

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **DATE: August 22, 2011**

v. : **CRIMINAL NO.: 11-**

WILLIAM MACKEY : **VIOLATIONS:**
: **18 U.S.C. §§ 1343, 1349 (wire fraud– 1**
: **count)**
: **18 U.S.C. § 2 (aiding and abetting)**
: **Notice of forfeiture**

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

Background

1. Defendant WILLIAM MACKEY was a long-time resident of Philadelphia who represented himself to be a community activist and organizer.
2. Defendant WILLIAM MACKEY operated various not-for-profit organizations for youth in and around North Philadelphia. Among these were the City-Wide Youth Leadership Agency (sometimes referred to as “City-Wide” or “CWYLA”) and the Philadelphia Youth Crime Commission. He also claimed to be an executive of the City Wide Improvement and Planning Agency and City Wide Project Reach 2000.
3. At all times relevant to this information, defendant WILLIAM MACKEY was the Executive Director of City-Wide, a federally-qualified tax-exempt organization.
4. City-Wide purported to be headquartered at various locations, including 1352 W. Girard Avenue, 2nd floor, Philadelphia, and a trailer at 900 Cecil B. Moore Avenue, and to operate its programs not only at its headquarters, but also at William Penn High

School, a public high school at 1333 North Broad Street, Philadelphia, in the same neighborhood as City-Wide's headquarters.

5. The City of Philadelphia funded and or operated a variety of programs which in turn managed the direct delivery of services by third parties to children within the City who were at risk of dropping out of school, of becoming delinquent, or who could benefit from adult supervision and cultural enrichment programs.

6. City-Wide was a long-standing recipient of publicly-funded grants for the provision of such services to children in North Philadelphia (the "Grants" or "Grant").

7. In fiscal years identified below, on defendant WILLIAM MACKEY'S applications, City-Wide received:

a. For the Fiscal Year 2006, ending June 30, 2006, a grant of \$110,000 from the City's Department of Human Services;

b. For the Fiscal Year 2007, ending June 30, 2007, a grant of \$160,000 from the City's Department of Human Services;

c. For the Fiscal Year 2008, ending June 30, 2008, a grant of \$160,000 from the City's Department of Human Services.

d. For July and August 2008, a grant of \$28,800 from the City's Department of Human Services.

8. The City of Philadelphia required that Grant applications include a specific budget for personnel and the purchase of particular goods and services. Expenditures of Grant funds had to be in compliance with the pre-approved budget. Grant funds could not be used for

non-budgeted items, including the payment of prior obligations, regardless of their nature. The Commonwealth of Pennsylvania also had grant programs with the same conditions for which defendant WILLIAM MACKEY applied. Accordingly, as defendant MACKEY knew, he could not legitimately promise to pay for goods and services with funds from a future grant.

9. The City directly funded some grant recipients; some it funded through “fiscal agents.” Fiscal agents were used when the funding agency determined that the grant recipient did not have the financial staff or expertise to manage its expenditures of approved grant budgets or where there was a history of improper spending of grant funds for unapproved purposes. Where there were fiscal agents, the grant recipient was responsible for the management and delivery of the funded programs and services, but the disbursements of Grant funds to personnel and authorized vendors or other third parties could only be made by the designated fiscal agent, to whom the City wired the Grant monies. The fiscal agents were paid a fee of approximately 10 percent for their services.

10. At all times relevant to this information, City-Wide’s grants were funded through fiscal agents, each of which managed the relevant funds in conformity with its own internal practices:

a. Prior to June 30, 2005, the Greater Philadelphia Urban Affairs Coalition (“GPUAC”) was City-Wide’s fiscal agent. During that period, City-Wide was functionally a subsidiary of GPUAC and defendant WILLIAM MACKEY and his staff were employees of GPUAC. GPUAC required that defendant MACKEY follow exactly the Grant-funded program and required prior approval of all expenditures and commitments for expenditures. When MACKEY failed to meet these requirements, GPUAC refused to continue

to work as the fiscal agent of MACKEY and City-Wide in approximately June 2005. Mackey and the City-Wide staff was dropped from GPUAC's organization and payroll.

b. For the period of approximately June 2005 through June 2006 the Urban League of Philadelphia was approved and functioned as City-Wide's fiscal agent. With the Urban League, City-Wide was an independent entity for which the Urban League established a separate bank account. The Urban league terminated its relationship with defendant WILLIAM MACKEY and City-Wide, after it determined that defendant MACKEY orchestrated the fraudulent withdrawal and disbursement of 14 unauthorized checks written on the Urban League's City-Wide Grant account and that MACKEY would not limit his expenditures to those that had been approved in the Grant.

c. In November 2006, Genesis II agreed to be the fiscal agent for defendant WILLIAM MACKEY'S City-Wide organization. Genesis II also had difficulty controlling or limiting defendant MACKEY'S use of the grant funds as allocated. In June 2008, after experiencing difficulties with City-Wide, including its issuance of checks payable to vendors and entities represented to be City-Wide vendors, that were cashed and used by MACKEY or his staff personally, Genesis II severed its relationship with City-Wide.

d. For a contract period from July 1, 2008 through August 30, 2008, the North Philadelphia Financial Partnership (NFPF) agreed to serve as City-Wide's fiscal agent in the disbursement of a Grant of \$28,800. NFPF deposited City-Wide's Grant funds into its general account and disbursed the funds primarily through its payroll contractor, Paychex. After the end of this period, when NFPF was no longer City-Wide's fiscal agent, defendant WILLIAM MACKEY fraudulently continued to get cash from the NFPF account when he directed Paychex

to send checks from NPFP to him and to his City-Wide staff.

11. Thereafter, defendant WILLIAM MACKEY took various steps to attempt to keep City-Wide functioning and to get money, but there were no further grants and therefore no other fiscal agents appointed.

THE SCHEME

12. On or about the dates below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

WILLIAM MACKEY

knowingly executed, attempted to execute, and aided and abetted execution of a scheme to defraud Grant providers, individuals, companies, check-cashers, fiscal agents, banks, and others and to obtain monies, property and services by false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

13. Defendant WILLIAM MACKEY obtained money, goods, and services that were unauthorized by the various City-Wide approved grants by evading the protections put in place through the use of fiscal agents. To the extent he could, defendant MACKEY ignored and evaded the budgetary restraints imposed by the Grant process and the administering fiscal agents to use the Grant funds however he saw fit. When Grant funds were unavailable, either because of the imposed restraints or they were exhausted, MACKEY obtained money, goods, or services, by theft, false and fraudulent representations, deception, and forgery.

14. In furtherance of the defendant's fraudulent scheme to obtain money,

goods and services defendant WILLIAM MACKEY unlawfully did the following:

A. In or about March 2006, defendant WILLIAM MACKEY stole approximately \$15,740 from the Urban League by means of unauthorized checks written to himself and others drawn on the Urban League's account at Wachovia Bank.

B. In or about February 2007, defendant WILLIAM MACKEY, knowing that neither he nor City-Wide had any right to the money, stole \$24,000 from the School District of Philadelphia by cashing a check payable to GPUAC that had been mistakenly mailed to City-Wide.

C. In or about May 2007, defendant WILLIAM MACKEY stole approximately \$4,400 in grant funds by misappropriating and then personally cashing three checks issued by Genesis II to pay for goods and services defendant MACKEY represented had been provided by vendors to City-Wide.

D. In or about March 2008, defendant WILLIAM MACKEY counterfeited, forged and cashed or aided and abetted the counterfeiting, forging and cashing of five counterfeit International Brotherhood of Electrical Workers (IBEW) checks, fraudulently made payable to City-Wide and others, in the total amount of \$19,250.

E. In November 2008, defendant WILLIAM MACKEY stole money from NFPF by fraudulently directing Paychex, to issue over \$34,000 in checks on NFPF's account to City-Wide employees and others.

F. In December 2008, defendant WILLIAM MACKEY opened an account for City Wide Project Reach 2000 at Third Federal Bank with a single deposit of \$50. There were no further deposits and the account was closed on December 17, 2008. In December

2008, defendant MACKEY opened a City-Wide account with Paychex and attempted to steal over \$34,000 by repeatedly directing Paychex to issue checks to City-Wide employees and others drawn from the Third Federal Bank account MACKEY knew was underfunded and then closed.

G. From in or about February 2007 to in or about July 2009, defendant WILLIAM MACKEY, fraudulently induced vendors to provide goods and services worth a total of approximately \$46,000 to City-Wide knowing that neither he nor City-Wide had the money to pay for these goods or services by writing checks on closed or fictitious checking accounts, and by promising payment from future grant funds after the checks bounced.

15. Between in or about 2006 and in or about 2009, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, for the purpose of executing the scheme described above, attempting to do so, and aiding and abetting its execution, defendant WILLIAM MACKEY transmitted and caused to be transmitted by means of wire communications in interstate commerce signals and sounds, that is, negotiated, attempted and aided and abetted the negotiation of fraudulent checks and wire transfers in the amount of approximately \$157,000 and caused losses in excess of approximately \$180,000, in furtherance of his scheme.

16. In or about February 2007, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

WILLIAM MACKEY,

having designed a scheme to defraud individuals, companies, check-cashers, fiscal agents, banks, and others and to obtain money and property by means of false and fraudulent pretenses,

representations, and promises, for the purpose of executing the scheme to defraud, and attempting to do so, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the following signals and sounds: an electronic communication clearing a check in the amount of \$24,000 drawn on the account of the Philadelphia School District made payable to GPUAC, but cashed by defendant MACKEY at Liberty Check Cashing located at 520 West Girard Avenue, Philadelphia.

All in violation of Title 18, United States Code, Sections 1343, 1349 and 2.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violation of Title 18, United States Code, Section 1343, set forth in Count One of this information, defendant

WILLIAM MACKEY

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds obtained directly or indirectly from the commission of such offense(s), including, but not limited to, the sum of \$ 180,000, and;

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (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 divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United
Section 981(a).

ZANE DAVID MEMEGER
United States Attorney