

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

*

CRIMINAL NO. 15-xxx

v.

*

SECTION: "--"

KIM R. CASSELL

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* * *

FACTUAL BASIS

The above-named defendant, **KIM R. CASSELL**, has agreed to plead guilty to Count One of the Bill of Information now pending against her. Should this matter have gone to trial, the United States of America would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimonial, physical and demonstrative evidence, the following facts to support the allegations against the defendant, **KIM R. CASSELL**:

Unless stated otherwise, all of the facts set forth herein occurred within the Eastern District of Louisiana.

COUNT 1: THEFT FROM A PROGRAM RECEIVING FEDERAL FUNDS

During the relevant period outlined in the Bill of Information, the United States Department of Education was an agency and department of the United States that awarded federally funded grants to state and local governments, and other non-governmental organizations across the country to implement educationally based programs. One of these grant programs was called 21st Century Community Learning Centers grant ("CCLC"), which was administered by the Department of Education in each respective state. In Louisiana, the Louisiana Department of Education administered and disbursed the CCLC funds on a

reimbursement basis to qualifying programs, agencies, and organizations. The CCLC program supports community learning centers in an effort to provide academic enrichment opportunities for students who attend high poverty and low performing schools.

From approximately in or around August 2003 until June of 2012, the defendant, **KIM R. CASSELL**, established Open World Services, Inc. ("Open World") as a non-profit 501(c)(3) charitable corporation to help students in New Orleans grow academically. In the years 2009 through 2012, starting January 1 and ending December 31, Open World received in excess of \$10,000 in a one year period from a federally funded grant to implement qualifying educational programs in the Eastern District of Louisiana. Specifically, from January 2009 through June 2012, when Open World voluntarily dissolved, it received approximately \$1,293,300 from the CCLC program.

From approximately in or around August 2003 until June of 2012, **KIM R. CASSELL** served as the Executive Director of Open World, responsible for applying for grant funding, overseeing the submission of receipts and invoices for reimbursement, payroll, outreach to New Orleans students, and developing educational programming.

From in or around June 2009 through in or around June 2012, Open World received CCLC funds on a "cost reimbursement basis." A cost reimbursement basis means that the CCLC program required Open World to submit bimonthly reimbursement requests based on actual expenditures, and list amounts paid to vendors, including the check number, amount and date each check was issued.

CCLC program rules prohibited grant recipients from spending CCLC funds on personal expenditures that did not directly benefit the program or program participants.

From in or around June 2009 through in or around June 2012, the defendant, **KIM R. CASSELL**, requested reimbursements from the CCLC program for expenses that Open World did not incur and used those federal funds for other purposes, including for personal travel expenses, veterinary care for a family pet, and to benefit friends and relatives unrelated to Open World or CCLC program goals.

In order to obtain these reimbursements from CCLC, **KIM R. CASSELL** knowingly and intentionally devised a scheme of falsifying invoices, spread-sheets, and other supporting documents to defraud the administrators of the CCLC funds into disbursing money to Open World for expenses that Open World did not incur, and which **KIM R. CASSELL** used for her own personal benefit.

Reimbursement Fraud

Open World's requests for reimbursement listed 129 specific checks (all payable to vendors) totaling \$221,624; however, approximately 55 checks totaling \$116,323 were either not issued to any vendor or not cashed by the vendor. To obtain those checks from the CCLC program, the defendant, **KIM R. CASSELL**, knowingly and intentionally submitted fraudulent invoices and/or supporting documents, thereby concealing the fact that the money was actually spent for other non-approved, and/or personal purposes.

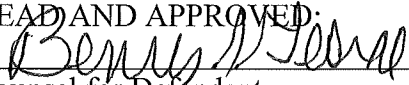
CCLC funds for personal benefit

From in or around June 2009 through in or around June 2012 the defendant, **KIM R. CASSELL**, among other things, used CCLC funds for her personal benefit or to benefit friends and family. For example, knowing that CCLC funds could not be used for personal purposes, **KIM R. CASSELL** used the money to purchase phone cards, MoneyGrams, make ATM

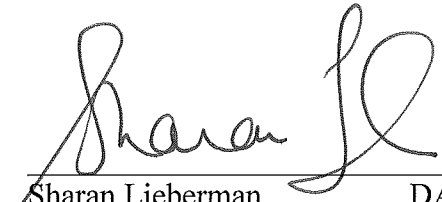
withdrawals, take personal trips to Minnesota and Monrovia, Liberia, pay veterinary bills and homeowners insurance, and loan herself and others money.

The defendant, **KIM R. CASSELL**, agrees and admits that she stole approximately \$149,666.04 during her employment as Executive Director of Open World. She further agrees that the information herein is not all the information known or known to her about her fraudulent conduct, but that this Factual Basis alleges sufficient facts to support the offense charged in Count 1 of the Bill of Information.


READ AND APPROVED:


Counsel for Defendant
Benny George

12 MAR. 2015
DATE


Sharan Lieberman
Assistant United States Attorney

3/12/15
DATE


Kim R. Cassell
Defendant

12/March 2015
DATE