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PRESS RELEASE

FOR IMMEDIATE RELEASE

Thursday, October 5, 2017

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Business Owner and Former D.C. Schools Employee Accused of Carrying Out Fraudulent Billing Scheme Scam Allegedly 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 have been indicted on federal charges alleging that they conspired 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 indictment was announced today by U.S. Attorney Jessie K. Liu, Andrew Vale, Assistant Director in Charge of the FBI's Washington Field Office, and Daniel W. Lucas, Inspector General for the District of Columbia.

John A. Faulkner, Jr., 39, the business owner, and Isaiah Johnson, 37, the former D.C. Public Schools employee, were each indicted on one count of conspiracy to commit mail fraud, wire fraud, and aggravated identity theft; nine counts of mail fraud; five counts of wire fraud; seven counts of aggravated identity theft, and one count of first-degree fraud. Faulkner also was indicted on two counts of money laundering, and Johnson also was indicted on one count alleging that he engaged in official acts affecting a personal financial interest. The indictment also includes a forfeiture allegation seeking all proceeds of the alleged crimes.

The indictment was returned on Sept. 14, 2017, and unsealed today in the U.S. District Court for the District of Columbia. Faulkner and Johnson, both of Baltimore, Md., pled not guilty today at their first appearances in the U.S. District Court for the District of Columbia. They remain free on personal recognizance pending a status hearing set for Oct. 30, 2017.

The indictment alleges that 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 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 indictment, 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.

The indictment alleges that 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 allegedly 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, Johnson and others used these means of identification without the knowledge or permission of the individuals, the indictment alleges. According to the indictment, Faulkner attached these timesheets to invoices to DCPS. He received payments and distributed a portion of the proceeds to Johnson, the indictment alleges.

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

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until, and unless, proven guilty.

The FBI's Washington Field Office and the District of Columbia Office of the Inspector General are investigating the case. The case is being prosecuted by Assistant U.S. Attorneys Adrienne Dedjinou and Peter C. Lallas, with assistance from Assistant U.S. Attorney Diane Lucas, who is handling forfeiture issues, Supervisory Paralegal Specialist Tasha Harris, and Paralegal Specialists Joshua Fein, Aisha Keys, and Jessica Mundi.