



U.S. Department of Justice

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## PRESS RELEASE

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### **Business Owner and Former D.C. Schools Employee Plead Guilty to Carrying Out Fraudulent Billing Scheme Scam Generated More Than \$200,000 Meant for Special-Needs Students**

WASHINGTON – The owner of a tutoring and mentoring business and a former employee of the District of Columbia Public Schools pled guilty today to federal charges for their roles in a scheme to fraudulently bill the school system more than \$200,000 for services that they falsely claimed had been provided to students with special needs.

The guilty pleas were announced by U.S. Attorney Jessie K. Liu, Nancy McNamara, Assistant Director in Charge of the FBI's Washington Field Office, and Inspector General Daniel W. Lucas of the District of Columbia.

John A. Faulkner, Jr., 40, the business owner, and Isaiah Johnson, 38, the former D.C. Public Schools employee, each pled guilty in the U.S. District Court for the District of Columbia to charges of mail fraud and identity theft. Mail fraud carries a statutory maximum of 20 years in prison and identity theft carries up to 15 years. Both charges also carry potential financial penalties. Under federal sentencing guidelines, each defendant faces an estimated range of 33 to 41 months in prison and fines of up to \$75,000. They also must pay a total of \$217,366 in restitution to the District of Columbia Schools. Faulkner also has agreed to pay \$142,866 in a forfeiture money judgment, and Johnson has agreed to pay \$74,500 in a forfeiture money judgment. The Honorable Rudolph Contreras scheduled sentencing for Sept. 11, 2018.

Faulkner and Johnson, both of Baltimore, were indicted on Sept. 14, 2017, and remain free on personal recognizance pending their sentencing hearing.

According to a statement of offense submitted at the time of the pleas, the men carried out a scheme from at least July of 2012 through at least July of 2014 involving fraudulent

invoices submitted to the District of Columbia Public Schools (DCPS) for services purportedly performed under the Compensatory Education Program.

The Compensatory Education Program awards services to eligible students to assist with their educational needs and development. Students awarded compensatory education services have learning, mental, and/or behavioral disabilities that create an educational barrier that prevents them from reaping the full benefits of education. Services consist of tutoring, individualized education, monitoring, speech therapy, occupational therapy, and behavioral and psychological analysis. Once DCPS approves specific services, parents or guardians receive letters specifying the services that can be provided. They also receive a list of independent providers, or vendors.

According to the statement of offense, Faulkner owned a company that in 2011 became eligible to be paid by DCPS as a vendor for tutoring and mentoring services. Johnson was a DCPS compliance case manager who was responsible for notifying parents or guardians, via letters, that their children were entitled to obtain the services of the independent providers. In that role, according to the indictment, Johnson had access to students' names as well as compensatory education letters and the forms used to create those letters.

Faulkner and Johnson created or caused to be created false and fraudulent timesheets purporting to reflect compensatory education services provided to students that had, in fact, not been performed. These documents included the names and, in some instances, the signatures of individuals who purportedly provided services, the DCPS students and the students' parents or guardians. Faulkner and Johnson admitted that they and others used these means of identification without the knowledge or permission of the individuals. Faulkner attached these timesheets to invoices to DCPS. He received payments and distributed a portion of the proceeds to Johnson.

DCPS sent at least \$217,366 in payments for services that never were performed.

In announcing the pleas, U.S. Attorney Liu, Assistant Director in Charge McNamara and Inspector General Lucas commended the work of those who investigated the case from the FBI's Washington Field Office and the District of Columbia Office of the Inspector General. They also acknowledged the efforts of those who worked on the case from the U.S. Attorney's Office, including Assistant U.S. Attorney Diane Lucas; former Assistant U.S. Attorney Teresa A. Howie; Supervisory Paralegal Specialist Tasha Harris, Paralegal Specialists Kristy Penny and Joshua Fein, and former Paralegal Specialist Jessica Mundi. Finally, they commended the work of Assistant U.S. Attorneys Peter C. Lallas and Adrienne Dedjinou, who investigated and prosecuted the case.

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