(2) Requiring AmeriCorps Members to Pay Rent

Mr. Jones stated that AmeriCorps Members had complained to him about having to pay rent for living in the Oak Park Apartments.

(3) Use of AmeriCorps Members for Political Campaigning

Mr. Jones related that two AmeriCorps Members (Charles Hudson and Megan Caldwell-Meeks), came into his classroom, and solicited his students to vote and volunteer for school board incumbents seeking reelection

(4) Allegations of Improper Conduct By Mr. Johnson Toward Female AmeriCorps Members

Mr. Jones related that AmeriCorps Member [REDACTED] told him of an incident that she had with Mr. Johnson. After he reported the incident to school officials, he was

1.2

contacted by Mr. Heistand, St. HOPE Academy's Counsel, who advised that he would conduct an internal investigation before filing a report. Mr. Heistand told Mr. Jones that, in questioning [REDACTED], he learned that [REDACTED]'s story was different from what Mr. Jones had related, and asked Mr. Jones if he wanted to change his story. Mr. Jones declined because what he told Mr. Heistand was what [REDACTED] had told him. Mr. Heistand reported that [REDACTED]'s story was different and told Mr. Jones that he should change his story. Mr. Jones, based on his conversation with Mr. Heistand, realizing what school officials wanted him to do, resigned.

OFFICE OF INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Memorandum of Interview *

Person Interviewed: Mr. Erik Jones, former teacher at SAC High

Interviewed By: *Special Agents Jeffrey Morales and Wendy Wingers

Date of Interview: May 1, 2008

Place of Interview: Residence Inn Hotel Lobby, 1501 L Street, Sacramento, CA

Case Number: 08-027

Mr. Jones was interviewed and stated that he started working at Sacramento High School (SAC High) in 2003 as an English teacher. Mr. Jones stated that no AmeriCorps members were assigned to him. However, he was familiar with the AmeriCorps program because his wife was a former AmeriCorps member, not with St. HOPE Academy.

Mr. Jones stated that [REDACTED] came to him when and told him of an incident between her and Mr. Kevin Johnson, former CEO of St HOPE. After his conversation with [REDACTED] he reported the incident to school officials. Mr. Jones was contacted by Mr. Kevin Heistand, St. HOPE counsel, and told he would be conducting an internal investigation before a CPS what this, spell is out was to be filed. Mr. Jones stated that Mr. Heistand questioned [REDACTED] and said that her story was different from his (Jones) and wanted to know if he wanted to change his story. Mr. Jones stated that he knew what he heard from [REDACTED] and was not changing his story. Again, Mr. Heistand said to Mr. Jones that [REDACTED] story was different from his and told him he should change his story and go back to work. Mr. Jones stated that after his conversation with Heistand and after realizing what school officials wanted him to do, he elected to resign.

Mr. Jones always felt that the AmeriCorps members were not performing the service they should have been. He recalls the members traveling to Harlem, NY, with Mr. Johnson to take over another charter school. Mr. Jones had knowledge of the members soliciting the community for enrollment at SAC High. Mr. Jones does recall that Mr. Charles Hudson and Megan Caldwell-Meeks, former AmeriCorps members, came into his classroom to solicit his students to vote and

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1.2

Memorandum of Interview
DATE: May 1, 2008
SUBJECT: Mr. Erik Jones

volunteer for school board incumbents seeking reelection. Mr. Jones knew that the members were living in the Oak Park Apartments and that the members had complained to him about paying rent. Mr. Jones stated AmeriCorps members were preparing and grading papers and working in the front office, performing clerical duties. Also, Mr. Johnson used Mr. Hudson to drive him around.

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Exhibit 19

Sworn Statement of [REDACTED]

(1) Misuse of AmeriCorps Members

[REDACTED] was an AmeriCorps Member at St. HOPE from March 2006 through April 2007, serving as an apprentice, one category of Members, from March 2006 into the summer of 2006 and thereafter as a fellow, another category.

As a fellow, her work included making copies of lesson plans (instructed to do so by Ms. Gonzalez), grading papers and other administrative duties -- "Mr. Johnson had me doing the main work for all of his advisory and leadership classes." She stated that during her full-time (fellow status) AmeriCorps service, she did "no" tutoring because her "time was spent assisting Johnson and only overseeing." During her apprentice period, she did some tutoring "but not every single day;" in addition she "was required to perform clerical duties for St. HOPE, which entails making copies, phone calls, and on occasion working in the community when ever there was an event *i.e.* Oak Park clean up."

She related that "every AmeriCorps Member was required to" go door-to-door and solicit the community in attempts to recruit enrollment into SAC High. "We were also required to call potential homes of students who had not been enrolled to SAC High." This solicitation work took "anywhere from 2-8 hours, . . . including Saturdays." The hours spent soliciting were included on her AmeriCorps time sheets as service time. Mr. Johnson informed her and the other members that they were "to be aggressive in recruiting other students that it was very important

to keep the numbers up to sustain the charter.” She and other Members even travelled to New York’s Harlem with Mr. Johnson “to promote St. HOPE to the . . . parents, students and the community members of the Choir Academy of potentially taking over the charter . . . We were there for about 3 weeks (which was considered AmeriCorps time).” While in Harlem, “we were provided with a list of parents and a scrip[t] to see if they would support St. HOPE and Kevin Johnson coming into their community.” While there, “we were also required to clean up the Choir Academy (charter) in Harlem.”

(2) Requiring AmeriCorps Members to Pay Rent

Ms. Gonzalez informed [REDACTED] that she was obligated to live in Oak Park Apartments “and we also had to pay rent which was \$300.00 each person.” Two other AmeriCorps Members were her roommates.

(3) Requiring AmeriCorps Members To Participate in Boot Camp

“There were five components to Boot Camp: Physical training: swim 9 laps, bike 6 miles, run two miles; simple living: apartment check for cleanliness; a written part, civic leadership; professional training: making copies, binders, or team building practical theology; remembering scriptures from Bible word for word.”

(4) Requiring AmeriCorps Members to Attend Church

She stated that “it was required for us to attend both [church] service and Sunday school.”

(5) Allegations of Improper Conduct By Mr. Johnson Towards Female AmeriCorps Members

██████████ related that Mr. Johnson joined her about midnight in going into her apartment in order to review the grades entry on which she had been working. When she got up to her apartment, she set the papers "on the kitchen table and started working." Mr. Johnson walked back to her bedroom and returned to ask ██████████ whether she had an extra blanket. When ██████████ started walking out of the bedroom, Mr. Johnson "climbed into the top bunk" and suggested that she work in that room "to be comfortable," and she did so. After completing the grade input, she asked him to review it. He then "came down, and sat next to me in the bottom bunk," and asked her to make certain changes. "He then layed down behind me, cupping his body around mine like the letter C. After about 2-3 minutes or so, I felt his hand on my side where my hip bone is. I jumped up and said I was done. He then asked how long it would take for me to get ready for bed. I said only a few minutes feeling weird. After I washed my face (2-3 minutes) and brushed my teeth, I came out of my bedroom and saw him still sleeping on my bed. So I went to the kitchen, washed the dishes, cleaned up a little, then went back and he was still sleeping, so I grabbed the blanket from the top." As she walked out, he woke up, got up, told her to get in her bed, and walked out, saying "he'll lock the door on the way out."

The next morning, her roommate, ██████████ came into ██████████ room at about 5:30 a.m. and said Mr. Johnson was sleeping in their living room. A little later, Mr. Johnson came in and asked if ██████████ and ██████████ needed to go to SAC High. On their saying no, he left.

17

██████████ related that "a few weeks later, she "got the courage to tell one of my supervisors, Jacqueline Wong-Hernandez. ... She went to HR, then was told she needed to go to Tom Bratkovich, CFO of the St. HOPE organization."

On the following night at about 10:30 p.m., while ██████████ was working late in the St. HOPE main office, Mr. Johnson came, took her into a small office, "and apologized, telling me how smart of a girl I was and how brave I was, but wasn't really [sincere] about his apology."

No one from the St. HOPE administration questioned her on this incident or asked if she wished to make a complaint. Instead, Kevin Heistand "asked to meet with me, we meet over lunch, and he basically asked me to keep quiet." When he called, Mr. Heistand "told me he was a friend of Johnson and wanted to make sure everything was ok." At that time, she did not know that Heistand was an attorney.

Sometime after the incident, "Mr. Johnson offered to give me \$1,000 a month until the end of the program" Mr. Johnson said "No one needed to know about it, it would be just between him and" her.

Exhibit: 20

Sworn Statement of [REDACTED]

(1) Improper Use of Americorps Members

[REDACTED] became an AmeriCorps Member in September 2006. In that position, under directions from Mr. Johnson and Ms. Gonzalez, she performed clerical duties; she never conducted any tutoring. On "a few times," in response to "Mr. Johnson and Ms. Gonzalez push[ing] for the recruitment [of students for the charter school] so that we would receive more money for the school and renew our charter," she worked on recruiting; the "apprentices" in the program -- one category of Members -- "spent all of their [AmeriCorps] hours" doing such recruiting work. The other work that she performed was "prep work and T.A. stuff for Mr. Johnson, and getting whatever he needed," and, "almost daily," Ms. Gonzalez would have her and other Members "print and copy for Mr. Johnson." She specified "one occasion" on which she and other Members "were sent to Kinko's at around 2 or 3 in the morning to make workbooks" and to redo them by going back the next morning.

(2) Requiring AmeriCorps Members To Pay Rent

[REDACTED] was required to live at 2810 35th Street, and to pay \$300 per month in rent, even though, before becoming an AmeriCorps Member, she was living with [REDACTED] about a block away.

(3) Requiring AmeriCorps Members to Participate in Boot Camp

██████████ stated that the first phase of the AmeriCorps program was called "Boot Camp." It took 13 weeks for her group of Members "to successfully complete a series of five tests, simultaneously in order to pass. The tests consisted of an Oak Park Triathlon, a test on scriptures from first and second Timothy, a test on St. HOPE trivia, fasting for a day, and then a 'professional development challenge' which was being dropped off in the middle of San Francisco with a hundred dollars and being told to find our way home." Mr. Johnson gave the \$100 "and told us we had two hours to get back to SAC."

While in Boot Camp, the Members were not allowed to see their families, but were required to stay with the team Members at all times.

When asked if she was required to do any unsafe acts, she replied, "During the Oak Park Triathlon, we had to swim in a filthy, cold pool at three in the morning, and bike immediately following, making us very cold. Condition of [the SAC High] pool was so bad that students weren't even allowed to use it."

(4) Requiring AmeriCorps Members to Attend Church Services

"Every Sunday" AmeriCorps Members were required to visit a different church in Oak Park.

(5) Allegations of Improper Conduct By Mr. Johnson Toward Female AmeriCorps Members

██████████ related that, while in Harlem, they went to a theatre and Mr. Johnson "brushed my leg with his hand ." He did that three times, and he flipped up the edge of a skirt she was wearing. "Another time on my birthday, we were driving to the Cheesecake Factory and he touched my leg again." He also at times would kiss her cheek, brush up against her, or massage her shoulders.

██████████ was aware of an incident between Mr. Johnson and ██████████ to the following extent: ██████████ awoke about 4 a.m. and found Mr. Johnson asleep on the couch of the rooms she shared with ██████████. He left about 6 a.m. A few days later, ██████████ reported to ██████████ that Mr. Johnson had come into her room, "layed down on her bed, ... then he'd rubbed his finger across the lower part of her back, and she scooted away." On other occasions, "he'd offered to rub her feet, take here to dinner, and pay her an extra \$1,000 a month to remain in the program."

Exhibit: 22

Interview of Jacqueline Wong-Hernandez

(1) Misuse of AmeriCorps Members

Ms. Wong-Hernandez was hired by Mr. Johnson and Ms. Gonzalez on June 1, 2006 as Recruitment Advisor for St. HOPE Academy. Ms. Gonzalez informed her that AmeriCorps Members could be used in any capacity that Ms. Wong-Hernandez needed to support recruitment.

Ms. Wong-Hernandez also confirmed that all AmeriCorps Members were used to perform clerical duties, including making copies, answering phones and serving as Teaching Assistants. Although Ms. Wong-Hernandez was not a teacher, she had an AmeriCorps Member assigned to her as a TA. [REDACTED] was assigned as a TA to Mr. Johnson. She identified another AmeriCorps Member, Faye Saechao, as assigned to the business office to perform clerical duties.

(2) Misuse of AmeriCorps Funding to Pay St. Hope Academy's Salaries

Ms. Wong-Hernandez also related an occasion when she was informed that St. HOPE was hiring Ms. Courtney Hoover to work as the receptionist for SAC High, but that Ms. Hoover would be enrolled as an AmeriCorps Member who would receive an AmeriCorps living allowance as part of her salary.

(3) Allegations of Improper Conduct By Mr. Johnson Towards Female Members

In 2007, AmeriCorps Member [REDACTED] told Ms. Wong-Hernandez that Mr. Johnson, while in [REDACTED] apartment, inappropriately touched her, and she described what happened.

Ms. Wong-Hernandez reported the information to HR and was told to report it to Tom Bratkovich, the Chief Financial Officer, which she did. Mr. Bratkovich informed Ms. Wong-Hernandez that he would take care of the matter. Thereafter, Ms. Wong-Hernandez learned that Kevin Heistand contacted [REDACTED] to discuss it. Later, Mr. Johnson informed both [REDACTED] and Ms. Wong-Hernandez that he and [REDACTED] had spoken the night before and everything was okay between them. In June 2007, Ms. Wong-Hernandez resigned, stating St. HOPE Academy's handling of the [REDACTED] incident was the reason.

OFFICE OF INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Memorandum of Interview

Person Interviewed: Ms. Jacqueline Wong-Hernandez, former staff member, St. HOPE Academy

Interviewed By: Special Agent Wendy Wingers

Date of Interview: May 3, 2008

Place of Interview: Capital Building, Room 5019

Case Number: 08-027

Ms. Wong-Hernandez was interviewed and stated she began working for St. HOPE Academy on June 1, 2006, as a Recruitment Advisor. She was recruited by Ms. Dana Gonzalez, former AmeriCorps Executive Director, and Kevin Johnson, former St. HOPE CEO. Ms. Wong-Hernandez wanted to know what resources she had for recruitment and was told by Ms. Gonzalez that the AmeriCorps members could be used in any capacity she needed to support recruitment.

Ms. Wong-Hernandez stated that all AmeriCorps members were used to perform clerical duties at St. HOPE Academy and SAC High, including making copies, answering phones and serving as teacher assistants (TAs). Ms. Wong-Hernandez stated that [REDACTED] former AmeriCorps member, was her Assistant and [REDACTED], former AmeriCorps member, was Mr. Johnson's TA. Ms. Wong-Hernandez also stated that Ms. Faye Saechao, former AmeriCorps member, was assigned to the business office to perform clerical duties.

Ms. Wong-Hernandez stated that, in 2007, [REDACTED] approached her and asked if they could go to lunch and talk. During lunch [REDACTED] told her that while in her apartment she was touched inappropriately by Mr. Johnson. Ms. Wong-Hernandez asked what happened and who had she told. Ms. Wong-Hernandez informed [REDACTED] that she was going to report this to St. HOPE's Human Resources Department. Ms. Wong-Hernandez stated that she spoke with Jenna (NFI) in HR and she recommended that Ms. Wong-Hernandez speak with Mr. Tom Bratkovich.

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CFO. Ms. Wong-Hernandez spoke with Mr. Bratkovich and informed him of what had allegedly occurred between [REDACTED] and Mr. Johnson. Mr. Bratkovich informed Ms. Wong-Hernandez that he would handle the situation but he needed to speak with some people first. In the meantime, Ms. Michelle Rhee, contacted Ms. Wong-Hernandez to find out what happened with [REDACTED] and Mr. Johnson. Ms. Rhee stated she was making this her number one priority and she would take care of the situation. The next thing that Ms. Wong-Hernandez heard was that Mr. Kevin Heistand, St. HOPE counsel, contacted [REDACTED] to discuss the incident.

Following a morning debriefing in Mr. Johnson's classroom, [REDACTED] and Ms. Wong-Hernandez were asked to stay after everyone else had left the meeting. Mr. Johnson stated that he and [REDACTED] had spoken the night before and that everything was okay between them. Ms. Wong-Hernandez expressed her disbelief and surprise regarding this meeting.

Ms. Wong-Hernandez stated that, in June 2007, she resigned and, during her exit meeting with Ms. Rhee, stated her reason for leaving was due to St. HOPE's handling of the incident concerning [REDACTED]. Ms. Wong-Hernandez informed Ms. Rhee that she didn't trust the leadership at St. HOPE.

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OFFICE OF INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Memorandum of Interview

Person Interviewed: Ms. Jacqueline Wong-Hernandez, former staff member, St. HOPE Academy

Interviewed By: Special Agent Wendy Wingers

Date of Interview: June 5, 2008

Place of Interview: Capital Building, Room 5019

Case Number: 08-027

Ms. Wong-Hernandez was telephonically interviewed and stated that Ms. Michelle Rhee hired her. During Ms. Wong-Hernandez's interview, Ms. Rhee was on the panel and headed the interview. Ms. Wong-Hernandez was informed that she would report to Ms. Rhee. Ms. Wong-Hernandez stated that Ms. Rhee had several different titles. Ms. Rhee was known as a consultant for the new teacher project, consultant for the reconstruction bridge span, reconstruction of HR Department and was also a Board Member. Ms. Wong-Hernandez stated that prior to a Bridge Span meeting, correspondence was handed out for the meeting and Ms. Rhee's name was on the memo as the COO for St. HOPE Academy. Later on there was an organization chart put out and on the chart Ms. Rhee was the president, Mr. Johnson was the CEO and Ms. Gonzalez was the Chief Academic Officer. Everyone knew Ms. Gonzalez as the ED for St. HOPE Academy. Ms. Wong-Hernandez stated that when Ms. Rhee was in town that she would use Mr. Johnson's office. Ms. Wong-Hernandez stated that Ms. Rhee played the role as "Damage Control". When there was a problem at St. HOPE, Ms. Rhee was there the next day taking care of the problem. When Ms. Wong-Hernandez decided to leave St. HOPE, Ms. Rhee was the person who did her exit interview. Ms. Wong-Hernandez informed Ms. Rhee that the reason she was leaving was due to the situation that happened with [REDACTED] and how it was handled. Ms. Wong-Hernandez also informed Ms. Rhee that she didn't trust the management at St. HOPE. Ms. Rhee documented the interview in her daily planner and responded to Ms. Wong-Hernandez by thanking her for bringing it to her attention how disorganized the program had become. Ms. Rhee didn't try to talk Ms. Wong-Hernandez into staying.

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Memorandum of Interview
DATE: June 5, 2008
SUBJECT: Ms. Jacqueline Wong-Hernandez

Ms. Wong-Hernandez stated that she had no training on the exit forms. Being the Program Coordinator, Ms. Jen Archillo would contact her and inform her that she had several exit forms for her to sign. Ms. Archillo would prepare all the documents and bring them to Ms. Wong-Hernandez to sign. Then Ms. Archillo would process the exit forms. Ms. Wong-Hernandez stated that Ms. Archillo worked with Ms. Gonzalez when she was processing the exit forms.

Ms. Wong-Hernandez stated that Ms. Jocelyn Day brought Ms. Courtney Hoover to her and said that St. HOPE wanted to hire Ms. Hoover and that she needed to prepare her AmeriCorps paperwork so that she could receive a stipend. Ms. Wong-Hernandez stated that Ms. Hoover's duties were working in the office at SAC High.

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