

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INFORMATION

-v.- : 13 Cr. _____

MICHAEL LOGAN, :

Defendant. :

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COUNT ONE

(Conspiracy to Defraud a Federal Program)

The United States Attorney charges:

The Supplemental Educational Services Program

1. At all times relevant to this Information, the U.S. Department of Education ("US DOE") distributed federal funds to States, including New York State, to improve the academic achievement of disadvantaged students (commonly known as "Title I funds"). In New York State, Title I funds were distributed by the US DOE to the New York State Education Department, which in turn allocated the funds to local educational agencies, including the New York City Department of Education ("NYC DOE").

2. At all times relevant to this Information, local educational agencies, including the NYC DOE, were permitted to use the Title I funds allocated to them to pay for, among other things, Supplemental Educational Services ("SES"). SES

included, among other things, after-school tutoring and other remedial and supplemental academic enrichment services.

3. At all times relevant to this Information, the NYC DOE entered into contracts with private entities and organizations to provide SES tutoring to students in New York City public schools. Students in New York City public schools were eligible to receive SES tutoring if they met certain criteria, such as attending a school that was in its second year of being identified as needing improvement or restructuring. SES providers provided tutoring to eligible students either in group classes or through individual tutoring sessions.

4. At all times relevant to this Information, the NYC DOE paid SES providers for each student they tutored with Title I funds. SES providers were required to submit monthly bills to the NYC DOE for payment and to maintain certain records, such as daily student attendance sheets, of students who received tutoring.

Relevant Persons and Entities

5. From in or about 2005 through in or about 2012, TestQuest, Inc. ("TestQuest") was a corporation with its principal offices in New York, New York that provided a variety of educational services, including SES tutoring.

6. From at least in or about 2005 through in or about 2012, TestQuest provided SES tutoring in two ways: pursuant to contracts with the NYC DOE, it provided individual tutoring to students at their homes and it also provided group tutoring at various New York City public schools.

7. From at least in or about 2005 through in or about 2012, TestQuest received tens of millions of dollars for SES tutoring in New York City, including more than \$2.3 million in Title I funds for purportedly providing SES tutoring at two public high schools in the Bronx, New York: the Monroe Academy of Business and Law/High School of World Cultures ("Monroe") and the Global Enterprise Academy/Christopher Columbus High School ("Columbus").

8. In or about the fall of 2012, TestQuest ceased providing SES tutoring and closed its offices.

9. From in or about 2005 through in or about 2012, MICHAEL LOGAN, the defendant, was employed by TestQuest and was responsible for managing TestQuest's SES tutoring program at Monroe and later, at Columbus. At various times relevant to this Information, LOGAN worked at Monroe and Columbus as a substitute teacher and computer technician and has, at times, coached Monroe's baseball team.

The Scheme to Defraud

10. From in or about 2005 through in or about 2012, MICHAEL LOGAN, the defendant, participated in a conspiracy that fraudulently obtained Title I funds by falsely reporting that TestQuest had provided SES tutoring to students when, in fact, no SES tutoring had been provided.

11. In furtherance of the scheme to defraud, TestQuest employees working at Monroe and Columbus repeatedly falsified documents to make it appear that they had provided SES tutoring to students who had not, in fact, received tutoring, causing TestQuest to bill for, and receive, hundreds of thousands of dollars in federal Title I funds to which it was not entitled. For example, during the 2008/2009 academic year at Monroe, TestQuest employees engaged in little or no SES tutoring of Monroe students yet falsified documents to make it appear that they regularly provided SES tutoring, causing TestQuest to bill for, and receive, more than \$200,000 for SES tutoring services.

12. Specifically, and in furtherance of the scheme to defraud, from in or about 2005 through in or about 2012, MICHAEL LOGAN, the defendant, directed and caused other TestQuest employees to falsify student attendance records to make it appear that more students had attended TestQuest's SES program

than had actually attended. LOGAN regularly instructed TestQuest employees, including teachers at Monroe and Columbus who were hired by TestQuest to provide SES tutoring at those schools, to collect signatures of students on attendance sheets regardless of whether those students had received any tutoring. LOGAN further directed TestQuest employees to collect student signatures on attendance sheets for weeks' or a month's worth of tutoring at a time and, if the TestQuest employees could not find students to sign the attendance sheets, to forge the students' signatures themselves. If any TestQuest employees questioned LOGAN's instructions, he would make statements such as, in substance, "this is how we get paid."

Statutory Allegations

13. From in or about 2005, up to and including in or about 2012, in the Southern District of New York and elsewhere, MICHAEL LOGAN, the defendant, together with others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to defraud the United States, or an agency thereof, to wit, LOGAN, while employed by TestQuest, conspired with others to falsify attendance records to make it appear that more students had received afterschool tutoring at two public high schools in the Bronx, New York, than had, in fact, received tutoring, so that

TestQuest could bill for and obtain more federal funds than it was entitled to receive from the US DOE.

Overt Acts

14. In furtherance of this conspiracy, and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. In or about 2005 or in or about 2006, MICHAEL LOGAN, the defendant, advised an individual ("Tutor-1") to falsely claim that Tutor-1 had provided afterschool tutoring in English to students at a public high school in the Bronx, New York.

b. From at least in or about the 2009/2010 academic year through in or about the 2010/2011 academic year, Tutor-1 falsely claimed to provide afterschool tutoring in English at a public high school in the Bronx, New York, when Tutor-1 had not, in fact, provided any tutoring services.

c. In or about the 2008/2009 academic year, LOGAN instructed several individuals ("Tutor-2," "Aide-1," and "Aide-2") and others to cause students at a public high school in the Bronx, New York, who had not received any afterschool tutoring to sign attendance forms falsely claiming that they had, in fact, received such tutoring.

d. In or about the 2008/2009 academic year, Tutor-2, Aide-1, Aide-2, and others caused students at a public high school in the Bronx, New York, who had not received any afterschool tutoring to sign attendance forms falsely claiming that they had, in fact, received such tutoring.

e. From in or about the 2005/2006 academic year through in or about the 2011/2012 academic year, LOGAN caused to be delivered to TestQuest's offices in New York, New York, attendance records that falsely showed that more students had received afterschool tutoring at public high schools in the Bronx, New York, than had, in fact, received such tutoring.

(Title 18, United States Code, Section 371.)

FORFEITURE ALLEGATION

15. As the result of committing the offense alleged in Count One of this Information, MICHAEL LOGAN, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. §§ 981, 982, and 2461, all property, real and personal, that constitutes or is derived, directly and indirectly, from gross proceeds traceable to the commission of the offenses, including a sum of United States currency representing the amount of proceeds obtained as a result of the offense.

Substitute Assets Provision

16. If any of the above-described forfeitable property, as a result of any act or omission of MICHAEL LOGAN, the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

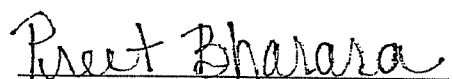
c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value;
or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981, 982, & 2461.)


PREET BHARARA
United States Attorney

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(Title 18, United States Code, Section
371)

PREET BHARARA
United States Attorney.
