



***United States Attorney  
Southern District of New York***

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**FOR IMMEDIATE RELEASE  
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**FORMER EXECUTIVE DIRECTOR OF CHARITY CHARGED WITH  
DEFRAUDING THE CHARITY OF OVER \$90,000**

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York, and RONALD J. VERROCHIO, Inspector-in-Charge of the New York Office of the United States Postal Inspection Service ("USPIS"), announced today the charges against THOMAS M. KELLY, the former Executive Director of Community for Education Foundation ("CEF"), a New York based charity, in connection with two schemes to defraud CEF of over \$90,000. According to the Complaint in Manhattan federal court:

CEF is a non-profit corporation that was founded in 1992. CEF's purpose is to assist children ages five to 18 years with the development of life management skills like the ability to communicate effectively, set goals, and make decisions. To do this, CEF provides curriculum materials, training, and support to public schools throughout the United States.

KELLY was employed as CEF's Executive Director from 2005 until he was fired on or about March 31, 2008. As Executive Director, KELLY was responsible for CEF's day-to-day management, including supervision of its finances and the sales of its educational products and services to school districts nationwide. KELLY reported to CEF's founder and Chairman of the Board (the "Founder") and to CEF's Board of Directors (the "Board").

KELLY engaged in two schemes to defraud CEF out of over \$90,000. As a part of the first scheme, KELLY established an entity known as "Downtown Jersey City Scholarship Fund" ("DJCSF")

which he falsely represented was a part of CEF. KELLY then used DJCSF to solicit and receive donations totaling approximately \$52,481 that KELLY deposited into a bank account that he opened in the name of "Community for Education Foundation/Downtown JC Scholarship Fund" (the "DJCSF Account"). KELLY then diverted much of the donated money to his personal use.

The second scheme involved the diversion by KELLY of approximately \$53,100 that a public school district outside of New York State (the "School District") paid to CEF for certain educational materials. In October 2007, the School District placed an order for CEF's curriculum materials to use in schools within School District. KELLY never reported the School District's order to the Founder and the Board, but instead provided the School District with instructions to wire payment into the DJCSF Account he controlled rather than to CEF's legitimate checking account. In January 2008, the School District wired approximately \$44,100 into the DJCSF Account. In addition, KELLY deposited a \$9,000 check sent by the School District into the DJCSF Account.

A total of approximately \$117,159 was deposited into the DJCSF Account. Of this amount, KELLY withdrew approximately \$46,500 in checks made payable to himself and diverted an additional approximately \$45,000 by issuing a check to an acquaintance.

KELLY is charged with one count of mail fraud and one count of wire fraud. KELLY, 51, a resident of Jersey City, New Jersey, faces a total maximum sentence of 40 years' imprisonment if convicted.

KELLY surrendered to the USPIS this morning and will be presented later today in Manhattan federal court before United

Mr. GARCIA praised the work of the USPIS and said the investigation is continuing.

This case is being prosecuted by the Office's Major Crimes Unit. Assistant United States Attorney JOSEPH P. FACCIPONTI is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

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