

JUDGE CARTER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INFORMATION

-v.- : ~~13~~ Cr. _____

EDWIN GUZMAN, :

14 CRIM011

Defendant. :

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COUNT ONE
(Conspiracy to Make False Statements)

USDC SDNY
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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 required 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 – exclusively with Title I funds – for each student they tutored. SES providers were required to submit monthly bills to the NYC DOE for payment and to maintain certain records of students who received tutoring. Among the records that SES providers were required to maintain were student sign-in sheets for each day's SES classes ("daily student attendance sheets"). The daily student attendance sheets were used to calculate the amount of Title I funds that SES providers would be paid for providing SES tutoring.

5. At all times relevant to this Information, the NYC DOE required SES providers to have each student who attended

an SES class sign a daily student attendance sheet. The NYC DOE also required that the tutor for each SES class and a supervisor from the SES provider sign each daily student attendance sheet in a section titled "Instructor & Supervisor Certification." The following language was pre-printed on each daily student attendance sheet immediately above where the tutor and the supervisor were required to sign: "I hereby certify that I have provided supplemental educational services to the above named students on the date indicated herein. I understand that when completed and filed, this form becomes a record of the Department of Education and that any material misrepresentation may subject me to criminal, civil, and/or administrative action."

Relevant Persons and Entities

6. From at least in or about 2008 through in or about 2012, a corporation headquartered in California provided a variety of educational services, including SES tutoring (the "Educational Services Company").

7. From at least in or about 2008 through in or about 2012, the Educational Services Company provided SES tutoring at New York City public schools pursuant to contracts with the NYC DOE, and maintained an office in New York, New York, to manage its SES business in the New York City area.

8. During the 2011/2012 academic year, the Educational Services Company's New York City SES division received approximately \$9.5 million in Title I funds.

9. During the 2011/2012 academic year, the Educational Services Company maintained a hierarchy of positions within its New York City SES division:

a. Employees with the title "Site Manager" were assigned to oversee the Educational Services Company's SES program in one or more schools, supervising other employees, known as "Site Aides," who were also assigned to those schools. Among other things, Site Managers were responsible for signing the "Instructor & Supervisor Certification" on the daily student attendance sheets, and thus certifying the accuracy of the sheets for the Educational Services Company's SES classes at each school.

b. Employees with the title "Director" supervised the Site Managers. The Directors reported to an Executive Director, who was the head of the Educational Services Company's New York City SES program.

10. During the 2011/2012 academic year, EDWIN GUZMAN, the defendant, resided in New York, New York, and was employed by the Educational Services Company's New York City SES division.

The Scheme to Submit False Attendance Records

11. During the 2011/2012 academic year, EDWIN GUZMAN, the defendant, participated in a conspiracy to submit false attendance records claiming that the Educational Services Company had provided SES tutoring to students when, in fact, no SES tutoring had been provided, thereby enabling the Educational Services Company to obtain Title I funds to which it was not entitled.

12. In particular, employees of the Educational Services Company's New York City SES division, including EDWIN GUZMAN, the defendant, falsified documents, including daily student attendance sheets, to make it appear that the Educational Services Company had provided SES tutoring to students who had not, in fact, received such tutoring. The falsified daily student attendance sheets were used by the Educational Services Company to bill the NYC DOE for SES tutoring, resulting in the NYC DOE paying in excess of \$1 million in Title I funds to the Educational Services Company for SES tutoring that it had not provided.

13. During the 2011/2012 academic year, EDWIN GUZMAN, the defendant, was a Site Manager responsible for supervising the Educational Services Company's SES tutoring at New York City

public schools, including two schools in New York, New York ("School-1" and "School-2").

14. During the 2011/2012 academic year, EDWIN GUZMAN, the defendant, falsified attendance records for the Educational Services Company's SES classes at School-1 and School-2, to make it appear that more students had attended the Educational Services Company's SES classes than had actually attended. GUZMAN also instructed Site Aides to falsify attendance records for the Educational Services Company's SES classes at School-1 and School-2, to reflect that more students had attended the SES classes than had actually been present. GUZMAN routinely signed daily student attendance sheets in the section titled "Instructor & Supervisor Certification" – thereby certifying that SES tutoring had been provided to all of the students whose names appeared on the sheets – even though he knew that SES tutoring had not been provided to many of the students listed on the sheets he signed.

Statutory Allegations

15. From in or about 2011, up to and including in or about 2012, in the Southern District of New York and elsewhere, EDWIN GUZMAN, the defendant, together with others known and unknown, willfully and knowingly did combine, conspire,

confederate, and agree together and with each other to violate Title 18, United States Code, Section 1001.

16. It was a part and an object of the conspiracy that EDWIN GUZMAN, the defendant, and others known and unknown, in a matter within the jurisdiction of the executive branch of the Government of the United States, to wit, the United States Department of Education, willfully and knowingly, would and did falsify, conceal, and cover up by a trick, scheme, and device a material fact, and make materially false, fictitious, and fraudulent statements and representations, and make and use a false writing and document knowing the same to contain a materially false, fictitious, and fraudulent statement and entry, to wit, GUZMAN, while employed by the Educational Services Company, conspired with others to falsify attendance records, including by executing false "Instructor & Supervisor Certifications" on daily student attendance sheets, to make it appear that more students had received after-school tutoring at two public schools in New York, New York – School-1 and School-2 – than had, in fact, received such tutoring, enabling the Educational Services Company to bill for and obtain more Title I funds for its after-school tutoring program than it was entitled to receive.

Overt Acts

17. In furtherance of the 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. From in or about 2011 through in or about 2012, EDWIN GUZMAN, the defendant, forged student signatures on daily student attendance sheets for the Educational Services Company's SES classes at two public schools in New York, New York – School-1 and School-2 – to make it appear that more students had attended the classes than had in fact attended.



b. From in or about 2011 through in or about 2012, GUZMAN instructed Site Aides to forge student signatures on daily student attendance sheets for the Educational Services Company's SES classes at two public schools in New York, New York – School-1 and School-2 – to make it appear that more students had attended the classes than had in fact attended.

c. From in or about 2011 through in or about 2012, GUZMAN routinely signed the "Instructor & Supervisor Certifications" on daily student attendance sheets, falsely certifying that after-school tutoring had been provided to all of the students whose purported signatures appeared on the

sheets, even though he knew that tutoring had not been provided to many of those students.

d. From in or about 2011 through in or about 2012, GUZMAN regularly caused to be delivered to the Educational Services Company's offices in New York, New York, daily student attendance sheets that falsely showed that more students had received after-school tutoring at the Educational Services Company's SES classes than had in fact received such tutoring.

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


PREET BHARARA 
United States Attorney

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(Title 18, United States Code, Section
371)

PREET BHARARA
United States Attorney.
