



**U.S. Department of Justice**

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FOR IMMEDIATE RELEASE

September 25, 2008

**VO-TECH SCHOOL EMPLOYEES CHARGED WITH DEFRAUDING  
DEPARTMENT OF EDUCATION**

PHILADELPHIA – Acting United States Attorney Laurie Magid today announced the filing of a six-count indictment<sup>1</sup> charging James Mannion, Carla Waltman, and Delbert Woodward, a/k/a “Chip,” with conspiracy in their operation of the Harrison Career Institute (“HCI”) schools. Mannion is also charged with five counts of making false statements to the United States Department of Education.

HCI is a for-profit, proprietary school offering courses in the business and medical fields at various locations in Pennsylvania, Maryland, New Jersey and Delaware. HCI received millions of dollars yearly in Title IV funds from the United States Department of Education in the form of loans and grants for its students. HCI was obligated to maintain accurate student files for those students receiving federal funds and to timely refund to the United States Department of Education any unused funds. The indictment charges that from October 2001 through August 2005, the defendants, all of whom were employees of HCI, engaged in a conspiracy to falsify documents to the United States Department of Education. Specifically, according to the indictment, defendants fabricated or directed others to fabricate leave of absence requests for the purpose of making a late refund owed to the United States Department of Education appear timely. Further, the indictment alleges that defendants fabricated or directed others to fabricate verification worksheets and accompanying tax reports and documents, which the United States Department of Education required to ensure a student’s eligibility for student loans and grants. The indictment alleges that when these documents were fabricated, the defendants forged or directed others to forge student signatures on these documents without the students’ knowledge or consent. The indictment also claims that defendants fabricated these documents on a regular basis, and prior to audits conducted by an independent auditor and by the United States Department of Education.

**INFORMATION REGARDING THE DEFENDANTS**

| NAME             | ADDRESS          | AGE          |
|------------------|------------------|--------------|
| James Mannion    | Palm Harbor, FL  | 61 years old |
| Carla Waltman    | Scranton, PA     | 44 years old |
| Delbert Woodward | Germansville, PA | 50 years old |

<sup>1</sup> An indictment or information is an accusation. A defendant is presumed innocent unless and until proven guilty.

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If convicted of all charges, Mannion faces a maximum sentence of 30 years in prison, a \$1.5 million fine, five years supervised release, and a \$600 special assessment; Waltman and Woodward face a maximum possible sentence of five years imprisonment, five years supervised release, a \$250,000 fine, and a \$100 special assessment.

The case was investigated by the United States Department of Education Office of Inspector General, and is being prosecuted by Assistant United States Attorney Denise S. Wolf.

HCI was headquartered in Voorhees, New Jersey. It operated approximately 14 schools in New Jersey, Pennsylvania, Delaware, and Maryland.

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