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For Immediate Release

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FORMER CEO OF CHARTER SCHOOL SENTENCED TO 37 MONTHS ON FRAUD, THEFT AND TAX CHARGES

PHILADELPHIA - Kevin O'Shea, 50, of Philadelphia, was sentenced today to 37 months in prison for mail fraud, theft from a federally funded program, and filing a false tax return. At the time of the crimes, O'Shea's was working for and defrauding the Philadelphia Academy Charter School ("PACS"), announced United States Attorney Michael L. Levy.

In July 2009, O'Shea entered a guilty plea admitting that he stole between \$400,000 and \$1 million from PACS by: (1) using approximately \$710,000 in PACS' funds to purchase a building in the name of his purported non-profit business; (2) demanding kickbacks from PACS vendors; (3) submitting for reimbursement at least \$40,000 in fraudulent invoices for personal meals, entertainment, home improvements, and gas and telephone bills; (4) having approximately \$50,000 worth of home repairs improperly billed to PACS; (5) collecting approximately \$34,000 in rent from entities using PACS facilities; and (6) hiring a computer firm in an attempt to destroy computer evidence to obstruct this investigation. O'Shea also admitted to filing a false tax return for 2006.

In addition to the prison term, U.S. District Court Judge Eduardo C. Robreno ordered O'Shea to pay restitution in the amount of \$900,000, to forfeit \$500,000, and pay a \$1,000 fine. O'Shea must report to prison by December 7, 2009.

The case was investigated by the United States Department of Education Office of Inspector General, the Federal Bureau of Investigation, and the Internal Revenue Service Criminal Investigation Division. The School District of Philadelphia's Office of Inspector General assisted in the investigation. It was prosecuted by Assistant United States Attorney Derek A. Cohen.

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