

**CHESTER COUNTY
18TH INVESTIGATING
GRAND JURY'S REPORT RE:
COATESVILLE AREA
SCHOOL DISTRICT**

Date: December 3, 2014

IN THE COURT OF COMMON PLEAS OF CHESTER COUNTY

IN RE: : IN THE COURT OF COMMON PLEAS
THE 18TH INVESTIGATING : CHESTER COUNTY
GRAND JURY : No. 874 MISC 2013

REPORT

TO THE HONORABLE ANNE MARIE WHEATCRAFT, SUPERVISING JUDGE OF THE
CHESTER COUNTY INVESTIGATING GRAND JURY:

We, the 18th Chester County Investigating Grand Jury, duly impaneled pursuant to the Investigating Grand Jury Act, 42 Pa.C.S. §4541, *et. seq.*, and duly charged to investigate the Coatesville Area School District, have obtained knowledge of such matters from evidence presented and witnesses sworn by the Court and testifying before us. We make the following findings of fact upon proof by a preponderance of the evidence, and issue the following recommendations for legislative, executive, or administrative action in the public interest. So finding, with no fewer than twelve concurring, we hereby make this report to the Court.

DATE

FOREPERSON
18TH CHESTER COUNTY
INVESTIGATING GRAND JURY

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I. INTRODUCTION

This investigation is about the greed of adults and the tears of school children. This investigation is also about a school board who enabled this greed and caused these tears through sheer negligence, asleep at the wheel of the school district that they were supposed to be directing.

The greed of adults refers to the senior administration and solicitor for the Coatesville Area School District (“CASD” or the “District”). The superintendent of CASD, his associates, and the CASD solicitor ran the school district as if it was their own personal fiefdom. Money was stolen and misdirected, felons were hired, enormous legal bills were incurred, cronyism and nepotism ran rampant, and at times it appeared that the school district was built around the best interests of the football team, like the worst outlaw NCAA football programs of the past.

Meanwhile, the Coatesville Area School Board (the “Board”) vacillated between apathy and ignorance. The Board appeared perfectly happy to see money disappearing at an alarming rate every year without asking any questions. Some Board members managed to get relatives hired at the school district. Mostly, the Board appeared blissfully ignorant of what was going on in the school district that they were sworn to represent. Then, when a racist texting scandal erupted, the Board consistently responded with a course of action that defied logic, common sense, and the best interests of the students.

The tears of school children refers to the students at CASD, who are the true victims here. CASD is the poorest school district in Chester County and consistently ranks substandard in academic rankings. But instead of spending money on teachers and materials to help the students at CASD, the senior administration and Board spent their time and the school district’s money dreaming up new ways to amuse and enrich themselves. The tragedy of this case is that the greed of the senior administrators and the apathy of the Board has deprived children of a fair shot at a good education, one of the bedrocks of the American way of life.

II. SUMMARY

The Chester County District Attorney’s Office (“the DAO”) began investigating the Coatesville Area School District in June of 2013, when a number of past and present CASD employees brought concerns to the DAO regarding Superintendent Richard Como and his management of CASD. These concerns included allegations of financial mismanagement and

fraud, inappropriate hiring and nepotism, misuse of district funds and district property, and outright theft. Additionally, these individuals raised concerns about the CASD Solicitor James Ellison. The reports also expressed a broader concern that Como was “untouchable” because he “controlled” the Coatesville Area School Board (the “Board”).

On August 22, 2013, while this investigation was still in its preliminary stages, District Attorney Tom Hogan received a call from Rev. Sherry Crompton Deets¹ alerting him to the existence of a CASD issued cell phone which allegedly contained a large number of racist, sexist, and otherwise offensive text messages exchanged between Como and CASD Athletic Director James Donato, as well as text messages related to the theft of money. The discovery of these text messages, and more importantly, the Board and the Solicitor’s response to this discovery, catapulted the DAO’s investigation to public attention and led to the empanelling of this Grand Jury.

The Board’s response to the discovery of these text messages and its subsequent conduct during the course of the Grand Jury’s investigation validated many of the concerns initially raised by the people reporting information to the DAO. Throughout the text messaging scandal, the Board demonstrated a consistent pattern of abdication of responsibility to others, a complete failure to investigate independently the serious concerns raised by the public and the DAO, a gross waste and misuse of public resources, and a troubling instinct to deliberately operate in the shadows, intentionally hiding facts from and deceiving the public it was supposed to serve.

The Board’s actions in response to the text messaging scandal are emblematic of its overall leadership and management of the District. This investigation revealed a dysfunctional school district governed by a hands-off, apathetic Board. This dysfunction and apathy led to gross waste and mismanagement and allowed outright criminal conduct to go undetected and unpunished.

This report will describe and outline the criminal conduct of former CASD Superintendent Richard Como and Athletic Director James Donato that this investigation uncovered, as well as the Grand Jury’s recommendations for criminal charges which should be brought against them. Further, it will address the potential criminal conduct of James Ellison, which the Coatesville Area School Board’s actions have prevented the Grand Jury from

¹ Rev. Deets is the Rector of the Episcopal Church of the Trinity in Coatesville, PA. Rev. Deets and District Attorney Hogan know each other from prior work in the community.

effectively investigating to date. Finally, this report will detail the examples of gross waste and mismanagement the investigation discovered and lay out the Grand Jury's recommendations of policy changes necessary to help prevent similar waste, mismanagement, and misconduct from occurring in other school districts or reoccurring in CASD.

III. BACKGROUND

In this section, the Grand Jury describes background information about the CASD and the Board. The Grand Jury also provides biographical information about Superintendent Como, Athletic Director Donato, and Solicitor Ellison.

A. The Coatesville Area School District

The CASD is the poorest and most racially diverse school district in Chester County. The CASD is located in the northwestern corner of Chester County and covers approximately 75 square miles. It is comprised of nine municipalities: the City of Coatesville; Caln, East Fallowfield, Sadsbury, Valley, West Brandywine, and West Caln townships; and the boroughs of South Coatesville and Modena.

Encompassing both densely populated urban areas as well as rural farm communities, the District is racially, economically, and geographically diverse. Over fifty percent (50%) of the student population are racial or ethnic minorities, and over fifty-five percent (55%) qualify economically for the federal lunch assistance program.

With a yearly operating budget of over \$140 million, the CASD employs over 900 people and educates over 7,000 students in eleven buildings. The District operates six elementary schools (Caln, East Fallowfield, Kings Highway, Reeceville, Rainbow, and Friendship); three middle schools (North Brandywine, South Brandywine, and Scott); and the Coatesville Area Senior High School ("CASH"), which is split into two separate buildings (the 9/10 Center and 11/12 Center,) collectively referred to as the "Campus." In addition, the CASD has an Alternative Education Center which operates out of the Administration Building, located at 545 East Lincoln Highway, Coatesville, Pennsylvania.

The poorest school district in Chester County, the District's financial position has deteriorated steadily since 2006, with its General Fund balance decreasing yearly. According to both its own auditors and a March 2014 audit performed by the Pennsylvania Auditor General, the District's deteriorating financial position is due primarily to its inability to contain spending

within the confines of its budget. The District consistently underestimates expenditures in the budgeting processing. Meanwhile, the District has increased taxes every year since 2009.

As a result of this persistent structural imbalance, which resulted in over five years of operating deficits, Moody's Investor's Services downgraded the District's debt grading in January of 2012 and May of 2013.

This bleak financial position has had a dramatic impact on the students, the employees, and the educational mission of the District. Since 2011, the following measures have been taken to control spending.

- Classes sizes were increased throughout the District
- Salary freezes were put in place for employees
- Early retirement incentives were offered for three consecutive years, resulting in the retirement of at least 70 senior staff members
- At least forty-three employees were furloughed
- Elementary school building budgets were cut in half
- Multiple extra duty moderator, subject coordinator, department head, and class coverage positions were eliminated
- Middle school language classes were eliminated
- Middle school librarian positions were eliminated
- The Air Force ROTC program was eliminated
- Tuition reimbursement for teachers was frozen

B. The Coatesville Area School Board

The management and oversight of the Coatesville Area School District is entrusted to a nine member elected board, the Coatesville Area School Board (the "Board" or the "CASB"). This Board is ultimately responsible for every individual hired or fired by the District and for every dollar spent.

Each member is elected by residents of the Coatesville Area School District to serve a staggered, four year term. Aside from residency within the Coatesville Area School District, there are no qualifications or pre-requisites required to serve. Board membership is a volunteer position, and board members receive no compensation for their service. Members of the Board are answerable and accountable only to the voters of the Coatesville Area School District.

The Board has the power and authority to levy taxes and be responsible stewards of the taxpayers' money. Its members are entrusted by the public to manage the District responsibly and effectively. During much of the relevant period of our investigation, the following nine individuals served on the CASB: President Neil Campbell, Vice President Richard Ritter, William Sweigart, James Fox, Tonya Thames Taylor, Joseph Dunn, Laurie Knecht, Paul Johnson, and Diane Brownfield.²

Far from providing the oversight and leadership the position demands, our investigation exposed Board Members who ignored and abdicated their responsibility. The Board instead allowed former Superintendent Richard Como and former Solicitor James Ellison effectively to run the District. The District, the taxpayers, and the students suffered as a result.

The Board sat idly by as millions of dollars were wasted and squandered on exorbitant legal bills, on unnecessary and unqualified hires, on cell phones and iPads, on a generator and on football rings, and as thousands of more dollars were outright stolen.

C. Richard Como

Richard Como is 68 years old. He resides at 20 Cochran Drive, Coatesville, Pennsylvania.

Como was first hired by the Coatesville Area School District on May 22, 1986 as an adaptive physical education teacher, alternative education teacher, attendance officer, and head football coach. He taught for approximately 17 months, left briefly to serve as the athletic director at Upper Merion High School, and then returned to Coatesville as an assistant principal at CASH in 1988. Como became principal of the Coatesville Area Senior High School on July 13, 1995. On November 4, 2005, he became Superintendent of the Coatesville Area School District.

Multiple Coatesville Area School District administrators described Como as being “weak on education” and “not fully grasping the educational component” of what they did. Some

² Joseph Dunn and William Sweigart's terms expired at the end of 2013. They did not seek reelection and no longer serve on the Board. Tonya Thames Taylor lost her bid for re-election in 2013 and no longer serves on the Board. Richard Ritter resigned on July 7, 2014 and no longer serves on the Board. Neil Campbell resigned on November 25, 2014 and no longer serves on the Board. Paul Johnson died on December 20, 2013. James Fox, Laurie Knecht, Diane Brownfield all continue to serve as Coatesville Area School Board Members.

Coatesville Area School Board members, in turn, describe Como as being weak at finance. Como's academic record and work history corroborate both of these observations.

Como has a B.A. in Physical Education from William & Mary (1969) and a Master's Degree in Health and Physical Education from West Chester University (1974). He has teaching certificates for Health and Physical Education and Driver's Education (1974); a Secondary Principal certification which he obtained in 1980; and a Superintendent's Letter of Eligibility which he received in 1993.

In the forty years since he obtained his Master's in Health and Physical Education, Como appears to have taken a total of nine advanced academic courses:

- A two month Summer Sequence Program for Principals completed at the University of Pennsylvania in 1979 (as required to obtain his Principal Certification);
- Four classes completed at Beaver College in 1992 and 1993 which were required to obtain his Superintendent's Letter of Eligibility (Labor Relations and Negotiations; Practicum in Superintendents; School Law; and Program Evaluation);
- A month-long Pupil Personnel Services class completed at Immaculata College in 1992;
- A 2001 "Teaching Tools for Educators" and 2002 "Technology for Educators II" class through Neuman College; and
- A 2005 Probability and Statistics class through Converse College.

Notably absent from his resume is any advanced course work in educational theory, teaching methods, curriculum development, child development, or data analysis. Further, Como does not appear to have taken a single course in business, personnel management, or finance.

Essentially, Como was qualified to be a high school football coach and physical education teacher. Those are worthwhile professions. But he was in no way qualified to handle a \$140 million dollar yearly operation with hundreds of employees and thousands of students.

Nevertheless, Como was promoted to Superintendent. The Board then compensated him extremely well, even as the District fell into dire financial straits.

Originally contracted to earn \$155,000/year, as the following chart demonstrates, Como received a raise every year since 2007, culminating in a fiscal year 2012-2013 salary of

\$247,495. This salary is the equivalent of almost six new teachers.

YEAR	SALARY	% INCREASE
2006-2007	\$155,000	
2007-2008	\$169,500	9.35%
2008-2009	\$177,150	4.51%
2009-2010	\$184,675	4.25%
2010-2011	\$192,897	4.45%
2012-2013	\$208,329	8%
2012-2013	\$224,995	8%
2013-2014	\$247,495	10%

Notably, Como received repeated 8% and 10% raises as the District was otherwise freezing salaries across the board, eliminating educational programs, increasing class sizes, and laying off teachers.

In addition, as will be discussed further below, Como also submitted and received expense reimbursements throughout his employment. Between June of 2010 and May of 2013, Como received an additional \$21,118.77 from the District in reimbursement checks.

Como's perceived strength as Superintendent was his leadership ability. As witnesses described, Como had a powerful personality; he could "fill a room" and command attention. Moreover, as the former high school principal, a former football coach, and as the face of Coatesville athletics, he was a well-known and popular figure in the community. However, this public perception was shattered by the discovery in 2013 of the racist and sexist texts between Como and Donato.

In reality, Como's nine year tenure as the Superintendent of the Coatesville Area School District was marked not by dynamic leadership and dedicated public service, but by greed and tyrannical mismanagement. Como treated the school district as his own personal kingdom, and he ran that kingdom like a crime boss – part Godfather, part Machiavelli, part Tammany Hall.

Described by multiple witnesses as a bully, Como "led" through fear, humiliation, and intimidation. He fostered uncertainty and insecurity among his administrators and staff. He

used his power and authority, as well as district resources, to dole out favors and rewards. He stole from the very institution he was trusted to lead.

While the School Board credited and financially rewarded Como for surrounding himself with a strong management team, in reality, Como filled key positions with inexperienced administrators who were both beholden to and intimidated by him. He awarded promotions based on loyalty and personal affinity as opposed to qualification, skill, or experience.

In 2010, for example, Como selected Angelo Romaniello to be the Assistant Superintendent. A 1997 graduate of Bloomsburg University, at the time, Romaniello had a total of approximately eleven years of educational experience. Romaniello had spent five years as a middle school teacher in the Norristown Area School District and six as an administrator in Coatesville, only two of which were at the building level. He had never been a building principal.

Similarly, in 2007, Como selected Erika Zeigler to be the District's human resources director. A 1997 University of Delaware graduate, at the time she had a total of approximately ten years experience in education. Zeigler had six years as a health and physical education teacher, one year as a temporary dean of students, and three years as an assistant principal. Aside from scheduling interviews and tracking paperwork as an assistant principal, she had no training or experience in human resources.

In running the District, Como prioritized his personal needs and agenda over the true financial and educational needs of the District. He abused his authority and misappropriated resources to enrich himself, his friends, and his family. He abused his authority and misappropriated resources to solidify his power and curry favor with the School Board. He abused his authority and misappropriated resources to improve his stature and popularity in the community. And he abused his authority and misappropriated resources to promote his "athletics-above-all-else" agenda.

The District, the taxpayers, and the students suffered as a result.

During Como's tenure, tens of thousands of dollars were squandered on football rings, a generator, cell phones, and iPads that the District did not need. Hundreds of thousands of dollars were spent on salaries for unnecessary and/or unqualified employees. Millions of dollars were spent on legal fees.

Further, during Como’s tenure, convicted felons were hired to work with middle school athletes and special education students; a \$50,000 per year night custodial supervisor position was given to an individual who had never worked a single night as a custodian, who also happened to be Como’s son; and a \$33,000 security guard position was given to a convicted criminal who refused to wear a uniform. Favoritism, cronyism, and nepotism were standard operating procedures.

D. James Donato

James Donato is 49 years old. He currently resides at 959 Branch Line Lane, Apex, North Carolina.

Richard Como hired James Donato to be the Director of Activities, Athletics, and Compliance (“Athletic Director”) for the CASD in November of 2009. He was hired at a starting salary of \$86,614.

The hiring of Donato cannot be reasonably justified, defended, or excused. His record offers nothing to warrant the salary and responsibility he was given.

Donato came to the CASD as a 1994 graduate of West Chester University. He graduated with a B.S. in Health and Physical Education, with a 2.11 cumulative GPA. Among the classes he failed at least once were Intro to Mathematics (twice), Intro to Philosophy, Intro to Geology (twice), Health Behavior, Kinesiology, and Bowling. He did receive marks of “A” in Human Sexuality, Teaching Physical Education, Basketball, and Camp Counseling. He received his teacher certification in Health and Physical Education in 1997.

A typical semester for Donato looked like this:

Spring Semester, 1985	
Course	Grade
Effective Writing	D-
World Geography	D
Speech Fundamentals	B
Essentials of Chemistry	D-

According to his application, resume, and certification documents, Donato came to Coatesville with a total of eight years teaching experience – one as an in-school suspension

supervisor, and seven years as a middle school health and physical education teacher in the Kennett Square Consolidated School District.³ Additionally, Donato had seven years experience as a head football coach – one at Milford High School in Delaware and six years at Kennett Square.⁴

While his application and resume boast various athletic administration certifications, the only supporting documents in his file are certificates that in May and June of 2009 he completed two “Leadership Training Courses” from the National Interscholastic Athletic Administrators Association.

Notably, Donato had no administrative experience whatsoever. He had never managed a football program the size of Coatesville’s, let alone all of the athletics for an entire district.

Still, not only did Como place Donato in control of the entire District, but he re-defined the position to ensure that Donato was answerable to no one in the District but Como himself. When Donato was hired in 2009, for the first time in the history of the CASD, the Athletic Director reported not to the high school principal, but directly to the Superintendent.⁵

Como’s “direct” supervision appears to have done nothing to make up for Donato’s lack of qualifications or experience. During the course of well over a hundred interviews conducted by the DAO, the kindest comment anyone made about Donato was that “he seemed fine” or “I didn’t interact with him much.” At best, witnesses were neutral as to his performance and capabilities. Most people interviewed were far more critical. He was described as untrustworthy, unprofessional, edgy, and stand-offish. He came and went as he pleased. He did not stay for entire athletic events. He had little to no contact with the middle school programs. He paid poor attention to detail and failed to follow simple procedures.

More troubling, numerous witnesses reported that throughout his tenure rumors swirled that Donato was “skimming” money. His lax record-keeping practices and troubling habit of counting cash alone in his office were observed, noted, and discussed. It was well known that

³ His KSCSD employment documents indicate he worked as a substitute teacher for Unionville-Chadds Ford School District from 1996-1999.

⁴ Additionally, Mr. Donato coached 7th grade Boys Basketball at North Brandywine Middle School for two years and spent one year as the Girls Basketball coach at Springfield High School.

⁵ Contrary to a widely held belief, this reporting structure did not in and of itself violate PIAA rules. No specific PIAA rule or by-law exists mandating that the Athletic Director report to the principal. However, the PIAA Constitution does hold that the school principal is the individual who is ultimately accountable and responsible to the PIAA. Therefore, Como created a situation in which Robert Fisher, CASH Principal, was ultimately responsible for Donato’s actions with respect to the PIAA, but had no authority to supervise or control Donato’s actions.

he gambled, drove a Land Rover, and wore an unending supply of new and “flashy” clothes. He was described by more than one individual as “shady.”

No one complained about or challenged Donato because of his close personal relationship with Como. In fact, Donato was Como’s right-hand man, and helped Como rule the CASD with an iron fist. Again, the District, the taxpayers, and students suffered as a result.

As will be outlined further below, during the course of his tenure as Athletic Director, Donato stole over \$30,000 from the Coatesville Area School District.

E. James Ellison

James Ellison is 44 years old. He currently resides at 900 North Second Street, Harrisburg, Pennsylvania.

From 1997 until December 31, 2013, Ellison worked with the Harrisburg law firm Rhoads & Sinon. Ellison started as an associate and then, from 2005 forward, was a partner. On December 13, 2013, in the midst of this investigation, Rhoads & Sinon and James Ellison jointly announced that Ellison was withdrawing from the partnership.

From 2002 until December 26, 2013, Rhoads & Sinon served as the Solicitor for the Coatesville Area School District. While James Ellison was the face of that representation and the primary point of contact, many other Rhoads & Sinon attorneys regularly and consistently billed hours to the District during the course of that representation.

After Rhoads & Sinon terminated their relationship with Ellison in 2013, the Board had to appoint a new Solicitor. On December 26, 2013, at a Special Board Meeting, the CASB voted to appoint James Ellison, now a solo practitioner doing business as the Susquehanna Legal Group, as the “new” Solicitor for the CASD. The Board also gave Ellison a raise to \$200 per hour.⁶

Throughout at least the period of time covered by the Grand Jury investigation, James Ellison was the billing partner and received origination credit for all fees generated by work performed for the CASD. As a partner in the firm, he shared in the profits generated by these fees. Moreover, his partnership distribution was based, in part, on the level of these fees. CASD was by far Ellison’s largest client.

⁶ The Board did not replace Ellison as Solicitor until October 13, 2014.

The Coatesville Area School District made both Rhoads & Sinon and James Ellison a great deal of money. As will be further outlined below, between January 2010 and September 2013, the CASD paid Rhoads & Sinon over \$3 million in legal fees. Mr. Ellison, in turn, was paid well by Rhoads & Sinon, receiving the following yearly distributions:

- 2009: \$358,642
- 2010: \$351,000
- 2011: \$311,000
- 2012: \$306,000
- 2013: \$272,000

Throughout this same period, while he drove a Lexus with a “JDBALLA” license plate, James Ellison had his cellular telephone and iPad bills paid by CASD. Thus, CASD was paying for Ellison’s personal phone calls while on vacation overseas. CASD also was paying Ellison for Ellison to work for and communicate with other clients.

Also of note, in 2012 Ellison was found to have violated the Pennsylvania Ethics Act in his conduct for another client. The Board chose to ignore this information.

The millions of dollars in legal fees billed by James Ellison present the largest potential for criminal charges in this investigation. Unfortunately, the Board’s refusal to even question Ellison, or to waive the necessary privilege to allow investigators to do so, has prevented this investigation from being completed to date. This issue will be discussed later in this report.

IV. RACIST TEXTING BETWEEN RICHARD COMO AND JAMES DONATO

The fact that the DAO was investigating the CASD went public with the disclosure of a series of racist and sexist text messages exchanged between Superintendent Como and Athletic Director Donato. These texts, while vile, do not violate criminal statutes. However, the texting incident was revealing in other ways. First, the attempt to cover-up the texting incident by the Board and Solicitor Ellison was a disturbing exercise in poor decision-making and lack of transparency. Second, the content of the texts made explicit references to misappropriating funds from the CASD. These issues are explained below.

A. The Discovery Of and Effort To Bury the Racist Texts

School Board members who testified before this Grand Jury gave imprecise, incomplete, and often conflicting accounts of the events that occurred and the actions they took in response to the discovery of the racist and sexist text messages exchanged between Como and Donato. The Grand Jury found many of the Board members – most notably Tonya Thames Taylor – to be deliberately obstructive and deceptive. Others were inexplicably and unacceptably ill-informed, unaware of, and seemingly uninterested in critical facts and information.

The Grand Jury investigation has established the following timeline of events.

On August 15, 2013, Abdallah Hawa, the CASD’s Director of Technology, discovered a series of racially and sexually offensive text messages exchanged between Athletic Director James Donato and Superintendent Richard Como. Hawa discovered these messages as he was processing for reissue a CASD cell phone turned in by Donato (who was given an upgrade).

Far from a few random stray comments or misstatements, the offensive messages exchanged between Como and Donato were extensive, repetitive, and extreme. Moreover, as the examples below reflect, a number of these messages specifically referenced CASD students and staff.

6-4-2013 FROM DONATO: All should just have whatever first names they want...then last name is NIGGER!

6-4-2013FROM DONATO: Leroy Nigger, Preacher Nigger, Night train nigger, clarence nigger, Latoya nigger, Thelma nigger and so on

6-4-2013 FROM COMO: Great idea ! Joe nigger bill nigger snake nigger got a nice ring to it.

6-4-2013 FROM DONATO: LMAO!

6-4-2013 FROM COMO: Hahahahahahahhahahahaha could have whole homerooms of Nigger!

6-4-2013 FROM DONATO: Hahahahahahaha! Will Nigger report to office, pardon the interruption but will Nigger report to nurses office. Nigger to lunch now!

6-7-2013 FROM COMO: Right this could be classic conclusion to board mtgs by end of month plus 23 get clipped tuesday am before committee mtg and prob 6 to 9 more in July if Ritter budget numbers right.

6-7-2013 FROM DONATO: *How many niggers out of 23? Not enough!*

6-7-2013 FROM COMO: *Dont know but think only 4-5. At most until last minute rush of firing by Goo of Phoenix and Kamara.*

6-7-2013 FROM DONATO: *Good hangings there!*⁷

6-7-2013 FROM DONATO: *Only in the Ville or Only with Shaka...take your pick! LOL Shoe shining coconut Ortega⁸ white on the inside brown shell loves that North Penn beat Ville on the diamond*

6-17-2013 FROM DONATO: *Who is the piece upfront with the camel jockey?*

6-17-2013 FROM COMO: *Camel jockey who is that?*

6-17-2013 FROM DONATO: *Hawa*

Additionally, the text messages included a number of suspicious references to money.

6-4-2013 FROM COMO: *Holy shit never laughed so hard in entire adult life. Getting ring that says POPE GOOEY THE FIRST so will remember forever. That most one time haul in history of Papal skim. Robin Goo ! What a job by Head MUCH APPRECIATED BUT LOPE LABELS AS GREAT AS COIN INSIDE !*⁹

6-17-2013 FROM DONATO: *Hahahahhahahahahhahahah! What Heady been saying all along! I am telling you he made at least 1500-2000 on kickback lope! I made 600 on 5800 total camp to Bloom*

6-17-2013 FROM COMO: *Fwd:Lmao!! Jimmy D crib many lopes at end of rainbow!!!! WTF*

6-5-2013 FROM DONATO: *Imperator- apologies for unbroken words...seeking permission to sell candy, water and soda for last lope of school year before dry season! Gratitude*

⁷ Contextually, these messages appear to be in reference to the then ongoing termination and furloughing of District employees.

⁸ Matt Ortega is the head coach of the high school football team.

⁹ Mimicking “mob talk” they saw on television, Como and Donato frequently used the term “lope” or “lopes” as shorthand for envelopes containing cash, and “coin” as reference to money. Notably, this message, referring to “papal skim”, is sent days after Donato receives thousands of dollars in cash at the Archdiocesan track meet held at CASH.

6-5-2013 FROM COMO: PERMISSION GRANTED. Taxation for diploma in order!

6-13-2013 FROM DONATO: But that would involve ComoNato as Burro can't pull off.

6-13-2013 FROM COMO: Exactly but we have SCHOOL make money.

6-13-2013 FROM DONATO: Yes-correctamundo!

6-13-2013 FROM COMO TO DONATO: And of course pass thru TAX OFFICE of ComoNato!

Upon discovering these messages, Hawa contacted Dr. Theresa Powell, the CASD Director of Middle Schools. Powell then insisted that the two contact Dr. Tonya Thames Taylor, who at the time was both a member of the Coatesville Area School Board and the president of the local chapter of the NAACP. Hawa had concerns about contacting the Board, as he feared that they would protect Como, who, as Hawa described, had “done favors for all of them” in the past.¹⁰

Nevertheless, on Friday, August 16, 2013, Powell and Hawa met with Taylor and showed her Donato’s phone so that she herself could read the messages.

The next day, on Saturday, August 17, 2013, Hawa, Powell, and Taylor met with Solicitor James Ellison at the Scott Middle School. Ellison was shown the phone and he too was given the opportunity to read and review the text messages.

At the conclusion of this August 17th meeting, Ellison advised the others that he needed to inform the President (Campbell) and Vice President (Ritter) of the Board. He requested that Hawa forward a copy of the text messages to Taylor. It was agreed that Hawa would use an anonymous email account to do so, as Hawa was still concerned about retribution.

¹⁰ This investigation revealed that Como had in fact done numerous favors for Taylor. Como orchestrated jobs for Taylor’s sister-in-law and nephew. Additionally, he arranged for the District to pay Taylor’s husband \$1,575 for services that were never publicly approved or solicited, and “donated” \$300 of District funds to Taylor’s charity, “Lillies and Pearls.”

At the conclusion of this August 17th meeting, according to both Hawa and Powell, Ellison directed Hawa's attention to the surveillance camera which recorded their presence in the school and stated that the surveillance video should be destroyed.

Contrary to this instruction, Hawa downloaded and preserved the video. Additionally, he created a back-up "IPD" file on his computer to preserve all the user data stored on Donato's phone. He then used an "IPD parser" to extract all of the text messages from the phone. He transferred these messages to an excel spread sheet and forwarded this spread sheet to Taylor. He gave the actual phone to Taylor on Monday, August 19, 2013.

According to the District's phone records, on August 18th and in the early morning hours of August 19th (after her meeting with Powell, Hawa, and Ellison), Taylor spent approximately three hours on the telephone with Richard Como. Taylor insisted that she and Como never discussed the racist text messages she had just seen. The Grand Jury does not find this testimony credible.

On Monday, August 19th, Taylor and Ellison notified Board President Neil Campbell and Vice President Rich Ritter about the discovery of the racist texts. Ellison, Taylor, and Ritter met in person at Ritter's business office, away from campus and deliberately out of the public view. Campbell was notified, and joined the conversation by telephone. At that meeting, Ritter was shown a copy of the spreadsheet of messages created by Hawa.¹¹ The remaining members of the CASB's Personnel and Finance Committee, William Sweigart and Joe Dunn, were told about the racist text messages no later than August 20, 2013.

According to her testimony, following the meeting on the 19th, Taylor went by herself to confront Richard Como about the text messages. During that confrontation, Como acknowledged sending inappropriate text messages and apologized. Taylor testified that she similarly confronted James Donato, who also apologized.

The remaining members of the Personnel and Finance Committee confronted Como on August 20, 2013.¹² Como again acknowledged sending racist messages on his district issued cell

¹¹ Critically, however, despite Ellison's clear obligation to do so, neither he nor Taylor informed Campbell and Ritter that it was Abdallah Hawa, the CASD's own Director of Technology, who discovered the messages and created the transcript. Instead, Ellison and Taylor deliberately provided Campbell and Ritter, and ultimately all of the remaining Board Members, with the false information that the messages were sent to Dr. Taylor by an anonymous outsider calling himself Leroy Coates.

¹² Board member testimony as to the circumstances of this confrontation conflicted. Ritter and Campbell both testified that the group met collectively at Ritter's Cumberland Insurance office, again in order to avoid public

phone. Among others, Como specifically acknowledged sending the “Joe Nigger” text included above, and admitted referring to Football Coach Ortega as both “Taco” and “Burro.” Como attempted to explain this conduct as “locker room talk” or just the way “his generation” spoke.

Despite these admissions, the Personnel and Finance Committee took no action against Como or Donato, and they did not advise the full Board of the situation. Como and Donato continued to work.

Board members justified this inaction on the grounds that Ellison was investigating. However, these same Board members could not identify a single investigative step that either they instructed Ellison to take, or that Ellison informed them he had taken.

Moreover, had their true agenda been to investigate and authenticate the offensive messages, there were obvious actions that they inexplicably did not take. For example, they did not retrieve, review, or preserve the CASD cell phone used by Como to send and receive the offensive messages. They did not retrieve, review, or preserve the upgraded CASD cell phone given to Donato in June, which was also likely used to send and receive offensive messages.¹³ They did not review or preserve the network server containing any emails exchanged between the two, and they did not interview a single employee. Indeed, the committee members never even spoke with Donato, and they never insisted that Como answer their questions and either authenticate or deny the transcript of texts.

Given that Ellison threatened other employees with insubordination for refusing to answer questions or participate in interviews, the Grand Jury finds this selective passivity and willful ignorance inexcusable and wholly inconsistent with the Board’s claim that they were “investigating” the texts. On the contrary, it appears that the primary efforts made by the informed Board members (Campbell, Ritter, Taylor, Sweigart, and Dunn) in the days following the discovery of the text messages were to protect Como and to prevent the text messages from being publicly disclosed. These efforts included proposals that Como attend sensitivity training and finance a special scholarship fund, as well as a proposal that one of the primary

scrutiny. Taylor and Sweigart both testified that the Committee never met en masse, but instead met and confronted Como in small groups in a deliberate effort to circumvent the Sunshine Act.

¹³ These two phones, potentially containing thousands of forensically recoverable stored and/or deleted text messages, constituted excellent potential evidence regarding the existence and exchange of prior racist texts between the two administrators. Moreover, these phones likely contained more evidence regarding Donato’s ongoing theft from the District. Because the Board failed to immediately collect and preserve them, this evidence was forever lost when the phones were reset to factory defaults and effectively wiped clean.

whistleblowers, Theresa Powell, be given a special raise and promotion – presumably to keep her quiet.

However, these efforts to keep these things quiet were thwarted when, on August 22, 2013, through the efforts of Rev. Deets, the District Attorney learned of the contents of Donato’s CASD phone. The DAO then contacted Board President Campbell requesting that the phone be voluntarily turned over to the Chester County Detectives. The DAO explained that if the phone was not voluntarily provided, a search warrant would be requested. At the request of Campbell, this request and information were conveyed to Ellison on the same date.

Once the cat was out of the bag, the Board called an emergency Executive Session of the Coatesville Area School Board. This meeting was held on August 23, 2013. It was during this meeting that the remaining members of the Coatesville Area School Board -- Diane Brownfield, James Fox, Paul Johnson, and Laurie Knecht -- were notified about the racist texts for the first time. At that meeting, the CASB was also given advice by an outside public relations firm, paid for with taxpayer dollars. That firm advised that the CASB take “decisive and immediate action” against Como and Donato. Specifically, the firm recommended that the Board immediately terminate both men, as well as issuing a strong public statement outlining the steps the Board would take to ensure that the conduct was never repeated and that the behavior demonstrated by Como and Donato was isolated to the two, not a reflection of systematic racism in the District.

The Board did not heed this advice. Instead, again hiding behind claims of further investigation, the Board took no official action at all. They did, however, advise Como to stay home from work – thus covertly and unofficially suspending him.

The Board did not, however, inform the public of this development. On the contrary, the Board made no announcements about Como during their next public board meeting on August 27, 2013. Instead, the Board collectively agreed to lie to the public if asked, and to blame Como’s absence from that meeting on illness.¹⁴

The Board held executive sessions both before and after the public board meeting on August 27, 2013. The beginning of the school year was fast approaching. During those sessions, the Board decided to offer both Como and Donato the option of either resigning or being terminated.

¹⁴ Angelo Romaniello told investigators that he was instructed to lie if necessary, and to blame Como’s absence on illness. Board Member Laurie Knecht confirmed that the Board’s plan and strategy was to lie. When asked specifically about the decision to lie to the public, Knecht’s response was - “What were we supposed to do?”

On August 29, 2013, James Donato and Richard Como both submitted resignation letters to Neil Campbell.¹⁵ Neither letter made any reference to the offensive text messages exchanged by the two men, nor indeed, to any inappropriate conduct whatsoever.¹⁶ On the contrary, Como's letter, which the Board allowed to be published on the District web site, only highlighted his self-proclaimed accomplishments and successes. As the publication of this retirement letter makes clear, the Coatesville Area School Board had no intention of ever informing the public of the true circumstances surrounding Como's and Donato's retirement.

Instead, the Board not only remained silent and refused to answer any public questions regarding the retirement, but it also expended taxpayer dollars and public resources to actively resist the public's attempt to learn the truth. For instance, during a one week period in September, the Board incurred over 20 hours of legal fees just resisting Right to Know requests related to the text messages. That equates to over \$3,400 spent, in one week alone, NOT to inform the public. Moreover, the Board incurred these fees and resisted these requests even knowing the legal basis for doing so was doubtful. As the following email from Ellison to his colleague states succinctly:

The Board does NOT want to turn over the transcript. Let's find an exception. They understand that it'll end up in litigation and we could ultimately lose somewhere down the line, but they prefer that option to releasing the info.

In short, the Board preferred wasting the public's money to telling the public the truth.

B. The Public Disclosure of the Racist Texts and the Retaliation Against the Whistleblowers

Despite the Board's efforts to keep things quiet, on September 22, 2013, the Chester County Daily Local News ("DLN") newspaper published an article outlining the true reasons for Como's and Donato's resignations. The article included a link to a transcript of the actual text messages exchanged.

¹⁵ Donato's resignation letter included language waiving any claims he may have had against the CASD. Como and the School Board entered into a separate "Resolution and Release Agreement" on the same date. Pursuant to this agreement, the District paid Como \$102,344.38.

¹⁶ The only copy of Donato's letter retained by the District includes a sentence which has been blacked out and initialed by Donato. It is at least plausible to infer that this sentence included a reference to the text messages that was then redacted at either the Board or Ellison's request.

Predictably, the inevitable revelation of these text messages generated a firestorm of public outrage. This outrage was further compounded by the Board's prior cover-up and utter failure to punish, reprimand, or even publicly condemn the offensive conduct.

On September 24, 2013, the Board held its first public meeting following the DLN's disclosure of the racist texts. During the public comment section of that meeting, Theresa Powell and Abdallah Hawa announced that they were the two individuals who had uncovered and disclosed the texts to the media.

The response by the Board and Solicitor Ellison? Over the next month, the Coatesville Area School Board spent over \$100,000 of public money investigating and targeting Powell and Hawa.

For example, the Board spent \$85,659 for the services of Reclamere, a private computer and data security firm, engaged by Solicitor Ellison three days after Powell and Hawa disclosed their role as whistleblowers. While the Board, both publicly and in their testimony, tried to characterize these services as a routine record retention step taken in response to potential litigation, Reclamere's internal memos, work, meeting, and call notes all demonstrate that Reclamere's efforts were directed almost exclusively toward gathering evidence against Powell and Hawa and preventing further public disclosures.

For example, Reclamere's notes titled "Kickoff" indicate that Reclamere was contacted because the "*IT Director retained an attorney and may be sharing info outside district (his attorney, the DA, press, not sure)*". Later notes, from an October 7 meeting with Ellison, similarly document concerns that, "*More information being shared w/ DA than what solicitor is sharing to the public – IT? Other Dept?*" Then again, on October 8, notes document "*Concen that hawa or another IT member may have compromised PCs w/ spyware.*"¹⁷

Reclamere was specifically asked to determine whether or not Hawa had shared information outside the District, and to install software to monitor him and the rest of the IT Department going forward. Further, Reclamere's notes confirm that in imaging the system, the priority was Hawa and the IT Department. Additionally, the only emails Reclamere was

¹⁷ Displaying what would be a comic, if not so alarming and wasteful level of paranoia, the Board also approved spending \$2,800 on Pinkerton, a private investigation firm retained "to conduct electronic sweeps [of the administration building] for hidden camera(s) and listening devices." At either the Board or Ellison's direction, Pinkerton also disabled CASD security cameras to ensure that no one would know about Reclamere's work. To its credit, Reclamere previously had refused that request.

requested to search initially were: all emails between Hawa and Powell, and all emails between Hawa and either the District Attorney's Office or his own attorney. Later, Reclamere was asked to search all emails sent or received by Hawa and Powell and all emails sent or received by Chamise Taylor and Denise Ray, two African American female administrators who were close friends of Powell.

Reclamere was never asked to search, image, or preserve anything connected to Como or Donato.

Far from a simple, good faith record retention exercise, Reclamere was retained as part of a campaign to target Hawa and Powell. Moreover, Reclamere was paid a premium to conduct this activity under the cover of darkness and out of the public eye. Indeed, Reclamere's activities at the CASD were only publicly disclosed because the network administrator who had been ordered to turn over the passwords to the entire CASD computer system failed to keep that request confidential as commanded.¹⁸ Instead, concerned that he was being asked to participate in a crime, the administrator contacted Hawa, who in turn contacted his attorney and the DAO.

When Ellison discovered this disclosure, through a request by the DAO that the CASD's computers and computer networks be preserved pending the conclusion of its investigation, Ellison responded by informing Campbell and Ritter of the administrator's "insubordination." Further, Ellison instructed an associate to research whether or not the DAO had the authority to request that preservation. Certainly that research, which cost taxpayers approximately \$1,300, would have been unnecessary had Reclamere's true purpose been to retain records and protect the system, as the Board members who testified insisted.¹⁹ Moreover, this research is wholly inconsistent with the Board's repeated public avowals that they were cooperating fully with the DAO's investigation.

¹⁸ Then acting Superintendent Angelo Romaniello demanded the passwords and the confidentiality at the direction of Ellison. When the network administrator balked at the request and breached confidentiality by notifying his supervisor and an attorney, Romaniello sent him an email demanding his compliance. This email concluded with the following threat of discipline: "This communication was confidential as was the communication last evening that was had over telephone, any breach thereof will be considered insubordination and grounds for discipline."

¹⁹ Moreover, as the research confirmed, the obvious answer to the question was "yes." Section 5105 of the Pennsylvania Crimes Code prohibits an individual from concealing or destroying evidence or tampering with documents or other sources of information. The DAO's preservation requests merely reminded Ellison of these universal obligations. The fact that Ellison requested over \$1,000 of legal research to confirm that yes, the District Attorney has the authority to request that the law be complied with and no, Ellison was not permitted to destroy evidence raises serious concerns as to his competency.

Additionally, the CASB incurred significant administrative costs and legal fees targeting Powell for termination. Powell was subject to at least one harassing and intimidating interview, scheduled the day after the Board intervened in an attempt to prevent her from testifying before this Grand Jury. In addition, certain CASD staff members were instructed to document and report all of their interactions with Powell in an effort to manufacture cause to terminate her, wasting additional time and resources. Moreover, James Ellison solicited at least three separate research memorandums – prepared by three separate lawyers at taxpayers’ expense – all focused on legal issues connected to terminating Powell. For example, Ellison asked for research on “Whether Pennsylvania’s Whistleblower Law would prevent the termination of an employee for participating in an ongoing investigation by a district attorney.” By way of contrast, Ellison does not appear to have requested a single research memorandum discussing the Board’s legal authority to fire Como or Donato.

All of this activity was orchestrated by Ellison. As discussed elsewhere, Ellison’s billing practices make it difficult to quantify exactly how much Ellison billed the District for these services. However, a review of his bills shows that between September 24, 2013 (the date Hawa and Powell publicly announced their roles as whistleblowers) and October 22, 2013 (the date the CASB appointed Conrad O’Brien to represent the District in these Grand Jury proceedings) Ellison alone billed the District for 173 hours (\$31,000) spent on “Administrative” and “Personnel” matters. His associates billed at least 42 hours (\$8,145) researching how to terminate Powell. Attorneys at his firm billed close to 30 hours (\$5,400) on issues related to Reclamere. Thus, Ellison managed to bill the CASD over \$44,000 trying to fix a problem he created.

The Grand Jury condemns the CASB’s response to the discovery of the racist texts exchanged between their Superintendent and Athletic Director as a stark failure in leadership. Led by Ellison, at every step in the process, the Board chose a course of conduct that seemed designed to cause more problems for themselves and the District.

First, despite direct evidence and admissions of wrongdoing from both Como and Donato, the CASB failed to take immediate or decisive action against either. On the contrary, for four days, Taylor, Campbell, and Ritter did nothing. They did not suspend either man. They did not launch a formal investigation. They did not even notify the full Board. Instead, they simply waited for Ellison. But for the phone call from the District Attorney requesting the cell

phone, it is unclear if the Board ever would have acted. If not for that fateful phone call from Reverend Deets to the District Attorney, it is possible that Como would still be Superintendent, Donato would still be Athletic Director, Ellison would still be Solicitor, and the CASD would still be heading for disaster.

Once informed, the full CASB similarly failed to take decisive action. For the next four days, they too formally did nothing. When they did finally act, they acted in secrecy, half truth, and silence. By allowing Donato to resign in silence and Como to resign singing his own praises, the Board abdicated their responsibility to publicly condemn the conduct of Como and Donato. Had the Board been successful with its efforts to hide the texts, it would have forever denied the public the rightful ability to do so as well.

Indeed, the Grand Jury concludes that among the Board's greatest failures are its repeated attempts to hide and shield its actions from the public. As elected officials, accountable only to voters, the Board has an obligation to be honest and transparent in its conduct. They should not meet at off-campus, out-of-sight locations for the sole purpose of avoiding scrutiny. They should not intentionally circumvent the Sunshine Laws. They should not publish inaccurate and deceptive retirement letters. They should not spend tens of thousands of public dollars trying to punish individuals whose sole transgression was telling the public the truth.

C. Text References to Misappropriating CASD Funds

In addition to the above issues regarding the texts, some texts made transparent references to Como and Donato skimming money from the CASD. The texts explicitly refer to the tax office of "ComoNato" making money off of the District and the students, as well as "lopes" filled with "coin."

The CASB completely ignored these blatant references. However, such references are evidence of crimes committed by top CASD administrators against the CASD itself. These crimes are addressed later in this report.

V. RICHARD COMO ETHICS ACT VIOLATIONS

Pennsylvania's Public Official and Employee Ethics Act, 65 Pa.C.S. 1101, et seq. ("the Ethics Act"), expressly prohibits public officials and public employees from engaging in conduct that constitutes a conflict of interest. The act further defines a conflict of interest as "use by a public official or public employee of the authority of his office or employment . . . for the

private pecuniary benefit of himself, a member of his immediate family or a business with which he or a member of his immediate family is associated.”

The Grand Jury concludes that Richard Como violated this prohibition on two separate occasions: in 2009, when he used his power and authority to orchestrate the hiring of his son Matthew as the CASD’s Night Custodial Supervisor; and in 2012, when he used his power and authority to “sell” the CASD a generator it did not need.

It is the Grand Jury’s recommendation that Como be charged for each of these violations. The facts to support these charges are outlined below.

A. The Hiring of Matthew Como

In 2009, the CASD had approximately 80 custodians on staff. Of these, the majority (67-69) worked nights. These 80 custodians were supervised by Pedro Quinones, the Manager of Custodial and Buildings and Grounds.

By all accounts, Quinones was a well-respected and well-regarded employee. He was an exemplary and diligent worker and a meticulous manager. By the time he became the custodial manager in 2005, he had worked for the CASD for close to thirty years – as a carpenter/locksmith, as a custodian, and as a head custodian for fifteen years.

During his tenure as Custodial Manager, Quinones worked a scheduled daytime shift. His presence was required during school hours in order to coordinate, react, and respond to the needs of the building principals and other administrators. Nevertheless, Quinones was acutely aware of the need also to supervise the majority of his workers, the night custodians. Quinones frequently returned to the District during the overnight hours to spot check and supervise his staff. He would also attempt to monitor arrivals and departures using the surveillance cameras at the schools.

Quinones advocated for the creation of a Night Custodial Supervisor position for years. However, his requests were repeatedly denied. In 2008, Quinones was pleased when he was finally given the approval to post for and hire a Night Custodial Supervisor.

Quinones reviewed multiple applicants for the new position. Matthew Como, the son of Richard Como, was not one of these applicants. Quinones interviewed five candidates: two from within the CASD and three from outside. He made his own selection for the position, a woman from outside the District.

However, before the hiring process could be completed, Facilities Director Robert Foley contacted Quinones and told him that Richard Como had instructed Quinones to “hold up.” Three weeks later, Quinones learned that Richard Como’s son Matthew was going to be hired for the position. Specifically, Como called Quinones to his office and informed him that the District would be hiring Como’s son Matt, and asked if Quinones would “have a problem” working with him.

Quinones was unequivocal. He had absolutely no intention, desire, nor wish to hire Matthew Como for this position of Night Custodial Supervisor. He never interviewed Matthew Como, and in fact, did not meet him until after he was hired.²⁰ While he felt powerless to countermand the Superintendent’s directive, he was insistent that the hire was not his decision, and he would not and did not sign his name to any of the Board paperwork.²¹

Matthew Como was formally hired as the night custodial supervisor by the CASD Board on April 28, 2009. His starting date was July 1, 2009. His yearly salary was \$50,000.

At the time, Matthew Como had a high school diploma (1996) and a grand total of seven years work experience, absolutely none of which was in the custodial or maintenance field. In other words, at the time he was hired to supervise approximately 70 night custodians, Matthew Como had never worked a single day as a custodian and had never been responsible for managing a single custodian.

Additionally, at the time of his hire, Matthew Como had a criminal history. Specifically, in 1999, Matthew Como was charged in two separate cases with Forgery and Theft offenses. In February of 2000, he pled guilty to one count of Theft in each case.

Finally, at the time he was hired, Matthew Como had not been interviewed by anyone from the Coatesville Area School District.

According to the Minutes of the School Board’s public meeting, the hire was voted on via a consent agenda²² by a 9-0 vote. The following School Directors, still serving at the time of

²⁰ This is in direct conflict with Matthew Como’s testimony under oath, wherein he testified that Quinones interviewed him for the position. The Grand Jury does not find Matthew Como’s testimony to be credible.

²¹ Indeed, the CASD Recommendation for Employment Form in Matthew Como’s file is blank in all material respects. The position posting date and actual job posting is not attached, and the form is not signed by any administrator. Despite specific queries on the form, no reference is made in the paperwork to the number of other applications, or to the five other candidates Quinones interviewed. No explanation is given for a “possible reason why recruitment failed to produce [a] competitive minority or female applicant.”

²² A consent agenda is a procedural mechanism allowing a single vote to cover multiple agenda items at once.

Richard Como's retirement, all voted to approve Matthew Como's hire: Neil Campbell, Rich Ritter, Diane Brownfield, Paul Johnson, and Laurie Knecht. Robert Knecht and Donna Urban, who themselves were later given jobs by Como, also voted to approve the hiring.

When questioned, these School Board members disavowed any detailed knowledge of Matthew Como's lack of qualifications. They stated "they assumed" he was the most qualified candidate.

Two years later, in June 2011, Pedro Quinones accepted the early retirement package offered by the District. Without any job posting, interview, or application process, Matthew Como (who according to his only and almost contemporaneous review was still overly reliant on managerial direction)²³ was immediately promoted to replace Mr. Quinones. With this promotion, he received a 31% raise to a yearly salary of \$78,000.

Of note, while the early retirement package was offered to save the District money by reducing the salary costs associated with senior, long term employees, the salary given to Matthew Como upon his promotion was a mere \$1,695 less than Quinones', who retired with 36 years experience (over 20 of which as a supervisor/manager). Within one year, Matthew Como was making more than Pedro Quinones ever did, even though his responsibilities were identical and his experience was dramatically less.

Matthew Como's promotion never appeared on a Board Agenda, and does not appear to have been Board approved. The night custodial supervisor position, now vacated by Matthew Como, was never filled.

Despite his complete lack of qualifications, or any credible evidence that he consistently performed at a high level, Matthew Como received great pecuniary benefit from the CASD. Not only was he given a high starting salary, but he received raises every year until his father "retired." The following chart details his salary growth.

²³ According to his personnel file, Matthew Como only received two reviews during his first four years with the District. The first was a joint review prepared by Quinones and Foley in June of 2011. The two rate Como as Meeting Expectations (and in two categories Exceeding Expectations). The review notes, however, that he still needs to "develop" in the job and "often waits for direction from his manager rather than solving the problem or undertaking the required task." It also notes that while he has "grown in knowledge of the custodial process and personnel," he "needs to further develop command of the personnel and building requirements." On the positive side, Foley and Quinones note that "Matt is a team player" and "understands the 'politics' as a CASD facilities team member." They describe him as "adept" at internal politics. Assistant Superintendent Angelo Romaniello performed the only other review of Matthew Como – in June of 2013. Dr. Romaniello, who owed his entire career, salary, and professional life to Richard Como, and has absolutely no maintenance experience whatsoever, found Matt Como to be exemplary -- rating him a 5 out of 5 in all but one category, for an overall rating of 4.9.

2009-2010	\$50,000
2010-2011	\$59,537
2011-2102	\$78,000
2012-2013	\$83,200
2013-2014	\$88,608
TOTAL	\$359,345

The Grand Jury concludes that Matthew Como received this benefit, over \$300,000, solely and directly as a result of Richard Como's authority. Richard Como used the authority of his office for the private pecuniary benefit of his immediate family member, a direct violation of the Ethics Act.

B. The Sale of the Generator

In January of 2012, Richard Como abused his position as Superintendent to sell to the CASD a generator Como did not want and could not return and which the CASD did not need and could not afford. This transaction involved a clear conflict of interest.

In late December 2011, Como had renovations done to his home. As part of these renovations, Como purchased a generator from Electric Generators Direct for \$3,307.49. This generator was insufficient for his needs and could not be returned. Looking for some way to take it off his hands and minimize his loss, Como turned to the CASD.

On January 17, 2012, the CASD purchased this generator for \$3,000. This was money the District could not afford to spend for a generator it did not need.

First, as Facilities Director Robert Foley testified, the generator Como sold to the District was not one Foley would have selected. Not only was the generator smaller than he preferred, but it was not compatible with Coatesville's equipment. Before Como's generator could be used, it needed to be retrofitted. Specifically, District employees needed to convert the unit from propane to natural gas and needed to add an electrical switch box. District employees then needed to install it. Thus, not only did the generator cost the District \$3,000, but the District incurred additional labor costs as well. Given the financial constraints facing the District at the time, this labor was not readily available. After Foley picked up the generator at Como's house,

it sat, unused, for over one-and-a-half years in a District warehouse, unused and depreciating in value.

Second, and far more importantly, at the time Como orchestrated this purchase, the CASD was in financial crisis. During the 2011-2012 fiscal year, when the sale occurred, CASD expenditures exceeded the budget by \$2.1 million. CASD ended the year with a General Fund deficit of \$5.8 million. This deficit existed despite massive budget cuts and reductions in staff.

Third, Como circumvented District policy to orchestrate this sale. Specifically, District policy requires that prior to a purchase of this amount, the Facilities Director present the Business Office with three (3) competing estimates. No estimates were demanded prior to the purchase of Como's generator. Instead, the Business Office simply prepared a purchase order for \$3,000.

Fourth, the documentation on the sale of the generator was falsified. The purchase order falsely represented that the seller of this generator was DT Beach, Como's general contractor. Similarly, the check issued for this purchase (and subsequently approved by the Board) was made payable to DT Beach. In reality, as he testified, Mr. Beach had no involvement in the sale whatsoever. The check written to Beach was immediately endorsed over to Como, and immediately deposited in Como's account.

The Grand Jury concludes that Como had DT Beach listed on the purchase order and check in a deliberate attempt to conceal his self-interested transaction. This transaction constitutes a conflict of interest.

The Grand Jury finds that Como's role in the hiring of his own son to work for the CASD and the sale of his personal generator to the CASD constitute violations of the Public Official and Employee Ethics Act. The Grand Jury recommends that Richard Como be charged with two counts of Engaging in Restricted Activities: Conflict of Interest.

VI. UNLAWFUL EXPENSE REIMBURSEMENTS SUBMITTED BY RICHARD COMO

The Grand Jury concludes that Richard Como stole money from the District by submitting requests for reimbursement of expenses to which he was not entitled. In some cases, Como submitted requests for expenses he never incurred. In other cases, the claimed expenses were not related to his duties as Superintendent. Therefore, he was not entitled to reimbursement for the expenses. In both cases, his requests for reimbursement were fraudulent. Accordingly,

the Grand Jury recommends that Richard Como be charged with Theft by Unlawful Taking, Theft by Deception, Receiving Stolen Property, and violating the Public Official and Employee Ethics Act.

A. District Policy Regarding Expense Reimbursements

The District has a policy for job-related expenses which applied to Richard Como. Policy 331 states that school administrators are entitled to reimbursement for actual and necessary expenses that are incurred in the course of performing services for the District. This policy vests sole discretion in the validity of the expense with the Superintendent. The policy requires the administrator to detail the reason for the expenditure in the request for reimbursement.

Richard Como's contract with the District references the District's policy regarding expense reimbursement, and defines those expenses the District deems job related. Specifically, Paragraph E of Como's contract states the following:

The duties of the Superintendent require his participation in professional associations and presence at numerous meetings, conventions and conferences in order to maintain awareness of current issues programs and information. The Superintendent's attendance at seminars, workshops, inservice programs, school activities and graduate education programs is necessary to maintain the knowledge and skills required of his position. The District considers expenses involved in such activities, including dues in at least three professional associations, to be directly related to the Superintendent's duties and appropriate for reimbursement. Expense reimbursement for such activities shall be provided in accordance with District policy and procedure.

As a matter of procedure, a District employee seeking reimbursement for expenses is required to submit a form documenting the expense and the reason for the expense. Como's reimbursement forms contained no detail for many of his trips. He would simply list the date of the expense, his destination, and sometimes a brief description of why he was making the trip.

Como's secretary, Danette Murphy, advised investigators that she prepared the reimbursement forms for Como at his direction. She stated that Como would tell her, sometimes in advance, where he planned to be for the week, and directed her to prepare a reimbursement form for his signature. Como would personally sign the expense reimbursement report after Murphy prepared it for him.

Neither Como nor Murphy maintained any notes or records to corroborate these trips. Murphy could not verify whether Como actually went to the location where he claimed to be. According to Murphy, Como was rarely in his office before 10:00 a.m. or after 2:00 p.m. While she assumed that he was visiting one or more of the District's schools during this time frame, she had no actual knowledge of where he was. Como never notified her of his location.

Another difficulty with assessing Como's expenses is determining his starting location. On the expense reimbursement forms, Como listed only a brief description of his destination, without any justification for his mileage calculation. The District maintains a spreadsheet which lists the mileage distances between all of the District's buildings. However, it does not appear that Como used this spreadsheet to calculate his mileage. Neither the District's policy nor Como's contract required him to identify his exact starting point or to use the District's spreadsheet. Therefore, even if the expense reimbursement appears legitimate on its face, it is impossible to review Como's mileage calculation for accuracy.

B. Thefts of District Funds Through Fraudulent Reimbursements

The Grand Jury concludes that Richard Como stole \$2,158.44 from the Coatesville Area School District by receiving reimbursement for expenses which did not occur, which were double requests and payments, or which were not related to his duties as Superintendent.²⁴

1. Reimbursement For Expenses Which Did Not Occur

Como submitted multiple expense reimbursement requests for trips that did not occur. Accordingly, each of these reimbursements is fraudulent, and the money Como received constitutes a theft. The following is a breakdown of the individual trips he billed for that did not occur.

Como submitted multiple expense reimbursement requests for attending high school wrestling matches. Investigators who spoke with the wrestling coaches learned that with the exception of a regional final and a state final in 2013, Como never attended any wrestling matches, either home or away. Unlike football and basketball games, Coatesville wrestling matches have very low attendance; the coaches estimated that a total of no more than 50 – 60

²⁴ The amount stolen via fraudulent mileage reimbursement requests was calculated using \$0.51/mile for trips prior to January 1, 2012, and \$0.56 /mile for trips after January 1, 2012.

spectators came to their matches. If Como had actually attended one of these matches, the coaches would have noticed his presence immediately. Moreover, Coach Stephens' wife, who works in the School Administration building, attended all of the matches and sat in the stands (her son was on the wrestling team at the time). Coach Stephens reported that if Como had attended a match, his wife would have told him that Como was there. Accordingly, the Grand Jury concludes that the following reimbursement requests submitted by Como for attending wrestling matches are fraudulent because he did not attend the matches:

- February 25, 2011 for 55.8 miles
- February 26, 2011 for 55.8 miles
- January 6, 2012 for 120.90 miles
- February 4, 2012 for 73.8 miles (claimed to be at Interboro High School)
- February 4, 2012 for 8.68 miles (claimed to be at Coatesville High School)²⁵
- February 18, 2012 for 54.2 miles
- December 8, 2012 for 193.06 miles
- December 12, 2012 for 8.44 miles
- January 19, 2013 for 63.84 miles
- January 23, 2013 for 46.72 miles

On February 25, 2012 Como claimed that he took the wrestling coaches out for breakfast. The coaches stated that this never happened. Como received reimbursement for \$23.48 for this meal.

Como reported that on multiple occasions he attended away track meets and treated the High School track coaches to dinner. Specifically, Como claimed that he traveled 60.6 miles on April 14, 2012 to attend a track meet at Wilson High School, and bought dinner for the track coaches at a cost of \$94.10. Coach Carl Smith advised investigators that Como did not attend this track meet and did not buy dinner for the coaches. Como received reimbursement for three additional dinners with the track coaches: May 8, 2010 for \$177.16 (listed as "Track coach dinner"), May 13, 2011 for \$156.90 (listed as "District One Dinner Coaches"), and May 5, 2012 for \$156.90 (listed as "Dinner with Coaches - Penn Relays"). Coach Smith confirmed that Como never took the Coatesville track coaches out to dinner.

2. Duplicate reimbursement requests

²⁵ Worthy of note, Como claimed that on February 4, 2012 he attended two separate wrestling matches on the same day, one home match and one away match. The school's wrestling schedule shows a dual meet at Coatesville on February 4, 2012. There was no separate away match that same day.

On multiple occasions, Como submitted duplicate reimbursement requests for a single expense, and thus, he was paid at least twice for the same trip. On at least one occasion, Como submitted three separate reimbursements requests for a single trip. The Grand Jury concludes that the duplicate expense reimbursements are fraudulent.

Como claimed to have attended a basketball tournament on December 27, 2010. It is unclear whether Como actually attended this tournament. However, Como submitted two separate but identical reimbursement requests for the same expense: each claiming that he traveled 8.65 miles.

Como claimed that he drove to Hershey on December 17, 2011 on two separate occasions. It is unclear whether Como actually drove to Hershey, or why he went if he did go (one of the submissions simply notes “PIAA” as the reason for the trip). However, Como submitted two separate mileage reimbursement requests of 113.76 miles for this trip and was paid twice by the District.

Como claimed that he drove to Norristown on March 17, 2012 to attend a basketball game. It is unclear whether Como actually attended this game. However, Como submitted two separate but identical reimbursement requests for the same expense, each claiming that he traveled 62.06 miles, and Como was paid twice by the District. Again, the Grand Jury concludes that the second of these submissions is fraudulent.

Como submitted three separate reimbursement requests for attending a Meistersinger concert at Coatesville on December 8, 2012. Each reimbursement request is for 8.44 miles. It is unclear whether Como attended the concert. Como received payments for all three reimbursement requests. However, the Grand Jury concludes that the second and third submissions are duplicates, and therefore, fraudulent.

3. Reimbursement For Expenses Not Related To Como’s Job Duties

Como received payment for expenses which he incurred while attending political events and personal matters not related to District business. These reimbursements are detailed below.

Como submitted an expense reimbursement request for attending a GOP political fundraiser on March 22, 2013. Como’s reimbursement form states “GOP Fund Raiser Thorndale Inn.” He indicated that he traveled 10.26 miles for this event. He also submitted an expense reimbursement request for 4.34 miles to go to a polling place in West Brandywine Township on

May 21, 2013, which was a primary election day. Neither of these trips were in any way related to the job duties of a school Superintendent. Moreover, these trips were blatantly related to political events, and therefore are not reimbursable.

Como submitted an expense reimbursement request for attending Bob Knecht's wedding on April 7, 2011 at the Desmond Hotel. He indicated that he traveled 38.4 miles for this event. At the time of the wedding, Knecht was a member of the School Board. This is clearly a personal invitation to a private wedding. It is not related to Como's job duties, and is not reimbursable.

Como submitted an expense reimbursement request for attending a golf outing on June 16, 2010. He indicated that he traveled 21.92 miles for this event. The request indicates that this golf outing was for a "retirement golf outing." There is no indication as to whose retirement this was for, or how playing golf in honor of someone's retirement could be related to school business.

On October 5, 2012, Como attended a dinner sponsored by the Great Valley Hall of Fame. Como's father was honored at this event, and it is believed that Como spoke at the event on behalf of his father. Como submitted an expense reimbursement request for attending this event, claiming that he drove 31.76 miles. The honor bestowed upon Como's father has no connection to the CASD. This was a personal event for Como and completely unrelated to his duties as Superintendent.

Como submitted a mileage reimbursement for a trip to Thomas Jefferson Hospital on September 7, 2011. He did not indicate why he went to the hospital on his expense report. He submitted an expense reimbursement request for 90.72 miles.

Similarly, Como received reimbursement for attending a funeral on February 3, 2012. He submitted an expense reimbursement request for 62.02 miles. Como did not indicate on his expense report why he attended this funeral.

Como requested mileage reimbursement for attending football scrimmages at other high schools. These scrimmages are basically pre-season games or practices against other schools. They are not part of the regular football schedule. More importantly, there is no justification for the Superintendent of the School District to leave his office and attend what is essentially a practice at a high school outside of Chester County. Como submitted mileage reimbursements for attending the following football scrimmages:

August 28, 2009 at Cheltenham for 43.64 miles
August 21, 2010 at Cheltenham for 70.46 miles
August 27, 2010 at North Penn for 76.32 miles
August 28, 2010 at Ridley for 87.52 miles
August 20, 2011 at Emmaus for 87.44 miles
August 26, 2011 at Cheltenham for 87.5 miles
August 27, 2011 at McCaskey for 61.5 miles

Como requested reimbursement for purchasing sneakers for coaches on July 24, 2011. It is unclear which coaches, if any, received sneakers from Como. Nevertheless, this expense appears to be unauthorized by the District, and is another example of Como's "generosity" with taxpayers' money. Como requested and received \$89.98 for the purchase of these sneakers.

On multiple occasions, Como left the District to personally drive to a distant high school for the stated purpose of picking up tickets for an upcoming school sporting event. Each time Como left campus, and his legitimate duties as Superintendent, he submitted a request for mileage reimbursement. There are two clear problems with this practice. First, it is unclear as to why anyone from Coatesville would need to go to another school to pick up tickets in advance of a game. There is no reason why these tickets cannot be picked up at the ticket booth the night of the game by presenting one's school credentials. More troubling, however, the Grand Jury cannot conceive of any justification for the Superintendent to leave the District for hours during the school day just to pick up tickets for a game. If in fact it is necessary for someone to pick up the tickets, there is surely someone in the Athletic Department who can accomplish this task while the Superintendent attends to his actual duties of running the District. Accordingly, the Grand Jury concludes that the following trips to pick up tickets are fraudulent as they were not necessary to the District, nor did they require Como's personal attention:

September 1, 2011 to McCaskey High School for 61.5 miles
September 16, 2011 to Chester High School for 35.56 miles²⁶
October 27, 2011 to Downingtown for 13 miles
November 4, 2011 to Avon Grove for 39.34 miles
December 2, 2011 to Plymouth Whitmarsh for 67.08 miles
December 8, 2011 to Lancaster Catholic for 71.44 miles
March 16, 2012 to King of Prussia for 31.78 miles
May 17, 2012 to King of Prussia for 31.78 miles
August 31, 2012 to William Penn for 113.52 miles
November 9, 2012 to Villanova for 63.56 miles
November 16, 2012 to Villanova for 63.56 miles

²⁶ The football schedule lists this game against Chester as a home game played in Coatesville.

December 3, 2012 to Lower Merion for 68.44 miles
December 8, 2012 to Hershey for 113.82 miles
December 8, 2012 to Hershey for 113.82 miles ²⁷
March 19, 2013 to Lower Merion for 68.68 miles
March 22, 2013 to Lower Merion for 68.68 miles ²⁸

Finally we note that every year, James Ellison invited Como and the Board to a dinner party at Duling Kurtz restaurant. These dinners were not executive sessions and were not work related. Rather, they were private social events. The Grand Jury concludes that these expenses were not reimbursable. Como requested reimbursement for his mileage to and from these dinners on the following dates:

March 15, 2010 for 21.32 miles
January 19, 2011 for 22.62 miles
January 31, 2012 for 20.1 miles
January 30, 2013 for 21.6 miles

Essentially, Como figured out how to bill CASD taxpayers for his personal life and enjoyments. Como liked going to sports events, so taxpayers paid. Como liked to go to restaurants and political events, so CASD taxpayers paid. It even appears that CASD taxpayers occasionally paid the CASD Superintendent to drive to the CASD high school, just a few miles from his home, a reimbursement of approximately \$4.00. All of this for a man who already was being paid over \$200,000 per year by CASD.

4. The School Board Failed To Scrutinize Como's Requests For Expense Reimbursements

The lack of oversight by the District and the School Board concerning Richard Como's expenses allowed Como to abuse the District's reimbursement Policy and the terms of his contract, and to receive reimbursement for illegal expenses. As noted above, the Grand Jury identified more than fifty expense reimbursements which are criminal in nature.

As a result of the District's lack of oversight, it is impossible to determine exactly how many more times Como stole money from the District by submitting inflated or outright fraudulent expense reimbursement requests. For example, on a weekly basis, Como claimed to visit almost every school in the District, sometimes multiple times in one day. However, when

²⁷ Como submitted two separate requests for reimbursements to travel to Hershey for the stated purpose of picking up football tickets. He was paid for both requests.

²⁸ It appears that here again, Como billed the District twice for the same trip to pick up tickets.

the building principals were questioned, the Grand Jury learned that Como was rarely if ever in the elementary school buildings or the middle school buildings. It is hypothetically possible, but highly unlikely, that Como visited a school without the building principal or another administrator noticing his presence. However, without additional information concerning Como's schedule, or the purpose of these alleged visits, the Grand Jury cannot determine whether these visits actually occurred, or whether they were legitimately related to his duties as Superintendent if they did in fact occur.

In addition, Como submitted dozens of reimbursement requests for attending both home and away sporting events, presumably on behalf of the district. Como's love for the football team was well known throughout the District and it is very likely that he did, in fact, attend every football game both home and away (as noted above, he was so obsessed with football that he felt compelled to attend out-of-town scrimmages and personally travel to pick up tickets for away games). However, Como also claimed to regularly attend both home and away basketball games, soccer games, swim meets, and other school sporting events. It is impossible to know whether Como actually attended any of these events. However, given the fact that the wrestling coaches were adamant that Como only attended two matches in 2013 – both related to a football player's quest for a state wrestling title – and the track coach's comments that Como neither attended certain track meets nor took the coaches out to dinner as Como claimed, the Grand Jury believes that there are probably numerous additional instances of fraud committed by Como in regard to his claimed attendance at other sporting events.

On this point, the Grand Jury faults the School Board for their lack of oversight and their failure to scrutinize the expense reimbursement requests submitted by Como during his employment. If Como's expenses were checked or even spot-checked contemporaneously with the claimed events, it would have been much easier to disprove the legitimacy of many more reimbursement requests.

Finally, it is important to reiterate that during most of Como's tenure the Coatesville Area School District was in dire financial condition. As a result, teachers and students went without necessary educational supplies, employees were laid off, and many other employees saw their salaries remain stagnant. Nevertheless, Como, the head of the District, believed it was not only appropriate for him to attend sporting events at distant school districts, but also believed the District should compensate him for his expenses related to those trips.

VII. ILLEGAL DIVERSION OF CASD FUNDS FOR FOOTBALL RINGS BY RICHARD COMO

The Grand Jury concludes that Richard Como engaged in criminal conduct between the fall of 2012 and the summer of 2013 when he illegally diverted school funds for the purchase of football rings and pendants. Based upon the evidence received by the Grand Jury, we conclude that Richard Como bypassed both the Pennsylvania School Code and District policy to hide his illegal actions, stole over \$11,000 from the District, and attempted to steal an additional \$15,000 to pay for the rings and pendants.

A. Background

By tradition, athletes at Coatesville (not unlike those at other schools) receive rings to commemorate championship seasons. In the past, these rings were purchased with funds generated by parents and/or booster club fundraising. Rings were never purchased with District/taxpayer money.

In the fall of 2012, the Coatesville Area High School football team played in the state championship game. The team did not win the state championship. Still, Como decided the football team would get championship rings. Como decided that the rings would be larger and more expensive than any other prior Coatesville championship rings. Como decided that he, favored school administrators, and family members of some people would get rings as well. And most importantly, Como decided that he would divert CASD funds to pay for the rings, which constituted criminal conduct.

Richard Como abused his position and authority within the School District in order to illegally purchase \$33,277.74 worth of football rings and pendants from Jostens. Jostens is a company that supplies class rings and yearbooks to schools. As outlined below, Como attempted to finance this purchase by: (1) misappropriating Student Council fundraising (\$4,137), Student Council Funds (\$8,000), a General Fund donation (\$1,000), and Summer School tuition (at least \$2,050); (2) illegally obligating the District to a long term service agreement with Jostens (\$13,342.74); and (3) attempting to transfer money from the Coatesville Director of High School's budget (\$15,000) to an account set up specifically to pay for the rings. Even with these efforts, the bill from Jostens has not been paid completely, leaving the School District currently obligated to make more payments.

All of Como's misconduct was occurring at a time when the District was experiencing significant financial difficulties. Como was looting academic programs to fund the purchase of these "non-championship" rings.

B. Richard Como Was the Driving Force Behind the Rings

The Grand Jury does not fault the football players, the booster club, or even the coaching staff with respect to Como's scheme to purchase the rings. By all accounts, the rings were not something demanded or even expected by the players, the coaches, or the boosters, because the team had not won the championship. On the contrary, it was Como who insisted that the rings be purchased. Every witness interviewed was consistent: Como told them that the rings were being purchased. It was Richard Como who not only promised the players the rings, but also promised them the biggest rings he could find, telling the players "I don't care what people say, you're going to get a ring."²⁹

C. District Finance Policies

Richard Como's illegal actions began when he unilaterally entered into a contract with Jostens. Como compounded this illegal action by entering into a separate agreement with Jostens, locking the District and the District's students into a provider agreement with Jostens, even though the District was already under contract with another provider for the same services. The Grand Jury concludes that after entering into these contracts, Como stole money from various District accounts to secretly pay for these contracts so as to hide the contracts from both public and Board scrutiny. The District's finance policies are informative because they dictated how Como needed to wiggle and wriggle not to be caught in his scheme.

Section 807.1 of the Pennsylvania School Code requires a School Board to seek competitive bids for any purchases by the District exceeding \$18,500. The Code further requires the School Board to give public notice, advertising the Board's intent to seek bids for such purchases. For all purchases in excess of \$18,500, the Board must approve the purchase.

²⁹ Como was passionate about rings. In January 2012, he ordered and designed a special ring for himself, commemorating the Upper Merion football team's Suburban One championship in the late 70's and early 80's. The ring he designed cost \$1,000.70. Como never paid a cent for it. Instead, Jostens sent the invoice for this ring to the CASD, incorporating it into an invoice for championship rings for the track team. As a result, the girls track team paid for Como's ring. To date, the Grand Jury has not been able to discover whether this was an honest oversight by Jostens or was orchestrated by Como. The Grand Jury recommends that this issue continue to be reviewed.

District Policy 610 enforces the requirements of Section 807.1 of the Pennsylvania School Code. The Policy requires the School Board to obtain bids for products and services, and sets forth procedures for preparing bid specifications, advertising for bids, record keeping, and awarding contracts to the lowest responsible bidder upon resolution of the Board.

The District also has a policy governing the creation and management of student activity accounts. Policy 618 establishes the financial supervision and controls for the administration of student activity funds. The Policy states that student activity funds are restricted for student purposes of those students still in school and disbursements must be approved by the School Board. The Policy sets out specific procedures for disbursement requests, which require the students to go through their faculty advisor who in turn will submit the request to the principal. If the principal approves the request, it is forwarded to the Business Office for payment.

D. The Brokered Service Agreement with Jostens

After the championship loss, Como contacted John Bagnell from Jostens to begin the process of ordering and designing the rings. Ultimately, Como designed and ordered a \$350.39 model ring, as well as \$303.39 model pendant for women. Como ordered 87 rings and 3 pendants. At the original price, the rings and pendants cost \$33,277.74.

Como ordered a ring for himself. He ordered rings for all varsity and junior varsity players, the entire coaching staff, the team “chaplain”, the head coach’s wife (pendant), the entire training staff, Donato, the athletic director’s secretary (pendant), the Assistant Superintendent, the Director of High Schools, and the High School Principal. Como also had a pendant made for Rebecca Layfield, a District employee with whom Como maintained a close, personal relationship.³⁰ Additionally, and inexplicably, a fan and friend of Como’s named Scott Glenn was also given a ring by Como.³¹

Realizing that he would have a difficult time hiding a \$33,000 expenditure by the District, Como then negotiated with Jostens to bring the price down. He was successful in doing

³⁰ By her own description, Layfield and Como are “best friends.” Layfield cooks for Como and eats with him multiple nights a week. She takes care of him, runs his errands, and pays his bills. They vacation together, and at least for a time, were intimate. Above all, Layfield is intensely loyal to and protective of Como.

³¹ Emails exchanged between James Donato and Scott Glenn indicate that Glenn also received CASD shirts in addition to the ring.

so, at the expense not only of a long standing business relationship with a company called Student Services, but potentially at the expense of every graduating senior for the next five years.

For years, Student Services provided caps, gowns, diplomas, and graduation stationary to Coatesville students for a set fee. This business relationship between CASD and Student Services is generally referred to in the District as the Scholastic Account. Prior to the spring of 2013, Jostens had never succeeded in getting the CASD's scholastic business. In January 2012, Robert Fisher, the Principal of the 11/12 Center at CASH, signed a four year service agreement with Student Services through which Student Services was contracted to provide Scholastic Services to the CASD through 2016. This service agreement was similar to ones signed by multiple prior CASH principals.

Nevertheless, without any prior discussion or consultation with Principal Fisher or the School Board, Richard Como promised Jostens the Scholastic Account business for five years in return for reducing the cost of the rings. While email correspondence shows that Jostens expressly wanted to ensure that Principal Fisher was "happily on board" with the agreement, Como never discussed the matter with Principal Fisher. Instead, in a March 21, 2013 email, Como told Jostens, "Go for it and let us know asap. We will assure this end." He then contacted Principal Fisher to inform him that the Scholastic Account business was going to Jostens.

Como's scheme was a classic illegal *quid pro quo*. In exchange for breaking the agreement with Student Services and guaranteeing Jostens the Scholastic Account business for five years, Como was able to obtain his rings for a reduced price of \$19,935 (\$225per ring, and \$195 per pendant). Although this was a significant reduction in the price, Como still needed to find \$19,935 to pay for the rings without anyone in the District discovering the source of the money. In addition, Como almost certainly "bought" the District litigation (either with Jostens or Student Services) and "bought" an obligation for all CASH graduating seniors to pay Jostens for graduation paraphernalia.

E. Beast of the East Fundraiser

Como was initially able to secure \$4,137.75 for the "non-championship" rings by approaching Tricia Dohmsohn, a 12th grade English Teacher at CASH and the co-moderator of Student Council for the 11/12 Center. Dohmsohn is also a former student of Como's and was a member of Como's favored inner circle. She socialized with him after football games, was

invited to the beach house he shared with Rebecca Layfield over the summers, and was at least perceived by others to be the recipient of his preferential treatment and protection. She both admired and feared Como. She could not, would not, and most importantly did not ever question or challenge him in any way. In short, Tricia Dohmsohn was somebody Como could rely upon to do exactly what she was told.

In December 2012, Como contacted Trisha Dohmsohn and told her he wanted her to do a t-shirt sale for him. As Dohmsohn explained, Student Council does a significant amount of fund raising at the high school and routinely holds shirt sales to raise money for events such as Homecoming and the Prom.

Dohmsohn agreed to Como's request. She attempted, however, to distance herself from this sale. She clarified that this was not a Student Council fundraiser, but rather a fundraiser organized and operated by Student Council for Como. It is unclear whether or not she "clarified" this with her Student Council students who spent their time and energy selling the shirts. Regardless, according to her, neither she nor her students knew that the money they raised would be used to purchase the rings.

This sale took place during the week leading up to the state championship football game, well in advance of the rings being designed or ordered. "Beast of the East" or "Pride of the East" t-shirts were sold at the various District schools, at the high school store, and to members of the community. Because it was not a Student Council project, Dohmsohn did not make or keep any records regarding the number of shirts sold, or the amount of money collected. Cash generated from the t-shirt sale was simply delivered to Como or his office. The t-shirts sold in the sale (for \$12 a shirt) were created by Dohmsohn's brother, Thomas Alderman. Alderman reported that Como requested 1,000 t-shirts from him. He charged Como the cost of the t-shirts, which was \$5 each. Alderman reports that he was paid by Como in cash. No record exists outlining either the number of t-shirts sold or the actual amount of cash collected.

Still, in the week following the sale, Como delivered \$4,137.75 in cash to the Business Office. The deposit slips characterize this cash as coming from the school spirit t-shirt sale.

This money was used to pay the first installment on the ring purchase. However, it was clearly insufficient to fund the total cost of the ring contract.³²

F. Red Raiders Slush Fund

Finding money to pay for the rings was only part of Como's problem. He also needed a way to hide the money from any scrutiny while it was being collected and while it was being sent to Jostens. To solve this problem, Como turned to Paul Rose. Paul Rose is the former Controller for the Coatesville Area School District.³³ He provided the Grand Jury with documents and information regarding a fund he created within the CASD's Agency Fund³⁴ – Special Collections Account, which he titled the "Red Raiders Spirit Day Account." Rose indicated that he created that fund in December 2012 at Richard Como's request. More specifically, Rose described Como coming to him in the Business Office following what he believed was the Student Council "Beast of the East/Pride of the East" fundraiser. Rose explained that Como came to him with cash from the sale and instructed Rose to deposit the cash somewhere other than the Student Council Account, because he wanted to spend it on the football players. Rose accomplished Como's request by creating the Red Raiders Spirit Day Account within the Agency Fund.

According to Rose, as well as the account documents, the Red Raiders Spirit Day Account was originally funded with three cash deposits from Como totaling \$4,125.75. These deposits were made on December 14th, 18th, and 19th. An additional \$12 cash deposit was made in January, 2013 (neatly matching the account raised by the t-shirt sales).

On April 17, 2013, these initial deposits, totaling \$4,137.75, were used to pay the first of what was to be three installments to Jostens. Rose was instructed to use whatever money was in

³² Given that this wildly popular fundraiser, which took place at the height of the football team's popularity, only raised \$4,137.75, Como could not have credibly expected "fundraising" to ever cover the cost of the rings. On the contrary, it is clear that Como always intended to use School District funds to fill the gap.

³³ During the normal course of events, the Controller would report to the Business Manager. However, between February and October of 2013, the Business Manager position was vacant. Rose was terminated during the summer of 2014, in the midst of our investigation.

³⁴ By way of background, Coatesville operates with five overall accounts. The primary account, which encompasses most of the District's business, is the General Fund. For example, Athletics, Facilities, and Summer School are all accounts within the General Fund. Tax revenue is deposited into the General Fund. A separate fund, the Student Activities Fund is used for all money raised by specific student organizations – such as Student Council and other clubs. For example, this is where Homecoming and Prom money will be deposited. This is where club fundraising is deposited. There is also a Construction Fund, a Scholarship/Trust Fund, and a Food Service Fund. Finally the District has an Agency Fund account, which operates in many respects like an escrow account. This fund is used primarily to keep money collected during various school or District wide charitable drives. As Rose initially described to investigators, it is for funds that "do not belong to the District."

the Red Raiders Spirit Day Account to write a check to Jostens. Rose was not given, but was promised, an invoice. He was told that the check was for football team awards. Rose did not challenge or question this request. He wrote a \$4,137.75 check to Jostens on April 17, 2013. This check was processed on May 31, 2013. That payment temporarily left the Red Raiders Spirit Day Account empty.

It is clear that the sole purpose of the Red Raiders Spirit Day Account was to provide Como with a location to hide District funds he unlawfully obtained from various sources, and thereafter illegally use those funds to pay for the rings and pendants.

The Grand Jury concludes that Como's misappropriation of the money raised by the t-shirt sale was illegal. The money raised by the students from the t-shirt sale belonged in the Student Activity account. Como had no authority to take money from the students and deposit it into an account which funded the purchase of the rings.

The Grand Jury recommends that Como be charged with the crimes of Dealing in Proceeds of Unlawful Activities, Theft by Failure to Make Required Disposition of Funds Received, Theft by Unlawful Taking or Disposition, Theft by Deception, and Receiving Stolen Property in connection with the \$4,137.75 in cash Como received from the students' t-shirt sale, which Como then used to make the first payment to Jostens.

G. Misappropriation of General Fund Donation

On May 18, 2013, Richard Swanker, the executive secretary of the Track and Field Coaches Association of Greater Philadelphia ("TFCA"), wrote a check for \$1,000. The president of TFCA is Carl Smith, a graduate and 35 year employee of the CASD. Smith has coached track at Coatesville for over 20 years. The TFCA has held a track invitational at the Coatesville Area High School every year since 2011. Given Smith's involvement, and the fact that the Coatesville track team competes, the District has not charged the organization for the use of the facilities. Instead, every year since the invitational returned to Coatesville, the Association has given a \$1,000 check, made payable to the District, as a donation to thank the District and to help defray the costs of the event. Smith gave this \$1,000 check to Como. The check was not written to Como and it was not written to the football team. The Memo line indicates that the check was "for Coatesville."

Como had this \$1,000 check deposited into the fund he had created for the rings, the Red Raiders Spirit Day Account. This \$1,000 was then used to fund the purchase of the rings.

The Grand Jury concludes that Como's misappropriation of this \$1,000 donation constitutes a theft because it was applied towards the illegal ring contract. This check should have been deposited either into the General Fund, the Student Activity Fund, or the Scholarship/Trust Fund. The sole purpose of depositing this donation into the Red Raiders Spirit Day Account was to hide it from the District so he could use the money to pay for the rings and pendants.

H. Misappropriation of Student Council and Summer School Funds

On June 28, 2013, Como directed District employees to make a deposit into the Red Raiders Spirit Day Account. This deposit, which totaled \$10,050, came from two separate sources: \$8,000 was a direct transfer from the Student Activities - Student Council Account; and \$2,050 was cash Como skimmed from Summer School deposits. Como then directed that Jostens receive a check in the amount of \$6,931.50 from the Red Raiders Spirit Day Account.

These transactions were performed at the instructions of Como through then Assistant Superintendent Angelo Romaniello. At the end of June 2013, Romaniello came to the Business Office and instructed Rose to make a deposit into the Red Raiders Spirit Day Account. The deposit included a collection of cash and checks totaling \$3,250. At the same time (indeed on the same form), Romaniello requested that \$8,000 be transferred from the Student Activities-Student Council Account to the Red Raiders Spirit Day Account.

In processing this deposit, the Business Office staff discovered that the checks included in the deposit (totaling \$1,200) were all made out to "Summer School." Business Office employee Lori Dunlap confirmed that she made this discovery and brought it to Rose's attention. The checks were subsequently removed from the deposit, and appropriately deposited in the Summer School Account; however, the remaining cash (\$2,050), which was clearly part of the same deposit, was placed into the Red Raiders Spirit Day Account.

Romaniello confirmed that he gave the \$3,250 deposit form to Rose and confirmed that the handwriting with the \$3,250 total was his. He explained that he was given the cash and checks by Como and instructed what to do by Como. Romaniello stated that he followed Como's instructions because he was afraid for his job.

Romaniello also acknowledged that he gave the \$8,000 Student Council transfer form to Rose. At the time of the transfer he knew, based upon a conversation with Como, that Como intended to transfer \$8,000 from another school account to pay for the rings. This \$8,000 transfer was facilitated and further explained by Tricia Dohmsohn.

According to Dohmsohn, sometime during June, 2013, she received a call at home from Como. During this call, Como inquired as to how much money had been left in the Student Council Account at the end of the year. When she told him that there was approximately \$10,000.00 left in the account, he instructed her to transfer \$8,000.00 to the Red Raiders Spirit Day Account. She was told to go to the school the next day, obtain a transfer slip from Layfield, and to fill out the form. Dohmsohn reported that she did what she was told. She confirms that the "\$8,000", "Transfer to", and "CASH Student Council/9-12" on the form were written by her. Dohmsohn claims that Como did not tell her what the money would be used for. However, as noted earlier, Dohmsohn never questioned or challenged Como's directives.

After making the deposits he received from Romaniello, Rose then issued a second check to Jostens for \$6,931.50 dated June 20, 2013. This brought the total paid to Jostens up to \$11,069.25.

To date, this was the last payment actually made on the rings. Romaniello confirmed that Como had deliberately arranged to pay Jostens in three separate installments in order to avoid drawing attention with a large payment. However, Como did not make the third payment before the texting scandal erupted and he resigned as Superintendent. CASD thus still owes Jostens at least \$8,865.75.

The Grand Jury concludes that Como stole cash from the Summer School receipts and illegally diverted this stolen money to the Red Raiders Spirit Day Account to pay for the rings. Additionally, the Grand Jury concludes that Como misappropriated \$8,000 from the Student Activity Account by transferring this money into the Red Raiders Spirit Day Account to pay for the rings. These unlawful transfers of money were designed by Como to conceal and/or disguise the origin of the money used to pay for the rings. Accordingly, the Grand Jury recommends that Como be charged with Dealing in Proceeds of Unlawful Activities, in addition to related Theft charges in the amount of \$6,931.50 for the money Como used to make the second payment to Jostens. Furthermore, the Grand Jury recommends that Richard Como be charged with Criminal Attempt to commit these offenses, in the amount of \$3,118.50, which represents the balance of

the \$10,050 Como deposited into the Red Raiders Spirit Day Account, but which was not paid out to Jostens.

I. “Camp Academia”: Como Charges Students For Free Academic Program

Como’s insistence that the football players would not be expected to pay for their rings grows even more offensive when contrasted with his decision to charge Coatesville students tuition for what was offered as a free academic program.

In the summer of 2013, Cheyney University used federal grant money to offer a summer program to Coatesville Area School District middle school students. The program was intended to expose students to a college campus experience and to provide extra instruction in science, math, and language arts. It was designed to be free. The program, Camp Academia Middle School Edition, was funded entirely by Cheyney University and cost the Coatesville Area School District nothing. In fact, Cheyney University paid the District \$1,014.28 to cover the transportation costs for the students and \$2,400 to cover the cost of sending four educators to act as counselors. Rather than sending teachers to act as counselors, Coatesville sent four administrators, incurring no actual educator costs.

Despite the fact that the program cost the District nothing, Richard Como charged students a \$50 fee for attendance. As with the summer school tuition, he insisted that the fee be paid by cash or certified check. A total of \$1,100 was collected from these students. This money was not separately accounted for and deposited as Camp Academia tuition. Instead, it was included with the Summer School receipts – the very receipts Como misappropriated to pay for the rings.

J. Improper Transfer from Director of High School’s Account

Dave Krakower is the Director of High School & Curriculum Instruction and Special Education (6-12). In April 2013, Como instructed Romaniello to have \$15,000 transferred from Krakower’s Director of High School budget to the Red Raiders Spirit Day Account. Romaniello passed this request on to Paul Rose at the Business Office. This transfer request was made without Dave Krakower’s knowledge or permission. On the contrary, when Como asked Krakower if there was money in his budget that could be used to pay for the rings, Krakower told him that there was not.

According to Rose, he was too overwhelmed to process the transfer when requested. Instead, he did not process the request until after the Student Council and Summer School money had been diverted. At that point, Rose claims he was told by Romaniello that the transfer was no longer necessary. Records reflect that the funds were not returned to the High School Account until February of 2014, well after the Grand Jury's investigation began, and well after Como retired.

The Grand Jury concludes that by directing the transfer of \$15,000 from the High School budget to the Red Raiders Spirit Day Account, Como attempted to commit the crimes of Theft by Unlawful Taking, Theft by Deception, Theft by Failure to Make Required Disposition of Funds Received, and Receiving Stolen Property, and he should be charged accordingly with Criminal Attempt to commit these crimes.

In summary, Como obligated CASD to pay Jostens over \$33,000 for elaborate "non-championship" rings. Como then illegally begged, borrowed, and stole to pay for these rings. He stole from Student Council, he stole donations, he created fees for free services and stole those fees, and he engaged in a patently illegal *quid pro quo* arrangement, all to pay for his criminal pet project. Instead of symbolizing a great season, these rings now stand as a symbol of Como's corruption.

VIII. THEFTS OF CASD FUNDS BY JAMES DONATO

CASD Athletic Director James Donato used his position and lax controls at CASD to steal thousands of dollars in cash from CASD. Donato used two main theft techniques: (1) steal cash from CASD facility usage fees; and (2) stealing cash receipts from CASD athletic events. Some of these thefts were ham-handed money grabs, while others involved sophisticated money laundering and cover-ups. Donato engaged in this activity to support his gambling habits, his flashy clothes, and the purchase of a Range Rover (partially paid for with \$10,000 in loose cash). Even Donato's racist texts with Como reference his ongoing thefts.

A. James Donato's Theft of Facility Usage Fees

CASD Athletic Director James Donato stole thousands of dollars in cash from CASD by taking facility usage fees. The Grand Jury recommends that he be charged with these thefts.

The Coatesville Area School District generates revenue by renting out its facilities, including its gyms, football stadium, and track. The District has a written policy and accompanying procedures regarding the use of these facilities. This policy includes a fee schedule, and it requires that fees be paid in advance. Rental payments should be made to and through the Facilities Department.

The Grand Jury's investigation revealed that Donato repeatedly ignored facility usage policy and procedures and instead used his position to schedule undocumented and "off-the-book" events at the Coatesville Area School District. Then, rather than deposit the revenue generated from these events into the District's account, he kept it for himself. In doing so, he stole thousands from the CASD.

Donato stole cash from the District through each of the following events.

1. 2011 Scholastic Play by Play Basketball Tournament

In December of 2011, Donato waived an otherwise chargeable facilities usage fee and allowed a man named Jeremy Treatman to operate a large high school basketball tournament at the CASD. Treatman was not required to submit a facilities usage application form and the Facilities Department had no record of the event. Per the agreement, Treatman did not pay a fee for using the gym, but instead was required to split the net proceeds from the gate revenue with the Athletic Department.

The event, part of Treatman's "Play by Play" organization, was hosted on December 9th and December 10th of 2011. Donato was present. He assisted in collecting money, and periodically emptied the cash box to his office for safe keeping. In the end, Donato counted the cash and handed Treatman his share. Donato and Treatman each left with between \$2,200 and \$2,400 in cash. Donato never deposited any of this cash into a CASD account.

In failing to make this deposit, Donato committed the crimes of Theft by Unlawful Taking and Theft by Failure to Make Required Disposition of Funds. The Grand Jury recommends that he be charged with these offenses. Additionally, as Donato abused his position as Athletic Director to accomplish this theft and secure pecuniary benefit for himself, we recommend that he be charged with a felony Ethics Act violation as well.

2. 2012 Bert Bell Championship Security

The Bert Bell Memorial Football Conference (“the Conference”) held their championship football tournament at CASD in 2010, 2011, and 2012. Although there was no facilities usage form completed, the Conference paid a fee each year and it was duly deposited into the CASD account.

In 2012, Donato abused his position to secure an additional \$750 from the Conference. That year, representatives from the Conference met with Como and Donato to discuss the fee for the 2012 event. Following that meeting, Donato pulled the representatives aside and explained that they would need to pay an additional fee for security at the game. Despite the Conference’s suggestion that they could provide their own personnel, Donato insisted it be his own people and that they be paid \$250 each, for a total of \$750.

On the day of the event, Donato requested payment in cash and became visibly upset when the Conference refused to pay in cash. Instead, the Conference issued three checks, for \$250 each, to James Donato, Matt Ortega, and Damien Henry for “security.” Ortega spent most of the event in the press box. Donato left halfway through the day. Donato deposited his check into his personal bank account.

In demanding and depositing this security check from the Bert Bell Conference, Donato used his position of authority to secure pecuniary benefit for himself. The Grand Jury recommends that Donato be charged with a felony Ethics Act violation for doing so.

3. 2012 Bert Bell Championship – Concessions

The Coatesville Football Booster Club operated a concessions stand at the November 17, 2012 Bert Bell Conference Championship. Donato charged the Boosters a \$950 fee to do so. He insisted the fee be paid in cash. The Booster Club paid this fee in cash but required Donato to sign a receipt acknowledging payment. Donato never deposited this \$950 into an Athletic Department account.

In failing to make this deposit, Donato committed the crimes of Theft by Unlawful Taking and Theft by Failure to Make Required Disposition of Funds. The Grand Jury recommends that he be charged with these offenses. Additionally, as Donato abused his position as Athletic Director to accomplish this theft and secure pecuniary benefit for himself, we recommend that he be charged with a felony Ethics Act violation as well.

4. 2013 Chesmont Cheerleading Championships

On February 17, 2013, the Coatesville cheerleading team hosted the 2013 Chesmont Cheerleading Championships at CASH. No facilities usage application form was submitted and the event does not appear in the Facilities Department records.

The cheerleading coach and cheerleading boosters scheduled and coordinated this event with James Donato. A \$10 admission fee was charged at the door, and the booster club operated a concessions stand. Donato agreed to waive the facilities usage fee in exchange for the cheerleaders paying the District half of the net revenue from the gate and the concessions.

Throughout the day of the event, Donato collected cash from the concessions stand and the ticket sellers. The cash was never counted prior to collection. At the end of the event, Donato presented the boosters with their split of the revenue, somewhere between \$2,000 and \$3,000. Donato never deposited any of the cash he collected at the 2013 Cheerleading Championship into an Athletic Department account.

In failing to make this deposit, Donato committed the crimes of Theft by Unlawful Taking and Theft by Failure to Make Required Disposition of Funds. The Grand Jury recommends that he be charged with these offenses. Additionally, as Donato abused his position as Athletic Director to accomplish this theft and secure pecuniary benefit for himself, we recommend that he be charged with a felony Ethics Act violation as well.

5. May 5, 2013 CYO Track Meet

On May 5, 2013, Joseph Hutton organized and held a Catholic Youth Organization Track Meet at the Coatesville Area Senior High School track. In requesting the facilities, he dealt exclusively with James Donato. He did not submit a facilities usage application, and the Facilities Department has no record of the event.

Donato advised Hutton that he would waive the facilities usage fees, provided that the District keep the revenue from the concessions sales. Hutton agreed. In addition, Hutton explained that his organization wanted to donate \$1,000 to the Coatesville track team. Donato welcomed the donation, but advised Hutton not to tell anyone. Donato appeared angry when he learned that Hutton had told the track coach. Subsequently, on the day of the event, Donato insisted that the donation would now need to be split with the school. Ultimately, it was agreed

that \$750 was to be paid to the track team, and \$250 to the high school. Hutton wrote two checks one to the track team, and one to the school.

At the CYO event, Ruth Martin ran the concessions stand for Mr. Donato. She bought the supplies with her own money and was reimbursed by Donato in cash.

Donato arranged to have Martin and other CASD employees who worked the event compensated for their time with CASD funds. Martin was paid via the “extra duty” credit system.³⁵ She believes she received 4 credits, which amounts to \$160 in school funds paid to have her work the event. Maria Masorotti was also paid via “extra duty” CASD funds. Dave Raysor, the school district’s groundskeeper also worked the event. The CASD paid him 10.5 hours for overtime.

According to Martin, the concessions stand did good business that day. She never counted the cash collected. Instead, Donato came by periodically to empty the cash boxes and carry the cash away. She estimates that a couple of thousand dollars was collected. Donato did not deposit any cash collected at this event into the Athletic Department account.

In failing to make this deposit, Donato committed the crimes of Theft by Unlawful Taking and Theft by Failure to Make Required Disposition of Funds. The Grand Jury recommends that he be charged with these offenses. Additionally, as Donato abused his position as Athletic Director to accomplish this theft and secure pecuniary benefit for himself, we recommend that he be charged with a felony Ethics Act violation as well.

6. June 1, 2013 Archdiocese CYO Championship

On June 1, 2013, a second CYO event, the Archdiocesan Championship, was held at the Coatesville Area Senior High School track. George O’Connell scheduled and coordinated this event with James Donato. He did not submit a facilities usage application, and the Facilities Department has no record of the event.

The Archdiocesan Championship was a large event, usually held at Franklin Field in Philadelphia, that involved over 1,400 athletes. Originally, Donato agreed to waive the facilities usage fee in exchange for allowing the CASD to keep the concessions stand revenue. However,

³⁵ CASD employees who work at athletic events (as ticket sellers, score keepers, etc.) are paid by the District for their time using an “extra duty” credit system. The employee receives a specified number of extra duty credits for each event worked. Each credit is worth forty dollars. At the end of each season, they are issued a payroll check for the extra credits earned.

one week prior to the event, Donato explained that in exchange for not charging and collecting an admission fee from spectators (which the CYO could not do), the CYO would additionally need to pay a \$5,000 facilities usage fee. Donato insisted the fee be paid in cash.

On the day of the event, O’Connell used the cash revenue from an on-site t-shirt sale to pay Donato. He handed Donato a brown paper bag filled with \$5,000 in cash.

That cash was never deposited into a CASD account. Instead, it remained in Donato’s office safe, where it was discovered following his “resignation” in 2013. Athletic Department deposits were made in the interim, and yet this cash remained in Donato’s possession and control.

Just as with the other CYO event, Donato used the school payroll system to compensate workers for their time. Dave Raysor and two District police officers received overtime pay. Ruth Martin and four other workers received extra duty credits.

The \$5,000 cash paid by O’Connell was only half of the revenue collected and owed to CASD that day. In addition, a concessions stand, run by CASD employees being paid with CASD funds, also raised revenue that never made it back to the District. According to Ruth Martin, who ran the concessions stand for the June 1 event, it was a particularly hot day and the concessions stand was quite busy. She estimates that the concessions stand sold as much, if not more, than they typically do for a District 1 Track Championship, which usually generates about \$6,000.

Donato did not deposit any concessions stand revenue into a CASD account. In failing to make a deposit – of either \$5,000 or the concessions stand revenue -- Donato committed the crimes of Theft by Unlawful Taking and Theft by Failure to Make Required Disposition of Funds. The Grand Jury recommends that he be charged with these offenses. Additionally, as Donato abused his position as athletic director to accomplish this theft and secure pecuniary benefit for himself, we recommend that he be charged with a felony Ethics Act violation as well.

B. JAMES DONATO’S THEFT OF CASH RECEIPTS

The Grand Jury also recommends that Athletic Director James Donato be charged with theft related offenses for stealing cash gate receipts from the District. Donato exploited the sloppy accounting practices at the District to steal thousands of dollars.

The CASD Athletic Department generates a great deal of money from athletic events – almost all in cash. Football games are by far the largest cash generators. However, they are not

the only source of cash. In addition to football games, admission is also charged for basketball, night field hockey, soccer, lacrosse, and wrestling matches. Season tickets are sold for basketball and football. Money is collected at the both the high school and the middle schools for student physicals. Additionally, until the fall of 2013, the Coatesville Area School District charged admission at middle school basketball games and wrestling matches.

During Donato's tenure, all of this cash was collected and accounted for by Donato with virtually no oversight or internal control from the District. As set forth below, Donato used this lack of oversight to systematically steal from the CASD.

1. Prior CASD Practices

At least with respect to gate receipts, prior CASD athletic directors appear to have been diligent in their efforts to document and account for the money they collected. Specifically, they used "Ticket Seller Return" sheets to account for money collected at various sporting events. With these sheets, ticket sellers documented the first and last ticket sold at each gate (with the before and after tickets attached), the price paid per ticket, and the total cash collected (broken down by denomination). Once the cash was counted and collected, the ticket seller signed each sheet. While only the ticket sellers' signature was required, prior athletic directors and ticket sellers counted the money together. The total cash collected was then compared to the number of tickets sold.

The athletic director then prepared deposits for the business office. Each of the three prior athletic directors before Donato were precise and detailed in their accounting. Cash collected at every event was deposited separately and clearly described. Thus, season tickets were deposited separately from the football gate receipts, which were deposited separately from any other game receipts. As a result, the deposit slips could be reviewed to determine the exact amount collected at any given event. Further, signed ticket seller return sheets from each event were collected and saved. If need be, deposits could be compared to the return sheets.

These control mechanisms, however, appear to have been the voluntary creation of prior directors. They were never required, demanded, or even reviewed by the CASD Business Office. Ticket seller return sheets were never turned in and they were never audited. Instead, Business Office deposit records and journal entries were prepared and recorded solely on the

basis of the descriptions and representations of the athletic director. These representations were never verified, validated, or checked.

As a result, no one at the District appears to have noticed when James Donato stopped complying with these basic procedures. No one noticed when he started stealing thousands of dollars in cash.

2. Overall Drop In Cash Deposited

The Grand Jury’s investigation revealed that during the course of Donato’s tenure as Athletic Director (November 2009 through August 2013), there was a significant drop off in both the number of deposits made and the amount of cash deposited by the Athletic Department. As the chart below illustrates, this downward trend was continuous under Donato.

Athletic Department Deposit History				
Year	Number of Deposits	Total Deposit	Cash	Checks
2009-2010	48	61,035.00	52,623.00	8,412.00
2010-2011	26	59,591.00	37,345.00	22,246.00
2011-2012	28	58,277.69	44,803.90	13,473.79
2012-2013	17	53,239.80	31,592.45	21,647.35

When considered along with the following evidence of misrepresentations of deposits, this drop off in both the number and amount of deposits is evidence that Donato was actively stealing from the CASD. It is also a red flag that should have been noticed by the CASD Business Office and reported to the Board.

3. Fraudulent Deposits To Hide Stolen Cash

The Grand Jury's investigation uncovered multiple occasions where Donato provided fraudulent descriptions of the Athletic Department deposits he submitted to the bank.³⁶ Specifically, on multiple occasions Donato included unreported and unrelated checks into what should have been, according to the descriptions he provided, all cash deposits. These unrelated checks hid missing cash that was being stolen by Donato.

For example, and as representative of this pattern, on January 3, 2011, Donato made a \$1,560 deposit into the Athletic Department account. On both the deposit slip he prepared and in his email to the Business Office, he identified this deposit as girls basketball (\$300) and boys basketball (\$1,250).³⁷ However, the actual deposit records obtained from the bank show that the actual deposit included only \$560 in cash. The remainder of the deposit was a \$1,000 check from the Coatesville Midget Football League. Existing gate sheets show that \$415 in cash was collected at a girls basketball game on December 21, 2010 and \$1,298 in cash was collected at a boys basketball game on December 23, 2010. Thus, a total \$1,713 in cash was collected, while only \$560 in cash was deposited. Donato used the check from the Midget Football League to conceal this missing cash. He also underreported the amount of cash collected at both of the events referenced. In essence, Donato was not only underreporting the amount of cash collected but also playing a shell game, using checks to cover up his theft of the incoming cash.

As the following examples show, Donato followed this pattern on multiple occasions.

- On September 23, 2010, Donato made a \$1,960 deposit into the Athletic Department account, which he identified as Steel City (\$1,435) and boys soccer (\$525). The actual deposit included only \$500 in cash. The remainder of the deposit consisted of registrations checks for a Steel City invitational tournament (\$1,435) and season tickets (\$25). Existing gate sheets indicate that since the previous deposit, \$612 in cash was collected at a boys soccer game on September 21, 2010. **Cash stolen: at least \$112.**
- On October 21, 2010, Donato made a \$940 deposit into the Athletic Department account, which he identified as girls soccer (\$300), field hockey (\$301) and boys

³⁶ During his tenure, Donato was solely responsible for making the Athletic Department deposits. He collected the cash from the ticket sellers and prepared the deposit slips for the bank. In addition, he frequently emailed the Business Office with a description of the deposits he made.

³⁷ Donato added incorrectly in his paperwork which resulted in a \$10 discrepancy caught by the bank.

soccer (\$339). The actual deposit included only \$800 in cash. The remainder of the deposit was a registration check for a Steel City invitational tournament.

Existing gate sheets indicate that since the previous deposit, \$401 in cash was collected at a girls soccer game, \$385 in cash at a field hockey game, and \$415 in cash at a boys soccer game. Thus, a total of at least \$1,201 in cash was collected.

Cash stolen: \$401

- On November 8, 2010, Donato made a \$2,851 deposit into the Athletic Department account, which he identified as the football gate versus Avon Grove. The actual deposit included only \$2,250 in cash. The remainder of the deposits was a \$601 check from All American Publishing LLC.³⁸ Existing gate sheets from the Avon Grove football game indicate that at least \$2,283 in cash was collected, and possibly \$6,357 (two gate sheets are unlabeled and undated). **Cash stolen: at least \$33.**
- On December 15, 2010, Donato made a \$1,900 deposit into the Athletic Department account, which he identified as boys basketball (\$1,605) and girls basketball (\$295). The actual deposit included only \$1,250 in cash. The remainder of the deposit was an unrelated \$650 check from the girls basketball team to pay for an order from Kelly Sports. Existing gate sheets show that \$1,639 in cash was collected at a boys basketball game on December 10, 2010. A girls basketball game was played that week as well, but no gate sheet could be found for that game. **Cash Stolen: at least \$389.**
- On January 3, 2011, Donato made a \$1,560 deposit into the Athletic Department account. He identified it as girls basketball (\$300) and boys basketball (\$1,250). The actual deposit included only \$560 in cash. The remainder of the deposit was a \$1,000 check from the Coatesville Midget Football League. Existing gate sheets show that \$415 in cash was collected at a girls basketball game on December 21, 2010 and \$1,298 in cash was collected at a boys basketball game

³⁸ All American Publishing LLC is a sports marketing firm that produces and sells advertising in team schedule posters. Donato deposited multiple checks from All American Publishing as well as similar sports marketing firms. Donato never properly identified these checks. Instead, it appears Donato deliberately concealed this source of revenue entirely, allowing him to repeatedly use these checks as a means to hide missing cash.

on December 23, 2010. Thus, a total \$1,713 was collected, while only \$560 was deposited. **Cash Stolen: \$1,153.**

- On February 8, 2011, Donato made a \$1,002 deposit into the Athletic Department account, which he identified as Great Valley boys basketball (\$688) and Downingtown East girls basketball (\$314). The actual deposit included only \$502 in cash. The remainder was a \$500 check from Home Team Marketing LLC. Existing gate sheets indicate that \$1,081 in cash was collected at a Great Valley game on January 22, 2011 and \$484 in cash was collected at the Downingtown East game on January 25, 2011. Thus, a total of at least \$1,565 in cash was collected. **Cash stolen: \$1,063**
- On March 2, 2011, Donato made an \$806 deposit into the Athletic Department account, which he identified as wrestling Bishop Shanahan (\$230), physicals (\$100), and girls soccer – West Chester East (\$184), Pottsgrove (\$205) and Owen J. Roberts (\$190). This deposit was all cash. No useful records regarding the physicals exist, and no gate sheet for the Owen J. Roberts game could be located. Existing gate sheets for the remaining events, however, indicate that a total of \$836 in cash was collected: \$249 at the Bishop Shanahan match, \$306 at the Pottsgrove game, and \$281 at the West Chester East game. **Cash Stolen: at the least \$30.**
- Donato made no deposits into the Athletic Department account between March 2, 2011 and May 23, 2011. Existing gate sheets for lacrosse games occurring during that time frame indicate that \$2,578 in cash was collected. **Cash stolen: \$2,578.**
- On January 20, 2012, Donato made a \$1,510 deposit into the Athletic Department account which he identified as boys basketball (\$1,209) and girls basketball (\$301). This deposit was all cash. Existing gate sheets for events occurring since the prior deposit indicate that \$2,829 in cash was collected. Notably, Donato fails to deposit or even reference \$1,319 collected at a January 14, 2012 basketball games versus Wilson. **Cash stolen: \$1,319**
- On September 10, 2012, Donato made a \$5,580 deposit into the Athletic Department account, which he identified as field hockey (\$399) and football gate

York (\$5,181). The actual deposited items included only \$4,350 in cash. The rest of the deposit appears to be season ticket checks and soccer and cross country tournament registration checks. Existing gate sheets confirm that \$5,181 in cash was collected at the York game, and \$399 in cash was collected at a field hockey game in the preceding week. Thus, a total of \$5,580 in cash was collected. **Cash Stolen: \$1,230.**

- On September 19, 2012, Donato made a \$7,806 deposit into the Athletic Department account which he identified as football gate Malvern Prep (\$6,198), field hockey Octorara (\$321), boys soccer West Chester East (\$518), and girls soccer – Octorara (\$374) and Downingtown East (\$518). The actual deposit included only \$7,440 in cash. The remainder of the deposit consisted of season ticket and tournament registration checks. Existing gate sheets from each of those events indicate that \$8,126 in cash was collected. **Cash stolen: \$686.**
- On October 1, 2012, Donato made a \$10,001 deposit into the Athletic Department account, which he identified as football gate Downingtown East. The actual deposit consisted of only \$9,526 in cash. The remainder of the deposit appears to be tournament registration checks. Existing gate sheets indicate that \$10,481 in cash was collected at the Downingtown East game. Additionally, Donato failed to deposit or even reference the \$454 which was collected at field hockey and soccer games on September 20, 2012. Thus, a total of \$10, 935 in cash was collected. **Cash Stolen: \$1,049**
- On October 23, 2012, Donato made a \$2,925 deposit into the Athletic Department account which he identified as cross country (\$1,790), girls soccer (\$421), field hockey (\$199) and boys soccer (\$515). The actual deposit included only \$520 in cash. The remainder of the deposit consisted of registration checks for a cross country invitational and basketball season ticket checks. Existing gate sheets for events occurring since the prior deposit indicate that \$1,623 in cash was collected. **Cash stolen: \$1,103.**
- On January 11, 2013, Donato made a \$4,410.60 deposit into the Athletic Department account, which he identified as girls basketball versus Kennett (\$322), girls basketball versus Downingtown West (\$311), boys basketball versus

Rustin (\$1,150), boys basketball versus West Chester East (\$1,067), and football gate \$1,560. The actual deposited items included only \$1,550 in cash. The remaining deposit included a \$300.10 check from All American Publishing and a \$2,560 reimbursement check from the PIAA. While no gate sheets exist for the Rustin boys basketball game or a football game, those that do exist for the remaining events indicate that at least \$1,700 in cash was collected. **Cash Stolen: at least \$150.**

- On January 22, 2013, Donato made a \$2,902.70 deposit into the Athletic Department account which he identified as girls basketball Bishop Shanahan (\$334) and boys basketball – Gospel (\$800), West Chester Henderson (\$729.70), and Downingtown East (\$1039). The actual deposit only included \$1,584 in cash. The remainder of the deposit was a check from the PIAA. Only two gate sheets could be found for events that occurred since the prior deposit. These gate sheets indicate that \$1,039 in cash was collected at the Downingtown East game on January 17, 2013 and \$800 in cash was collected at the Gospel game, for a total of \$1,839. **Cash stolen: at least \$255.**
- On February 11, 2013, Donato made a \$4,771 deposit into the Athletic Department account which he identified as boys basketball (\$3,817), girls basketball (\$576), wrestling (\$350) and freshman basketball (\$28). The actual deposit included only \$3,001 in cash. The remainder of the deposit consisted of three checks: one from Pine Grove School District, likely for a tournament registration; one from a marketing company, Home Team Marketing LLC; and one from Susquehanna Valley Sports Inc. for renting facilities for a sports camp. Only four gate sheets could be located for events that occurred since the prior deposits. These gate sheets that indicate that a total of \$3,927 in cash was collected: \$965 at the January 22, 2013 boys basketball game versus Avon Grove, \$1,131 at January 29, 2013 boys basketball game versus Downingtown West, \$1,551 at the February 5, 2013 boys basketball game versus Bishop Shanahan, and \$280 at January 31, 2013 girls basketball game versus West Chester East. Gate sheets for multiple other events were missing **Cash Stolen: at least \$926.**

- On April 26, 2013, Donato made a \$1,339 deposit into the Athletic Department account, which he identified as lacrosse gate (\$605), basketball (\$734), and mileage reimbursement. The actual deposit contained four PIAA reimbursement checks valued at \$1,238. Existing lacrosse gate receipts show that \$264 was collected on April 19, 2013 and \$341 was collected on April 24, 2013. Thus, the gate receipts show \$605 in cash was collected, while at most only \$101 in cash was deposited.³⁹ **Cash Stolen: at least \$504.**

These discrete examples represent \$12,981 in cash stolen from CASD.

The Grand Jury recommends that James Donato be criminally charged for these thefts. Specifically, for each of the fraudulent deposits described above, the Grand Jury recommends that Donato be charged with one count each of Theft By Unlawful Taking, Theft by Deception, and Theft by Failure to Make Required Disposition of Funds. Additionally, since Donato abused the authority of his position as athletic director to accomplish each of these thefts and thus secure pecuniary benefit for himself, we recommend that Donato be charged with a felony Ethics Act violation for each deposit as well.

C. **JAMES DONATO'S OTHER SUSPICIOUS ACTIVITY**

As noted above, the District's lack of oversight and its failure to ensure that accurate accounting records were kept allowed Donato's criminal conduct to go undetected. This same lack of oversight will also result in some of this conduct going unpunished as well.

In addition to the crimes outlined above, the Grand Jury's investigation also uncovered the following additional suspicious activity. Unfortunately, due to the lack of records and the passage of time, much of this activity cannot be effectively investigated.

1. **Basketball Concessions**

Prior to Donato's tenure as the athletic director, the ninth and tenth grade student council ran and operated the concessions at boys basketball games. The concessions stand was stocked with student council money and the revenue from the stands supported student council activities.

³⁹ The bank records do not reflect any cash deposited. However, the total of the checks deposited is \$101 less than the total deposit amount. This difference may have been unidentified cash.

Additionally, the student council would often “pay” other student clubs to work the concessions stand as a fundraiser for those clubs.

At some point during Donato’s tenure, due to budget cuts, the ninth and tenth grade student council was eliminated. At that point, Donato assumed control over the basketball concessions.

Ruth Martin, a gym teacher and long time employee at the CASD, operated the basketball concessions stand for Donato. She stocked the concessions stand using her own funds, and was reimbursed by Donato in cash. All cash collected during the concessions was given directly to Donato, who periodically removed all the large bills from the register throughout the game. Martin never counted the money.

When operated by the student council, the concessions stands generated approximately \$900 to a \$1,000 per game. No athletic department deposits identified as basketball concessions were ever made by Donato.

While the Grand Jury reasonably suspects that Donato stole this concessions revenue, given the lack of oversight and records, this theft cannot be proven at this time.

2. 2011 PIAA District Championship Concessions

The PIAA District I Track Championships have been held at Coatesville every year since at least 2009. The Coatesville track team booster club operates a concessions stand at this event as one of its primary fundraising efforts. Traditionally, as with most of the booster club operated concessions, the District had nothing to do with these efforts. No District funds were used and no District accounts were involved.

In 2011, for reasons that were never explained to them, the track boosters were told that a new procedure was in place. Pursuant to this procedure, the boosters were told that all of the money they collected needed to be turned over to Donato to be deposited in the Athletic Department account and that a reimbursement check would be issued to their club later.

Concerned by this procedure, the boosters created a “Log Sheet for Concessions Stand Money” which they used to keep track of the money they turned over to Donato throughout the day. Each time money was given to Donato, it was counted by two workers and documented on the sheet.

At some point during the lunch rush on May 19, 2011, Richard Como and James Donato entered the concessions stand accompanied by a School District police officer. Como took money from the register and stuffed it in his pocket before it could be counted and documented. When workers objected, Como declared that he could do it because he was the Superintendent.

On May 19, 2011, in addition to the unaccounted money taken by Como, the track boosters collected \$1,175 in concessions revenue. On May 20, 2011, when Como did not take any uncounted money, they collected \$5,239.60.

On May 23, 2011, Donato deposited \$6,830 in the Athletic Department Account which he identified as District I track booster concessions. The boosters were issued a check on June 3, 2011 for \$6,831.

The reimbursement check is \$416 more than the money the booster documented collecting and delivering to Donato.

Because Como refused to let the boosters count the money he removed from their registers, it is impossible to determine whether or not Donato appropriately deposited all of the cash collected.

3. Undocumented Apparel Sales and Gifts

Multiple witnesses report that during his tenure as athletic director, Donato attempted to sell various items out of his office and at sporting events held on campus. These items included caps, beanies, rally towels, and watches. Other witnesses report being given these same items by Donato.

The Grand Jury's investigation revealed that Donato used CASD funds to purchase these items. Specifically:

- On September 15, 2010, Donato used a CASD purchase order and CASD funds to purchase \$1,500 in rally towels from Poz Inc., an apparel vendor that conducts business with the CASD;
- On January 17, 2012, Donato used a CASD purchase order and CASD funds to purchase \$850 in beanies from Poz Inc.;
- On April 17, 2012, Donato used a CASD purchase order and CASD funds to purchase \$3,600 in Deuce Customized Watches from a company called Veza Partners; and

- On March 7, 2013, Donato used a CASD purchase order and CASD funds to purchase \$600 in caps from Poz Inc.

It is unclear whether or not anyone in the administration authorized or was even aware that these sales were occurring. No records showing the number of these items Donato actually sold could be found, and no records appear to document the number of items he gave away. More importantly, no records clearly showing the deposit of revenue generated by these sales could be found. In fact, only two deposit records potentially connected to the sale of these items could be identified. On September 27, 2010, Donato made a \$9,322 deposit which he described as football gate receipts from the Downingtown East game and Rally Towels with no breakdown of the two. On June 26, 2012, Donato submitted a deposit slip which he represented included \$40 for spirit wear.

Donato's bank records show a longstanding personal financial relationship with Poz Inc. Specifically, between December 2009 and March 2011, Donato personally received and deposited \$2,000 in checks from Poz, Inc.

Some of these checks were received in close proximity to Donato's use of District funds to make purchases. For example, on November 5, 2010, two months after he used CASD funds to purchase beanies from them, Donato received and deposited a \$700 check from Poz. On December 9, 2010, he received another check for \$300. Additionally, on June 24, 2013, just a few months after Donato had the CASD purchase caps from Poz, a number entered into Donato's work phone as "Poz Inc." sent the following text to Donato: "Fella. Hook me up so I can make up for these shirts." This text and this relationship are further causes of concern.

4. Other Potential Fraudulent Deposits

The Grand Jury's investigation uncovered additional instances where Donato misrepresented bank deposits by incorporating checks into what should have been all cash deposits. Unfortunately, because the appropriate ticket seller return sheets are not available, it is impossible to determine if or how much cash was actually stolen on these occasions. For example:

- On May 24, 2010, Donato made a \$710 deposit into the Athletic Department account, which he identified as gate receipts from girls lacrosse. The actual deposit included only \$410 in cash. The remainder of the deposit was unrelated

checks from an SAT prep course. Although the girls lacrosse team played a full season, this is the only record of a deposit made for girls lacrosse that year.

- On June 2, 2011, Donato made a \$255 deposit into the Athletic Department account which he identified as lacrosse gate receipts. The actual deposit was a check from Riddell All American Sports. Donato does not appear to have made a single lacrosse deposit in 2011.
- On June 23, 2011, Donato made a \$931 deposit into the Athletic Department account which he identified as physicals money. The actual deposit consisted of \$570 in cash, a \$201 check from All American Publishing LLC, and \$160 in season ticket checks. Because no useful records exist, it is impossible to determine how much cash was actually collected for physicals.
- On March 5, 2012, Donato made a \$1,075 deposit into the Athletic Department account which he identified as boys basketball (\$835) and girls basketball Bishop Shanahan (\$240). The actual deposit included only \$380 in cash. The rest of the deposit consisted of unrelated checks. No gate sheets could be located for any events that occurred since the prior deposit –although the schedules indicate that Coatesville hosted five varsity basketball games. As a result, it is impossible to determine how much, if any, cash should have been deposited for these events. The Bishop Shanahan game occurred before the prior deposit and according to the gate sheet, netted \$585 in cash.
- On May 4, 2012, Donato made a \$959.40 deposit into the Athletic Department account which he identified as PIAA (\$235.40), Physicals (\$80), SB (\$60), and lacrosse gate (\$684). The actual deposit included only \$60 in cash. The remainder of the deposit consisted of two checks from PIAA (\$120 and \$644) and a \$35.40 check from All American Publishing. No lacrosse gate sheets of any kind could be found for the spring of 2012. Therefore, it is impossible to determine how much cash should have been deposited.
- On November 13, 2012, Donato made a \$2,621 deposit into the Athletic Department account which he identified as football gate. The actual deposit included only \$2,350.10 in cash. The remainder of the deposit was a \$270.90 check from All American Publishing LLC. Coatesville hosted a home football

game against Avon Grove on November 2, 2012. Only two gate sheets could be located for this game even though tickets are sold at four gates. These sheets indicate that \$2,150 was collected at these gates alone.

- On November 28, 2012, Donato made a \$2,680 deposit into the Athletic Department account, which he identified as football gate. The actual deposit has no cash at all. Instead, the deposit consisted of \$2,680 in unrelated checks.
- On January 3, 2013, Donato made a \$3,360.70 deposit into the Athletic Department account which he identified as football/football gate (\$2,000), boys basketball Communication Tech (\$455.70), wrestling Pottstown (\$253) and girls basketball – Downingtown East (\$376) and Avon Grove (\$286). The actual deposit included only \$915 in cash. The remainder of the deposit was a \$2,000 Eagles Youth Partnership check apparently given as part of an award to Coach Ortega, and a \$455.70 check from All American Publishing LLC. Only two gate sheets could be located for events occurring since the prior deposit. These gate sheets indicate that \$427 was collected at a December 13, 2012 girls basketball game against Downingtown East and \$339 was collected at a girls basketball game on December 18, 2012 against Avon Grove, for a total of \$766. No gate sheets could be located for the Communication Tech boys basketball game on December 7, 2012, the December 8, 2012 game against Norristown, or the wrestling match that took place on December 21, 2012.
- On May 23, 2013, Donato made a \$1,090 deposit into the Athletic Department account, which he identified as rental fee (\$750) and lacrosse gate (\$340). The actual deposited items included no cash, but rather a \$750 rental check and other unrelated checks.

D. DONATO'S PERSONAL FINANCES

All of this theft activity leads to a natural question: Why was Donato stealing?

The Grand Jury's investigation into Donato's personal finances offered evidence of Donato's motive to steal from CASD -- to cover his lavish lifestyle.

1. Gambling

Casino records reveal that Donato was a constant presence at the Valley Forge Casino from the moment it opened in the Spring of 2012, until the moment the texts were revealed in August of 2013. According to these records, he routinely bought in for hundreds and sometimes thousands of dollars each week. He routinely lost. In 2012, Donato lost \$6,715. When he stopped playing in August of 2013, he was down \$17,541.

Additionally, Donato lost money betting on sporting events. According to his bookie, he was constantly in debt, owing as much as \$20,000.

2. Shopping

Donato's bank records are replete with evidence of online shopping. Witnesses report and the records confirm that Donato liked to buy nice clothing. He bought his jeans from designer retailers and shopped at luxurious department stores.

His most glaring purchase, however, was an April of 2012 purchase of a Range Rover. Donato purchased the car by trading in his old car. When he needed more money to make up the trade difference, Donato came with \$10,000 in cash. The cash consisted of 10 (\$5's), 72 (\$10's), 394 (\$20's), 11 (\$50's) and 8 (\$100's).

3. Cash Deposits

Donato's bank records show a further pattern of suspicious cash transactions. Donato had a checking account with Wells Fargo, one with TD Bank, and his wife, Monica, had an account with Wells Fargo.

During Donato's time as Athletic Director of CASD, from 2010 through August of 2013, \$66,000 in cash was deposited between these accounts.

The total number is as daunting as the frequency with which the deposits are made. The following chart showing 2012 cash deposits is revealing.

2012 Donato Cash Deposits		
Account	Number of Cash Deposits	Total Cash
Donato Checking Wells Fargo	19	\$6,123
Donato Checking TD Bank	11	\$4,161

Monica Donato Checking Wells Fargo	8	\$2,020
TOTAL	38	\$12,304

Even more suspicious and corroborative of his thefts are the sudden increase in cash deposits following the large theft of monies from the CYO track event on June 1, 2013. Between June 2, 2013 and August 6, 2013, \$13,606 in cash was deposited between the three accounts in thirteen (13) separate transactions.

E. DONATO’S TEXT MESSAGES OFFER EVIDENCE THAT HE WAS STEALING

Finally, the very text messages that led to Donato’s resignation offer evidence that he was stealing.

For example, in apparent reference to the Archdiocesan and CYO events described above, Como sent Donato the following text message on June 4, 2013:

Holy shit never laughed so hard in entire adult life. Getting ring that says POPE GOOEY THE FIRST so will remember forever. That most one time haul in history of Papal skim. Robin Goo! What a job by Head MUCH APPRECIATED BUT LOPE LABELS AS GREAT AS COIN INSIDE !

Donato references these events again on June 12, 2013 while discussing the size of a more recent “lope” (an envelope full of money): “Mini Lope express! Nothing compared to Pope Gooley the 1st lope! But, a lope is a lope.”

These messages are not exceptional. Donato and Como frequently commented on the size of the “lopes” collected at various events, and they joked about the “lopes” they could make in the future. They joked about needing to open “lopes” with pliers, and the “lope countage” being “Split down middle for ComoNato!Fo Life!”

Additionally, Donato and Como texted about the “ComoNato” tax office. In one message, for example, Donato bragged that, “Nothing runs through the village without getting taxed!”

When Donato asked if he could sell water at graduation for the “last lope of school year before the dry season,” Como granted permission texting that “Taxation for diploma in order!”

And in an apparent discussion about ways they could generate money through seven-on-seven football tournaments, they exchanged the following texts:

6-13-2013 FROM COMO: I saw that thought if he can do that think of what we could have

6-13-2013 FROM DONATO: EXACTLY!

6-13-2013 FROM DONATO: But that would involve ComoNato as Burro can't pull off.

6-13-2013 FROM COMO: Exactly but we have SCHOOL make money.

6-13-2013 FROM DONATO: Yes-correctamundo!

6-13-2013 FROM COMO TO DONATO: And of course pass thru TAX OFFICE of ComoNato!

Finally, Donato exchanged numerous texts regarding bets and gambling debts including the following text on May 30, 2013 to his bookie: "Dude-I am so struggling to get 700 taking some from where I shouldn't be."

In conclusion, Donato was the Athletic Director for CASD. His salary when he left the District was \$97,850 per year. In order to pay for his gambling activities, clothes, and Range Rover, he was systematically stealing cash from his own personal piggy bank, the CASD Athletic Department events. Donato stole in total over \$30,000 from the District. The specific incidents of theft described above in detail, the clumsy attempts to cover up these thefts, the drop in Athletic Department revenue, the text messages with Como and the bookie, and the tens of thousands of dollars in cash being funneled into Donato's bank account are all clear evidence of this theft scheme. They also all are red flags that should have been discovered by the Board and could have been prevented with appropriate accounting controls.

IX. SOLICITOR ELLISON'S POTENTIAL THEFT FROM AND EXPLOITATION OF CASD

As detailed elsewhere in this report, the Coatesville Area School Board's failure to effectively supervise Richard Como led to the outright theft and/or waste of thousands of dollars. The Board's failure to supervise the activities of District Solicitor James Ellison led to the possible theft and certain waste of millions more dollars.

A. Excessive and Potentially Fraudulent Legal Billing

1. Historical Pattern

James Ellison became the Solicitor for the Coatesville Area School District in 2002.⁴⁰ Almost immediately, the CASD's legal bills began to increase.

In the year prior to Ellison's retention as solicitor, the CASD's legal bills totaled \$226,469. Following his retention, the legal bills immediately almost doubled, then tripled, then finally increased to over \$1 million per year.⁴¹

The annual breakdown of Ellison's fees is as follows:⁴²

<u>CASD Legal Bills</u>	
2001-02 (pre-Ellison)	\$226,469
2002-03	\$431,041
2003-04	\$716,411
2004-05	\$695,637
2005-06	\$539,380
2006-07	\$725,803
2007-08	\$451,256
2008-09	\$421,254
2009-10	\$213,713
2010-11	\$675,756
2011-12	\$1,115,328
2012-13	\$969,518

Thus, in a ten-year period, Ellison billed the CASD for approximately \$6.9 million in legal fees. These fees were driven by the volume of hours Ellison billed.⁴³

⁴⁰ At the time, Ellison was an associate at the Harrisburg law firm Rhoads & Sinon LLP (the "Rhoads firm"). During his tenure as solicitor, he became a partner. It is unclear why the Board selected a solicitor from Harrisburg.

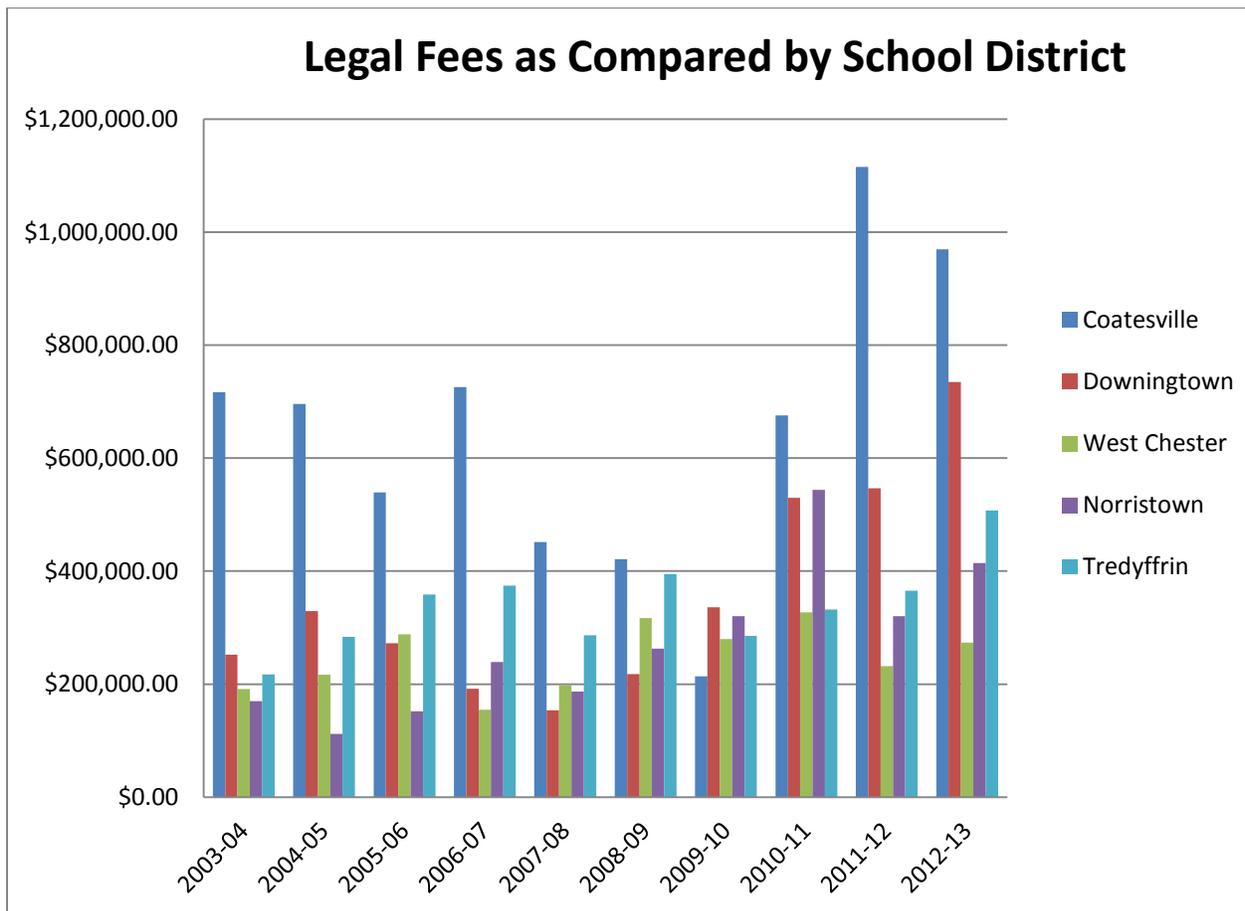
⁴¹ Interestingly, Ellison did not have a retention agreement in place with the District. Such an agreement is required by ethical rules.

⁴² These figures are based on the annual financial reports submitted by every school district and compiled by the Pennsylvania Department of Education.

⁴³ For the 2010 - 2011 school year, Ellison billed the CASD for over 3,000 attorney hours. In 2011-2012, he billed for over 4,000 hours and for 2012- 2013 he billed the CASD for over 5,000 attorney hours. As the billing partner for the CASD, Ellison's compensation was based in part on these hours. This amount of billing to a single client is extraordinarily high in any context.

Comparing Ellison’s CASD bills with the legal bills from other school districts is telling. Prior to Ellison, the CASD paid a yearly amount (\$226,469 in 2001-02) that was comparable to the Downingtown Area School District’s legal fees and was \$100,000 per year less than the legal fees for the Tredyffrin-Easttown School District and the Phoenixville Area School District. By 2003-04, Ellison’s bills to CASD (\$716,411) were the highest bills for any school district in Chester County, higher than the legal bills for the Pittsburgh Public School District, and were the 4th highest bills for a school district in the entire state.

As the following diagram reflects, with the exception of one year (2009 - 2010), CASD’s legal fees were consistently higher than surrounding school districts, and often dramatically so.



By the 2011-12 and 2012-13 school years, Ellison’s bills to the CASD were averaging more than \$1 million per year. During the same time period, the legal bills for the West Chester Area School District and Tredyffrin-Easttown School District

respectively were approximately \$300,000 per year. That \$700,000 difference equates to approximately fifteen extra teachers per year for CASD; teachers badly needed in struggling, understaffed schools in the District. Instead, CASD was cutting staff.

Ellison’s fees were grossly disproportionate both to the fees the District had paid in the past and to the fees paid by similar school districts. This disparity should have triggered heightened scrutiny by the Board. At best, it is the result of gross waste and mismanagement of district resources. At worst, it is the product of deliberate exploitation and fraud.

The disparity certainly warranted a more detailed analysis of the bills. To conduct this analysis, the Grand Jury requested copies of Ellison’s bills. A review of these bills revealed some highly suspicious patterns, including “block billing” and “stacking” of lawyers.

2. Ellison’s Itemized Billing Records

To understand the concerns raised by Ellison’s bills, it helps to understand modern billing practices.

As the billing partner for the CASD, it was Ellison’s responsibility to prepare and submit the Rhoads firm’s legal bills to the CASD each month. As is typical, these bills were broken down and separated by subject matter.

Lawyers generally bill in tenth of an hour or quarter hour increments. When prepared properly, a bill will be broken down into an itemized list of specific tasks performed by each attorney and the amount of time spent by that attorney to complete that task. For example, a typical legal bill might look like this:

Uwchlan Township/Solicitor		
Date	Hours	Description
9/2/13	1.8 hours	Attend pre-trial conference re: overtime compensation
9/7/13	0.3 hours	Telephone conference with Township Manager re: stormwater ordinance
9/9/13	1.2 hours	Draft resolution re: hiring of engineering firm
9/16/13	1.8 hours	Meeting with Historic Preservation Board to review

		ordinance re: stormwater
9/17/13	0.7 hours	Prep. A. Smith for testimony in Kelly employment arbitration
9/25/13	2.5 hours	Employment arbitration hearing re: former employee Kelly
9/30/13	1.6 hours	Draft letter-brief re: findings for employment arbitration hearing

This itemization allows a client to verify whether or not the described task was actually completed during the time billed. It also allows a client to assess whether or not the billed time is appropriate for the amount of work done. In other words, it allows a client to confirm that they are getting real and cost efficient services.

3. **Block Billing**

In contrast to this type of itemized billing, Ellison commonly engaged in a practice called “block billing.” In “block billing,” an attorney bills for large segments of time with only vague descriptions of the work claimed to be done. The vague descriptions prevent a client from verifying that the actual hours were worked and that specific tasks were accomplished.

For instance, Ellison repeatedly submitted bills for large blocks of time that simply said “Graystone matters” or “Graystone issues.” In January and February of 2012, for example, Ellison’s firm billed CASD over \$70,000 for work allegedly done on one case -- the Graystone Charter School Appeal.⁴⁴ Following are the time entries from Ellison for the work he allegedly did on that case:

<u>Date</u>	<u>Hours</u>	<u>Description</u>
1/03/12	4.00	Graystone matters.
1/04/12	3.00	Graystone matters.
1/09/12	1.00	Conferences with S. Moniak and V. Champion.
1/10/12	3.00	Discovery research; conferences with S. Moniak and V. Champion.
1/23/12	3.00	Graystone issues.

⁴⁴ The Graystone Academy was a charter school located within Coatesville Area School District. In 2011, the CASB sought to revoke Graystone’s charter. This revocation resulted in close to three years of litigation. Ellison billed the CASD over \$900,000 in legal fees in connection to the Graystone revocation and litigation.

1/24/12	4.00	Motion to Quash.
1/25/12	2.50	Graystone issue.
1/26/12	5.00	Graystone issues.
1/27/12	3.00	Graystone issues.
1/30/12	2.00	Graystone issues.
2/02/12	3.00	Research
2/06/12	3.00	Graystone matters.
2/07/12	8.00	Graystone matters.
2/08/12	4.00	Graystone matters.
2/09/12	4.00	Graystone issues.
2/10/12	3.00	Graystone issues.
2/13/12	3.42	Graystone matters.
2/14/12	3.00	Graystone issues.
2/15/12	4.00	Graystone matters.
2/16/12	4.00	Graystone issues.
2/17/12	4.17	Argument preparation; update to Mr. Lupold.
2/18/12	10.00	Argument preparation.
2/19/12	8.83	Argument preparation for 2/21 argument.
2/20/12	8.00	Argument preparation for 2/21 argument.
2/21/12	4.00	Argument preparation.
2/21/12	.50	Meeting with Mr. Dunn.
2/22/12	2.00	Graystone issues.
2/23/12	3.42	Graystone matters.

Ellison's statement that he spent 8.0 hours (or \$1,440 of work) on "Graystone matters" on 2/7/12 provides no useful, verifiable detail of anything he allegedly did during those eight hours. As a result, it is difficult to verify whether or not any work was actually done. In total, Ellison billed the CASD for over 1,000 hours (over \$200,000) working on what he described only as "Graystone matters" or "Graystone issues."

Similarly, in one month Ellison submitted bills for over 56 hours of work described only as "arbitration prep." He submitted bills for over 700 hours of work (over \$120,000) described only as "Personnel Matters" or "Admin Matters" or "Meetings with Zeigler or Como" without any further description.

These vague billing practices are strong indicators of fraudulent over-billing.

Further, as the time entries included above reflect, Ellison's bills also include the additional red flag of rounded numbers (*e.g.*, 4.0, 8.0, 10.0). No attorney works a precise, round number of hours very often. That is why they bill in tenth of an hour or quarter hour increments. Yet, Ellison routinely, almost uniformly, billed in rounded, hourly increments. Such rounded bills are indicative of either intentional padding or after-the-fact guessing about the actual time spent.

4. Stacking of Lawyers

Ellison also engaged in a regular practice of "stacking" attorneys on hearings and cases. "Stacking" occurs when a billing partner sends multiple attorneys to an event or assigns multiple attorneys to a matter that could be handled by one, and then bills the client for each of those attorneys' time. It is a simple tactic that can be used to manufacture billable hours and generate fees without doing any meaningful work. It was a tactic frequently employed by Ellison.

For instance, in 2011, multiple court hearings occurred in the course of litigation related to the Graystone Academy. Graystone usually sent one lawyer to these hearings. Ellison often sent and billed for three lawyers to attend, including himself.⁴⁵ This stacking, along with the block billing described above, offers one explanation for why the CASD's legal fees connected to the Graystone litigation were more than double the legal fees billed by Graystone's counsel.

Ellison's practice of stacking was not limited to Graystone. Ellison also frequently sent multiple attorneys to meetings and hearings involving the teacher's union, CATA, while CATA only sent one attorney. He sent two lawyers to deliver a hard drive to the DAO, billed for two lawyers to be present for a walk through by the fire marshal, and assigned three separate lawyers to draft research memorandums regarding the District's ability to discipline Theresa Powell. These are just a few examples.

Additionally, Ellison appears to have billed the District for performing unnecessary, non-legal tasks. For example, during 2011 and 2012, the District was forced to furlough (lay-off) multiple employees. Ellison was present as each of these employees was notified of their furlough. According to witnesses, he did not participate in these meetings in any meaningful

⁴⁵ To make it even harder to track Ellison's bills to CASD and to disguise this stacking, for some of these hearings Ellison billed the two lawyers under a Graystone matter number and his own time under a "Special Counsel" matter, making it appear that only two attorneys were attending the hearings instead of three.

way. He said nothing and answered no questions. Still, he billed the CASD \$180 per hour for his presence, at a time when jobs were being eliminated because money could not be found.

5. Prior Warning About Ellison's Overbilling

The Board had a prior credible warning about overbilling by Ellison. In 2007, attorney Eric Brown was appointed to fill a vacancy on the Board. Brown is a Coatesville Area Senior High School graduate, a respected attorney, and previously had served as an elected member of the Board. He also worked for a law firm that was familiar with representing government bodies like the Board.

When Brown saw the bills from Ellison, he immediately expressed concerns to other Board members that the bills were too high and disproportionate to neighboring districts. He also addressed these concerns directly with Ellison, requesting details about work done and justifications for expenses incurred. As a result of this scrutiny, Ellison's bills briefly declined. As the business manager noted, "James ha[d] seen the light." However, once Brown left the Board, Ellison's bills quickly returned to their old patterns. No Board members complained.

As of the writing of this report, Ellison's billing practices have been questioned internally by Brown and externally by the District Attorney's Office. Ellison has been publicly identified as the target of a criminal investigation into fraudulent billing and theft, and Ellison's Harrisburg firm has severed ties with him. Still, despite these issues being raised, multiple Board members admitted to this Grand Jury that they still had not ever actually looked at a single bill from Ellison. Instead, the Board appears to have offered Ellison their blind allegiance and loyalty. Board President Neil Campbell specifically stated that he saw no reason to review Ellison's bills.⁴⁶ Instead, he issued a press release praising and defending Ellison.⁴⁷ Collectively, the Board not only retained Ellison as Solicitor following his separation from the Rhoads firm, but gave him a raise as well.⁴⁸

The Grand Jury finds the Board's ignorance, apathy, and cavalier attitude regarding Ellison's bills to be both inexplicable and shocking.

⁴⁶ Campbell resigned from the Coatesville Area School Board on November 25, 2014.

⁴⁷ Ironically, Ellison appears to have drafted this press release and billed CASD for it.

⁴⁸ Ellison remained the CASD solicitor throughout the majority of our investigation. He was not replaced as solicitor until October 13, 2014.

B. Investigation Into Potential Fraud

Given the total dollar amount of the bills and the patterns in the billing records, an obvious question arises: Was Ellison defrauding District taxpayers through grossly inflated or false bills? Was he stealing money that should have been used for educating children?

It is in the best interests of the CASD and the District taxpayers for these questions to be answered and for the legal bills to be fully investigated. Ellison could be prosecuted for theft, and both he and the Rhoads firm could be required to make substantial restitution to the CASD, providing much needed funds for the schools.

The only way to investigate this potential over-billing scheme adequately is for the Grand Jury to look at the facts underlying Ellison's bills. The Grand Jury would need testimony or interviews from other lawyers at the Rhoads firm who worked with Ellison to see if he actually did the work he billed for. The Grand Jury would need testimony or interviews from CASD employees about their communications with Ellison regarding the matters so vaguely described in Ellison's bills. The Grand Jury would need to review Ellison's actual time sheets, calendar, and emails to see if he was actually present and working for all of the activities for which he billed. The Grand Jury would need to see Ellison's work product to see if this product justified the time billed.

The Grand Jury would be able to engage in this investigation if the Coatesville Area School Board waived the attorney-client privilege with respect Ellison's work for the CASD. Counsel for the Rhoads firm has indicated that the firm would be fully cooperative with such an investigation.

On behalf of the Grand Jury, the DAO has formally requested that the Board waive this privilege and allow the investigation to continue. Board members have confirmed that they understand that they have the authority to waive the privilege. They have confirmed that they understand that this waiver is necessary for this investigation. Still, the Board repeatedly has refused to waive the attorney-client privilege regarding Ellison's work for the CASD.

The Grand Jury cannot understand why the Board is not interested in discovering if Ellison defrauded the District. This portion of the investigation represents a potential multi-million dollar fraud by Ellison. It offers the CASD the possibility of recovering a large amount of money. However, unless and until the Board waives the privilege, this aspect of the investigation will remain open and unresolved.

The Grand Jury's investigation to date confirms that, at the very least, the CASB wasted large amounts of District resources on the unnecessarily and unreasonably high legal fees billed by Ellison. Ellison's billing practices further suggest that these fees were the result of intentional fraud.

The Grand Jury recommends that the Chester County District Attorney's Office continue to investigate Ellison and his potential theft from the District. We urge the CASB to cooperate with this investigation going forward and to waive the attorney-client privilege so that DAO may conduct this investigation in a thorough and adequate fashion to determine if charges should be brought against Ellison.

X. CASD PAYING FOR ELECTRONIC DEVICES AND SERVICES FOR ELLISON

As the Solicitor to the CASB, Ellison was an outside contractor, working for a law firm. Outside attorneys pay for their own cell phones, computers, and data plans, either through their firm or personally. Not Ellison. Instead, he had CASD supply him with multiple electronic devices, including an iPhone and iPad. He also had CASD pay for his data service plan. Ellison admitted that he used these CASD resources for personal expenses and to do work for other clients, all paid for by CASD taxpayers.

Never before had a CASD solicitor been provided a cellular telephone. As the following emails between Ellison, Como and the CASD's Technology Director reveal, Ellison was given multiple phones.

7/5/2009

Ellison to Technology Director:

My Blackberry has officially died. The touch screen no longer works at all and it is killing me. I will drop it off with you first thing tomorrow morning and will make arrangements to retrieve it later in the day. I may need you to leave it with an evening shift supervisor at the admin bldg who can be available to me after 6. We'll discuss tomorrow. I'll be at the admin bldg by 8 am See you then.

12/24/10

Ellison to Technology Director:

I dropped my storm and the screen is cracked. Need a replacement. Help?

3/11/2011

Ellison's Secretary to Technology Director:

I just left a voicemail for your assistant to give to you. We are just looking toward the Blackberry's possible arrival. Please let James know as soon as you know.

10/17/11

Ellison to Technology Director:

So how long will it take to get that iphone 4s?

10/19/11

Technology Director to Ellison:

I do not recall if Rich said it was Ok. Do you know if he said it was ok? Or I can ask him when it comes in.

10/19/11

Ellison to Technology Director:

He said it was ok. But feel free to ask him.

5/11/11

Ellison to Como:

Hey Rich, as your solicitor, I think I need and I-pad 2! Can you take care of your lawyer???

5/11/11

Como to Ellison:

You got it! I will order for you tomorrow. Use it to keep me out of court and still working. I will count it as part of your scholarship. Room, Board, Books, Tuition.! Just keep playing well my friend ! HAHAAHAHAH

5/11/11

Ellison to Como:

Will do, coach!

The Coatesville Area School District purchased \$750.96 worth of cellular equipment for Ellison from Verizon Wireless alone.⁴⁹

In addition, from 2009 forward, the District paid for all of Ellison's cellular and data usage fees. When Ellison traveled abroad, the District provided and paid for a global card to cover his international roaming and data charges.

The cellular equipment and cellular service provided to Ellison came at a high cost to taxpayers and a great expense to students. Between his cellular phones, his iPad, and his global card, the Coatesville Area School District paid a total of \$10,606.53 in cellular fees for Ellison between January 2010 and March 2014. That is \$10,000 that was not spent for after school tutors, club moderators, or library books.

In a recorded interview with his counsel present, Ellison admitted that he used the cell phone and iPad provided to him by Como to engage in personal business and business for other clients. Some examples are as follows.

Ellison was in South Africa from February 24, 2012 to March 7, 2012. He appears to have conducted no work for the District during that vacation as he billed no time. He incurred no cellular telephone usage charges above his monthly plan while in South Africa, but the global card issued to him for that trip cost the district \$250.32

Between April 20, 2012 and April 24, 2012, Ellison incurred \$84 in long distance charges calling the Negril Tree House Resort in Jamaica. No CASD personnel were staying at the resort.

Between July 11, 2012 and July 23, 2012, Ellison traveled to Europe. He appears to have conducted no work for the District during that vacation as he billed no time. Still, Ellison's District issued cell phone incurred \$1,318.44 in usage charges above and beyond the basic plan fee during that period of time - \$50.70 was in long distance phone charges and \$1,267.67 was in roaming charges (voice \$74.52, the rest data and text messaging). The vast majority of Ellison's traceable phone calls during that period of time were personal in nature – to his son, his ex-wife,

⁴⁹ Verizon records indicate that not all of Ellison's CASD issued devices were purchased from Verizon. Bills indicate that some service fees were associated with user provided equipment.

two female friends, and various European or airline exchanges. Bills for the global card given to Ellison for the two months covering this European vacation totaled \$2,014.19.

Ellison was in Costa Rica from October 6 through October 9, 2012. During that time, he billed seven hours of work to the Coatesville Area School District. His District issued cell phone incurred \$111.34 in usage charges above and beyond the basic plan – all roaming charges (\$61.69 voice, the rest text). The majority of Ellison’s calls during that period of time were incoming and untraceable. However, a review of District employee cellular records confirms that he received no calls during that period from the cell phones of any of his primary District contacts: Richard Como, Angelo Romaniello, Erika Zeigler, or Dave Krakower. His only traceable outgoing calls were to his law firm and his daughter.

CASD Board members report that they were not aware that Ellison had been given a phone or iPad by Como, or that CASD was paying for Ellison to make personal calls and engage in business for other clients. There is no record in the Board minutes of Como or Ellison advising the Board of this issue.

The Grand Jury concludes that Ellison and Como misappropriated CASD funds through the use of telephone and iPad bills. The Grand Jury recommends that the DAO make a final decision regarding charging Ellison and Como for this conduct when a final decision is reached regarding Ellison’s legal bills to the District. The Grand Jury also recommends that Ellison’s conduct be reported to the Disciplinary Board of the Supreme Court of Pennsylvania.

XI. INAPPROPRIATE HIRING BY RICHARD COMO

The Grand Jury concludes that during Richard Como’s tenure as Superintendent, members of the CASB effectively abdicated their duties and responsibilities regarding the hiring and discipline of CASD employees. By engaging in no meaningful oversight and acting as little more than a rubber stamp, the Board enabled Como to dominate and control the District’s hiring practices. The District, taxpayers, and students suffered as a result.

Como’s hiring practices were dominated by nepotism, cronyism, and an “athletics-first” mentality. These practices resulted in the hiring of under-qualified employees; the use of tax-payer funds to subsidize unnecessary job positions for friends and family members of Como and certain School Board members; the offering of salaried

teaching positions to coaches without any consideration for whether the coach was the best qualified teaching candidate, or even whether a teaching position was available; and, most troubling, the hiring of employees with significant criminal records, who never should have been permitted near Coatesville students.

Prior to Richard Como's tenure as Superintendent, the District's actual hiring procedures were largely consistent with the District's written policies. When a job became available within the District, the position would be posted by the Human Resources Department. The posting would invite qualified candidates to submit their resumes to the District for consideration. Depending on the specifics of the job posting, the candidates' applications would be forwarded to the principal or department head who would ultimately supervise the candidate if hired. The principal or department head would select candidates and conduct interviews, sometimes with a committee comprised of other administrators and/or relevant staff. At some point in the process, the HR Department would review the candidate's background to ensure that he or she not only had the necessary qualifications for the position, but also that there was nothing in the candidate's background (such as a criminal record or unsatisfactory performance at a prior job) which would disqualify the candidate. Eventually, this group of principals and administrators would recommend a candidate for the position. The HR Director or principal would offer the job to the successful candidate, noting that the offer was subject to the School Board's approval. If the candidate accepted the offer, the HR Director would place the candidate's job offer on the agenda for a vote at the next available public Board meeting.

During Como's tenure as Superintendent, these procedures were either changed dramatically or were completely ignored. Building principals and department heads were routinely excluded from the hiring process completely. Many supervisors met new staff only after they had been hired, while others were directly ordered by Como to find jobs for his handpicked candidates. Vacant positions were often filled without public postings or any interview process. The Human Resources Department maintained a separate "Como" file of his recommended candidates.

A. District Hiring Policies

The Coatesville Area School District maintains a series of official policies which govern the hiring of District employees. While a separate series of policies exist for each classification of employee (Administrative, Professional, and Classified), each of these policies vest in the School Board the sole authority to establish a position within the District. When doing so, the policies require the Board to include job descriptions and to establish a starting salary. While the Superintendent may recommend new or additional positions, they are just that – a recommendation. Ultimately it is the Board, and only the Board, that may create a new position, increase or decrease the number of District employees, establish job descriptions, and hire candidates.

Policy sections 404 and 504 grant the Superintendent and his administrative team the authority to develop procedures for the recruitment, screening, and recommendation of candidates for employment. These policies require that the Superintendent’s hiring guidelines adhere to Board Policy, which sets forth some basic requirements for screening, such as mandatory background checks, recommendations from prior employers of the candidate, and evidence that the candidate holds the appropriate teaching certificate for the job he or she is seeking.

In particular, Policy 404, which governs the hiring of teachers, states:

The Superintendent or designee shall seek candidates of good moral character who possess the following attributes:

1. Successful educational training and experience.
2. Scholarship and intellectual prowess, including such measures as collegiate grade point average and NTE scores.
3. Appreciation of children.
4. Emotional and mental maturity.

District Policies 303.1, 404.1, and 504.1 set forth the District’s policies regarding nepotism and cronyism. The Policy begins with the following language:

The hiring of a school district employee that is a close friend, or is closely related to, a member of the Board, a commissioned officer, an instructional employee, management level employee, or classified employee, justifiably may arouse public reaction that the employee was hired on the basis of relationships and familiarity with the school district rather than on merit. Nepotism and cronyism, or the appearance thereof, can degrade staff morale, can arouse public distrust, and is an obstacle to

teamwork, effectiveness and quality performance. It is the intent and purpose of this policy to prevent nepotism and cronyism by:

1. Discouraging any possible favoritism.
2. Minimizing internal disciplinary problems that may evolve.
3. Restricting the formation of personal cliques.

Despite this strong introductory language, the policy itself actually fails to prohibit nepotism and cronyism. The policy permits the District to hire a friend or family member of a Board member provided: (1) that any Board member related to the employment candidate abstains from the vote on the hiring of the candidate; (2) that the candidate, if hired, shall not be supervised by a relative; and (3) that prior to hiring the relative, the relationship between the candidate and the District employee or Board member be disclosed to the Board prior to the public vote authorizing employment.

With the exception of the Nepotism Policy, which the Grand Jury finds to be facially inadequate, as written these policies are generally adequate and appropriate. As Como's tenure as Superintendent demonstrates, however, these policies are rendered useless when the School Board allows them to be systematically ignored. The following examples demonstrate the inappropriate hiring practices under Como and the Board.

B. The Hiring of Convicted Criminals

During Como's tenure as Superintendent, the CASD hired a number of convicted criminals. Most of these individuals had personal ties with Como and were successful athletes and/or popular community figures. Criminal background checks were obtained prior to the District's hire of these individuals. Board Members who testified, however, denied any knowledge of these criminal histories.⁵⁰ This is unacceptable.

1. Victor Ford

Victor Ford was a leading scorer and stand-out high school basketball star for Coatesville in the late 1980's. Ford was hired by the Coatesville Area School District in

⁵⁰ Under Section 111 of Pennsylvania Public School Code, individuals who have been convicted of certain criminal offenses are expressly prohibited from working in schools. Examples of disqualifying offenses include violent felonies, drug dealing, and crimes involving children. The law also requires that school districts conduct criminal background checks on all of their employees. Mere compliance with this law, however, is not enough. Even if an applicant's criminal conviction does not statutorily disqualify the person from employment, school districts should be reluctant to hire a convicted felon to be around children. They should never do so blindly, and they should never do so simply because the individuals are good athletes or friendly with the Superintendent. The CASD did both.

November 2009 to work as special education classroom aide at the Gordon Alternative Education Center.⁵¹ In January of 2010, he was hired as the seventh grade basketball coach at North Brandywine Middle School.

At the time he was hired, Ford was a twice-convicted drug dealer. Specifically, in 1995, Ford was convicted in federal court for Conspiracy to Deliver Cocaine and Possession with Intent to Deliver Cocaine. He was sentenced to 63 months in federal prison. Following his parole in 2002, he was again convicted, this time in Pennsylvania, for Possession with Intent to Deliver Cocaine. He was sentenced to 5 years to 10 years in state prison, and was paroled in December of 2006.

In other words, at the time Ford was hired by the CASD to work with special needs children and seventh graders, he was less than three years out of state prison, and still on state parole.

Ford's history and criminal convictions were disclosed and known by the District at the time of his hire. Ford acknowledged them directly on his application, answering affirmatively that he had previously been convicted of a crime and twice referencing "incarceration" as the reason he had terminated previous employment. Moreover, both convictions are clearly documented on the criminal histories in his file.

These convictions were discussed by Erika Zeigler, the Human Resources Director, and Ken Lupold, the then Business Manager, with CASD Solicitor James Ellison. Over their objections, Ford was hired by the CASD for two reasons: Como liked him and he could help build the basketball program.

According to the Board members who testified, James Ellison never notified the Board of Ford's criminal convictions or of the other administrators' concerns. Ellison's failure to provide this information to the Board constitutes a clear breach of his duties and responsibilities as Solicitor. As Solicitor, Ellison's responsibility was to represent the District. Instead, in instances like this, he chose to serve Como – the man who gave him his cell phones, his iPads, his hundreds of billable hours, and millions of dollars in legal fees.

⁵¹ The Alternative Education Program educates those students who have been removed from traditional classrooms due to disciplinary and/or attendance problems. Today it functions as a cyber school with students completing classes on line with the teachers assisting and monitoring their progress.

Ford re-offended and returned to state prison within two years of his hire. In September of 2010, Ford was arrested and charged with Rape and Sexual Assault of a sixteen year old girl. In March of 2011, he pled guilty to Corruption of Minors and was sentenced to 18 to 36 months in state prison. Ford resigned from the district in August of 2010, in the midst of the criminal investigation.

2. Jerod Hines

Jerod Hines was hired by the School District on August 31, 2009 to work as a Special Education Classroom Aide at the Gordon Education Center. Like Ford, Jerod Hines had both federal and Pennsylvania felony drug convictions (1996 and 2001) at the time he was hired. In addition, he had two Pennsylvania convictions for Fleeing and Eluding a Police Officer (1995 and 1998) and a federal conviction for Possessing of a Firearm By a Convicted Felon.

Hines made no efforts to conceal his convictions in the application process. He answered affirmatively that he had been convicted of a crime, and his resume consisted entirely of work experience gained at a low security federal correctional institution while incarcerated.

School Board members Campbell, Urban, Ritter, Brownfield, Johnson, R. Knecht, and Saha all voted, via a consent agenda, to hire Hines.

Since his hire, Hines has re-offended once, in 2012, with a conviction for Driving Under the Influence. Hines is still employed with the School District.

3. Dominic Brown

Dominic Brown was first hired by the District in 2007 as a substitute one-on-one aide and then full time in January of 2010 as a one-on-one special education aide at the Benner Alternative Education Center. In addition, Brown coached boys and girls basketball and track at North Brandywine Middle School.

Brown is also a convicted drug dealer. On October 12, 2000, Brown pled guilty to Conspiracy to Distribute Cocaine and Aiding and Abetting Possession with Intent to Deliver Cocaine in federal court. He was sentenced to 18 months incarceration and four years of supervised release. This conviction was disclosed on his application.

Despite this conviction, Como hired Brown to work for the School District in various positions.

A former Coatesville basketball and football player, he was described by numerous witnesses as being “protected” by Como during his tenure. Despite written reprimands for absenteeism, dress code violations, and telling a special education student to “stop acting stupid,” Brown suffered no negative consequences. He remained employed until he resigned in September of 2013. He remains on a substitute list.

School Board members Campbell, Ritter, Brownfield, Dunn, Holt, Johnson, L. Knecht, R. Knecht, and Taylor all voted to hire Brown via a consent agenda.

4. Quincy Teel

Quincy Teel was hired as special education classroom aide at the Gordon Education Center in October 2009. Teel worked as a special education classroom aide until 2011. At that point, he enrolled as a full time student and resigned his aide position, but remained on the substitute list. In 2012, he became a substitute custodian, and he became a full time custodian in April 2013. Additionally, Teel worked as a football coach at North Brandywine Middle School.

Like Ford, Brown, and Hines, Teel had a felony drug conviction (2001) at the time he was hired. He also had Theft (1998) and Forgery (1998) convictions. In addition, on December 20, 2004, Teel pled guilty to Conspiracy to Commit Kidnapping. He was originally charged with Conspiracy to Commit Criminal Homicide, as the kidnapping victim died. Teel disclosed these convictions on his employment application.

Como hired Teel, a former CASH football player, despite these convictions.

School Board members Campbell, Brownfield, L. Knecht, Urban, Ritter, Holt, Johnson, R. Knecht, and Richard Saha all voted to approve Teel’s initial hire in 2009 via a consent agenda. School Board members Campbell, Brownfield, Fox, L. Knecht, Ritter, Dunn, Sweigart, and Taylor all approved hiring him as a full time custodian in 2013 via a consent agenda. Teel is still employed by the School District.

5. Glenn Hines

Glenn Hines, a former Coatesville football star, was hired as a special education classroom aide at the Gordon Education Center in September of 2008. Soon after, he was approved as a substitute custodian, and he was hired as a full time custodian at Gordon on June 24, 2009.

At the time of his hire, Hines had criminal convictions for Simple Assault and Resisting Arrest (2004) and Possession of Drug Paraphernalia (2006).

Both Dave Krakower, the Director of High School and Special Education for Grades 6 through 12, and Pedro Quinones, the Manager of Custodial Services at the time, describe Hines as a hire forced upon them by Como. Further, both they and multiple other witnesses include Hines among a list of individuals who benefitted from Como's protection. Hines was describes as almost untouchable – someone disciplined or dealt with only at the risk of Como's ire. Quinones, for example, describes Como as “getting in his face” after he yelled at Hines.

Hines's disciplinary record reflects an individual immune from meaningful consequence. He was cited for repeated instances of excessive cell phone use, unauthorized parking, and leaving inappropriate messages on classroom blackboards. Despite these disciplinary infractions, he never received more than a three day suspension. Instead, he was transferred repeatedly from school to school. The three day suspension occurred on March 22, 2011, after Hines walked off the job in the middle of a disciplinary hearing. According to Quinones, Hines threatened him during this hearing.

On June 10, 2011, Hines caused a significant disturbance at Caln Elementary School. This disturbance began when Hines angrily confronted his elementary school student daughter for making abuse allegations against her mother to CYF. While the principal was attempting to calm and console the student, Hines entered another classroom to yell at his second daughter. During the course of this incident, he angrily confronted and intimidated two teachers and ignored repeated instructions and commands of the principal. He refused to leave the premises when instructed, and attempted to physically intimidate the administrator. Despite this level of misconduct and his prior disciplinary record, Hines was merely suspended for a day.

Efforts to terminate Hines did not occur until December 2013, after Hines was arrested during his shift, on school property, for, among other charges, felony drug charges, resisting arrest, and aggravated assault. He is no longer employed by the School District.

6. Larry Austin

Larry Austin was first hired by the Coatesville Area School District as an EAP Program Tutor on March 22, 2005. He became a one-on-one Special Education Aide on September 20, 2005, and was hired as a Security Guard on July 1, 2008. Additionally, he has held a variety of coaching positions at the School District, including basketball and football at both the middle school and high school level.

At the time Austin was hired by the Coatesville Area School District, he had criminal convictions for Simple Assault (2004), Driving Under the Influence (2002), and Conspiracy and Receiving Stolen Property (2001).

Austin was a problem employee but was considered untouchable by his supervisors and other administrators due to his very close personal relationship to Como. For example, Austin was never required to wear a uniform despite the fact he was working as a security guard.

Austin is no longer a security guard at the District, but he does still work as an assistant football coach.

7. Chan Branch

Chan Branch was hired as a special education classroom aide on September 2, 2008.

At the time she was hired, Branch had criminal convictions for Endangering the Welfare of a Child and Resisting Arrest (2005). These convictions were disclosed prior to her hire.

Branch was subject to repeated discipline throughout her tenure with the school district – not only for repeated lateness and absenteeism – but for endangering and inappropriately interacting with students. On one occasion, she left her assigned student unattended on a playground and the child was injured. On another, she told a student

“you’re f----- ugly, retarded, and that is why you have a one-on-one aide.” She also threatened to “beat his a—the way she beats her own kids.”

Branch was terminated on May 28, 2013 following an incident during which she entered a classroom and physically struck her own son several times in front of other students.

C. The Hiring of Family, Friends, and Political Allies

The initial hiring and subsequent promotion of Matthew Como, discussed previously is a stark example of the Coatesville Area School Board’s fundamental failure to meaningfully supervise their Superintendent. The lack of even basic Board oversight allowed Como to abuse his position to benefit his son financially, while costing the District hundreds of thousands of dollars. Further, Matt Como’s hire implicated every basic concern addressed by the District’s Nepotism Policy, as well as the District’s policies regarding the creation of job positions and the hiring of employees.

Unfortunately, while perhaps the most egregious, Matt Como was not the only individual hired by the District due to nepotism.

1. Talaer Taylor

Talaer Taylor is a nephew, through marriage, of School Board member Dr. Tonya Thames Taylor. Mr. Taylor lived in New England, but spent the summer of 2011 visiting relatives in Coatesville. At the time of his visit to Coatesville, he was 15 years old.

Over the course of that summer, he was paid \$1,380 as a “summer worker” by the Coatesville Area School District. His job was never posted, no application or interview was conducted and, at Como’s instructions, his employment never appeared on a Board agenda for consideration at a public meeting of the Board.

Taylor split his time that summer between the Technology Department and the Coatesville School District Police Department. No one in the Technology Department could recall exactly what he did that summer. He did no actual work for the Police Department, but spent two days a week “shadowing” the officers as they performed their duties. There is no evidence that the District benefited in any way from the job offered to Talaer Taylor.

Sgt. Dan McKeown, from the Police Department, and Abdallah Hawa, from the Technology Department, were both introduced to Taylor by Richard Como, who introduced him as a relative of Dr. Taylor who would be working with them for the summer. It was clear, at least to Sgt. McKeown, that Taylor would be paid to “shadow him” during that summer as a favor to Dr. Taylor.

Dr. Taylor initially testified that she did not even know a “Talaer Taylor.” Only later, after multiple questions, did she admit that “Talaer Taylor” was in fact a nephew by marriage. After eventually admitting that Talaer Taylor was her nephew, Dr. Taylor testified that she had no involvement in Como’s decision to hire her nephew, claiming first that the employment resulted from a chance encounter between Como and Talaer and later that her husband might have had something to do with it. This testimony directly conflicts with emails she exchanged with Como on June 28, 2011. The following emails, in a string with the subject line “Re: nephew,” were exchanged between Taylor and Como:

Taylor to Como:

Rich, thank you so much, so very much! This is SO good. By the way, it will remain confidential.

Always Positive &
In alignment with HIS will,
tonya thames taylor (t3)
www.tonyathamestaylor.com

Como to Taylor:

Hey no problem. When we can’t help each others family out we don’t deserve to be in this arena. Glad and yes it will be confidential. See you soon and don’t worry I will get this all set up Thursday.
Rich

The Grand Jury concludes that Dr. Taylor’s testimony that she had no involvement in the District’s hiring of Talaer was not credible.

Additionally, Dr. Taylor’s testimony regarding her knowledge of the District’s Nepotism Policy is suspect. When shown a copy of the policy on May 1, 2014, Dr. Taylor testified that she had never seen the policy prior to reviewing it on the witness stand that day. However, she also testified that in January, 2014, after she was accused of violating the District’s Nepotism Policy,

she contacted an attorney who in turn obtained a copy of the policy and thereafter contacted her accusers on her behalf. It defies logic to believe that Dr. Taylor did not review the policy with her attorney at the time when she and her attorney reviewed her legal options against her accusers.

2. Adrienne Shaw

Adrienne Shaw is Dr. Taylor's sister-in-law. She worked for the District from some point in September 2012 through November 2013. She was paid \$10,775 during that period of time.

Initially, Ms. Shaw was assigned to work with the Technology Department. Her position was never posted or even formally defined. Per Como's instructions, her hiring was never placed on an agenda for consideration at a public meeting of the School Board. At the time of Shaw's hiring, no job openings existed in the Technology Department.

Both Erika Zeigler and Abdallah Hawa were introduced to Shaw by Richard Como. Como introduced her to them as a relative of Dr. Taylor's who would be working with technology.

At the time she was hired, Shaw had a 2002 felony conviction for Theft By Unlawful Taking, Theft By Deception, Receiving Stolen Property, and Conspiracy.

Como explained to both Hawa and Zeigler that he and Dr. Taylor were trying to help Shaw because she was a good kid who had gotten a felony and was having difficulty getting a job.

Shaw is no longer employed with the School District.

3. Charlene Coppadge

Charlene Coppadge was hired as a long-term substitute first grade teacher at Caln Elementary School on November 22, 2011. Her starting salary was \$45,300.

Coppadge was interviewed for this position by the building principal, MJ Wilson-Stenz. According to Wilson-Stenz, Coppadge ranked third among the candidates interviewed. Nevertheless, she was offered the position at the insistence of Como, who advised Wilson-Stenz that she could hire whomever she wanted, but she would lose the support of a School Board member if it was not Coppadge.

Emails exchanged between Taylor and Como demonstrate that Taylor was the School Board member who was involved in the decision to hire Coppadge over better qualified candidates. Specifically, on October 27, 2011 -- with the introduction, "For your eyes only. This is the date the other teacher is leaving" -- Richard Como forwarded the following email from Erika Zeigler to Dr. Taylor:

I just spoke to MJ and she is calling Ms. Coppage now and will be offering her the LTS position. Her first day would be 11/23/11.

Dr. Taylor responds:

SUPER, SUPER, SUPER!!!!
Thanks Rich!

Coppadge is still employed with the School District.

4. Jessica Ritter

Jessica Ritter was hired as a long-term substitute sixth grade math teacher on August 21, 2012. Her starting salary was \$43,300. Ritter is the daughter of Rich Ritter, then the Board Vice President.

Prior to her being hired by the District, Rich Ritter reached out to Como directly, sending the following email on April 30, 2012:

I meant to ask you today, do you know how many we are up to taking ERIP?

Also, with all of the financial issues here and in other districts, do you think my daughter Jessica has any shot at all getting an elementary teaching position, if not in CASD, in other district around the county?

She is graduating May 12 with a 3.93 GPA and received the highest scores on her student teaching this year from her sponsoring teacher and principal.

While Ritter did not directly ask for Como's assistance, Como did intervene to assist with Jessica Ritter's application. Specifically, Como demanded copies of the actual questions that would be asked prior to Ritter's interview.

The minutes of the public Board meeting reflect that Jessica Ritter's hire was approved via a consent agenda with Rich Ritter casting an affirmative vote - a direct violation of the District's Nepotism Policy.

Jessica Ritter is still employed with the School District.

5. Darryl Johnson

Darryl Johnson was hired by the CASD as a full time custodian in September of 2010. His starting salary was \$18.48 per hour. Johnson is the grandson of then Board member Paul Johnson.

Johnson had previously worked as a substitute custodian and was on the substitute custodian list at the time. He had been denied full-time employment in the past, in part, because of his performance as a substitute.

In 2010, he was hired at the direct order of Como and was hired despite the objections of then Custodial Manager Pedro Quinones. Additionally, he was hired despite the fact that other substitutes were ahead of him on the seniority list. Quinones testified that he was told by Como, "You are going to hire him."

At the time of his hiring, Johnson had a prior conviction for Carrying a Firearm Without a License, Possessing an Instrument of Crime, Terroristic Threats, Recklessly Endangering Another Person, and Simple Assault (2007).

Board members Campbell, Ritter, Brownfield, Dunn, Johnson, L. Knecht, R. Knecht, and Taylor all voted, via consent agenda, to approve Johnson's hiring as a full time custodian. Sweigart abstained.

Darryl Johnson is still employed by the District.

6. Marcy Spaeth Knecht and Melissa Knecht

Marcy Spaeth Knecht and Melissa Knecht are both relatives of present School Board Director Laurie Knecht. Both were hired during Knecht's tenure on the Board.

Melissa Knecht was hired as a special education aide on September 2, 2008. Her starting salary was \$12.50 per hour.

Marcy Spaeth Knecht was hired as guidance counselor at Caln Elementary School on August 17, 2009. Her starting salary was \$49,000.

Ms. Knecht was absent for both of the Board Meetings during which these hires were approved.

Both Marcy Spaeth Knecht and Melissa Knecht are still employed by the School District.

7. Jay and Jacqueline Dainty

Jay Dainty played football for Como. When he retired from the Navy and wanted to teach, he called Como for a job.

Dainty was hired as a long-term substitute fourth grade teacher on August 17, 2009. His starting salary was \$74,100. He was credited with 18 years teaching experience. While Dainty received his Master's in Physical Education in 1995, he only received an Elementary Education Certification in 2008. Prior to 2008, his only teaching experience involved adult military personnel.

Jay Dainty's wife, Jacqueline Dainty, was hired on October 28, 2009, as an ESL Program Manager for the Coatesville Area Senior High School. This position, created by Como as a means to employ Ms. Dainty, was essentially a translator position. At Como's insistence, Dainty worked at the High School. Seventy percent of Coatesville's ESL student population are elementary school students.

Jacqueline Dainty's position was funded using federal grant money. She was paid \$24 per hour. As of April 2014, she had received a total of \$94,669.50 from the District.

Jacqueline Dainty is no longer employed by the District.

8. Mousa Hawa

Mousa Hawa, the son of Abdallah Hawa, was also an employee at the CASD from 2005 through his resignation in 2009. Mousa Hawa was initially hired as a custodian, but then became a security guard. On January 25, 2007, Abdallah Hawa recommended that Mousa be transferred from his position as a security guard to that of a technology associate at Friendship Elementary School. The move was approved by the Board on February 27, 2007. This gave Mousa a small raise and brought him under the supervision of his own father. Because Abdallah Hawa both supervised his own son and wrote his evaluations in 2008 and 2009, this was a violation of the nepotism policy.

Mousa transferred positions again in June of 2008, while he had pending criminal charges for resisting arrest, public drunkenness, and vandalism. Mousa pled guilty to misdemeanor resisting arrest in August of 2008. There is no record of any adverse impact on Mousa's employment. Instead, he was given a raise in July of 2009.

Mousa Hawa resigned for "personal reasons" in August of 2009.

D. THE HIRING OF COACHES

Richard Como hired Matt Ortega as the Coatesville Area Senior High School's head football coach in 2009. Ortega, in turn, hired his coaching staff. Almost simultaneously, each of these coaches was then offered a teaching position within the District. Most were offered these positions without ever being interviewed by a building principal, a department head, or any other school administrator charged with determining the educational needs of the District.

The Grand Jury concludes that these men were hired first and foremost as coaches. They were offered teaching positions as a means to supplement their coaching salaries, not because anyone involved in the educational process determined that they were the best qualified to teach. This practice resulted in the waste of thousands of dollars on teaching positions that were not needed and/or on coaches who were overcompensated relative the educational needs of the District.

1. Matthew Ortega

Matthew Ortega was hired as the head football coach for the Coatesville Area Senior High School on April 28, 2009, with a starting date of August 24, 2009. His starting salary as the football coach was \$7,000 per year. Additionally, Ortega was appointed the CASH Faculty Manager (essentially an assistant athletic director) which came with an extra-duty stipend of \$3,775 per year.

On that same day, according to the meeting minutes, the School Board also approved Ortega's hire as a science teacher at the Coatesville Area Senior High School. His starting salary for this position was \$71,400.⁵² Thus, Ortega's total compensation for the 2009 - 2010 school year was \$82,175.

Ortega never taught a single science class at the Coatesville Area Senior High School. Instead, throughout Como's tenure, to the dismay of the high school's top administrators, Ortega taught three classes of Character Education per day.

Ortega's resume and job application demonstrate that he was well qualified for the position of head football coach, and the Grand Jury does not disparage either his

⁵² At the time of his hire, Ortega was credited with sixteen years teaching experience. According to his employment application, Ortega had only eleven years teaching experience.

qualifications for that position or his desire to seek a teaching position to coincide with his football coaching duties. Instead, it is the practice and culture surrounding how Como and the District offered teaching positions to Ortega and his staff that concerns the Grand Jury.

Ortega applied for the posted position of head football coach. His cover letter seeking this position, his resume, his job application, and the reference letters contained in his personnel file all speak to his qualifications to coach a successful high school football program. There is, however, no evidence in his application to indicate that he was also seeking a position as a science teacher. Moreover, there is no evidence of a job posting for a science teacher. There is also no evidence in his personnel file indicating that anyone from the high school interviewed Ortega to determine his qualifications to teach science. Therefore, the Grand Jury is left to conclude that there was in fact, no science teaching position needed by the District when Ortega was hired.

Given the fact that Ortega never taught science during Como's tenure, and instead only served as a "Character Education" instructor, the Grand Jury questions how much money the District could have saved if Ortega was hired as a "Character Education" instructor and paid consistent with the salary scale for that position, rather than over-paying him for a non-existent science teacher position.

2. Tim Lucci, Nick Felus, Scott Feldman, and Damien Henry

Como permitted Matt Ortega to bring at least four assistant football coaches with him to the District. These coaches -- Tim Lucci, Nick Felus, Scott Feldman, and Damien Henry -- were all hired as coaches first and then found teaching positions to coincide with their certifications.

a. Tim Lucci

On June 23, 2009, Tim Lucci was hired as an assistant football coach for the Coatesville Area School District with a starting salary of \$4,275.

On August 25, 2009, Lucci was hired as a Social Studies teacher at the Coatesville Area Senior High School. Matt Ortega was the only person who interviewed Lucci prior to his hire. Neither the high school principal, a member of the history department, nor any of the District's education administrators interviewed Lucci to

determine whether or not he was the best qualified candidate to teach Coatesville's students.

Lucci's starting salary as a Social Studies teacher was \$52,300. He was credited with nine years teaching experience although he had only taught for five years and only received his degree in 2004.

b. Nick Felus

On June 23, 2009, Nick Felus was hired as an assistant football coach for the Coatesville Area School District with a starting salary of \$4,275.

On August 25, 2009, he was hired as a math/reading seminar teacher for the Gordon Education Center. Matt Ortega was the only person who interviewed Felus prior to his hire. Neither the principal of the Gordon Education Center, a member of the math/reading department, nor any of the District's education administrators interviewed Felus to determine whether he was the best qualified candidate to teach Coatesville's students.

Felus' starting salary as a math/reading seminar teacher was \$54,000. He was credited with eleven years teaching experience. Felus's actual experience included four years working as a graduate assistant while coaching college and four years at a school district in Virginia as an in-school suspension supervisor.

c. Scott Feldman

On June 23, 2009, Scott Feldman was hired as an assistant football coach for the Coatesville Area School District with a starting salary of \$4,750.

On August 25, 2009, he was hired as Social Studies teacher at the Gordon Education Center. He did not meet the principal at the Gordon Education Center, Eugenia Roberts, until after he was hired. Again, it appears that no one employed by the District, whose responsibility was to interview and hire teachers, interviewed Feldman to determine whether he was the best qualified candidate to teach Coatesville's students.

Feldman's starting salary as a Social Studies teacher was \$72,400. He was credited with 22 years experience, which he in fact had.

d. Damien Henry

On August 25, 2009, Damien Henry was hired as a co-assistant football coach with a salary of \$2,850. He was also offered positions as the boys indoor track coach with a salary of \$4,600, and the boys spring track coach with a salary of \$5,000.

At the same time, he was hired as a math proficiency teacher. His starting salary for this position was \$65,500. Henry was credited with 18 years teaching experience. He had only 14 years actual teaching experience at the time, having graduated college in 1994. In total, Henry was paid \$77,950 by the CASD for the 2009 - 2010 school year.

3. John Allen

Like Victor Ford, John Allen is a former star Coatesville Area Senior High School basketball player. He is in the Coatesville Hall of Fame as the team's leading scorer and played professionally in Europe.

In November 2012, he was hired by the Coatesville Area School District as a Title III (ESL) Community Liaison with a salary of \$18 per hour. The position was funded with Title III grant money. At the same time, Allen was also hired as the co-assistant basketball coach, and paid a stipend of \$1,669.50.

Title III is a federal grant program that allocates funds for supplemental programs and services for non-English or limited English language students. The funds are required and intended to supplement the District's pre-existing English-as-a-Second-Language ("ESL") instruction.

The Title III Community Liaison position was created and conceived by Richard Como and Angelo Romaniello with John Allen in mind. This position was never posted or advertised and it does not appear to have ever been voted on or approved by the Board. As a result, no job description exists in his file. However, it was explained to staff that Allen would be available to mentor students, visit homes, and reach out to parents and families to get them more engaged.

In Coatesville, the overwhelming majority of ESL students are Hispanic. The students and their parents primarily speak Spanish, which is why the ESL program exists. Between November 26, 2012 and September 9, 2013, when he resigned, John Allen was paid \$14,292 in federal funds to act as liaison to this Spanish-speaking community.

Unfortunately, John Allen does not speak Spanish.

In addition, in the approximate nine months that he worked for the CASD, Allen received \$4,076 in tuition reimbursements. None of this tuition was for Spanish language classes. These reimbursements were directly authorized by Como, despite the fact that Allen was not part of a bargaining unit that had contracted for tuition reimbursement and despite the fact that a moratorium on tuition reimbursement for teachers was in effect.

While the District funded Allen's higher education, it eliminated extra duty ESL coordinator positions throughout the district. When Como resigned, Allen simply stopped coming to work at CASD.

In summary, the Grand Jury finds that CASD's hiring practices under Como and the Board were an unmitigated disaster. The Board abdicated nearly all hiring responsibility to Como. The Board's only substantive involvement seemed to have been in getting the Board's own relatives hired.

That then left Como with unfettered discretion in hiring. Under Como's iron grip, CASD hired a multitude of convicted criminals, many with prior athletic ties to Como. Como facilitated the hiring of Board members' relatives, cementing the Board's allegiance to him. Como hired a slew of coaches for his beloved football program and then hid these coaches in teaching positions. Como hired a former basketball star who did not speak Spanish to work with Spanish-speaking families. And, of course, Como hired his own unqualified and criminally convicted son for the District.

It will take the District years to unwind the damage done by Como's hiring conduct. The educational integrity of the CASD has been structurally undermined by these pervasive and unjustifiable practices.

XII. WASTEFUL SPENDING ON OTHER CELLULAR DEVICES

A. District Issued Cellular Devices

Como's favoritism of certain personnel and over-emphasis on athletics was evident in his expenditure of District resources on cellular devices. During Como's tenure as Superintendent, the CASD purchased and distributed hundreds of cellular devices to various District employees. These devices included smartphones, mifi cards, and tablets. Not only did the District purchase

the actual hardware for these employees, but the District paid for the ongoing monthly cellular service fees for these devices as well.

Como handed out cellular devices with little consideration for need or cost. Cell phones were given to all principals and assistant principals in the District, most of the custodial and maintenance staff, and most of the Technology Department. In addition, all central office administrators (who had secretaries and worked at desks with phones) were issued cell phones. Many of their secretaries were issued cell phones as well. Finally, a number of Como's favored coaches and other personnel were given phones.

The following individuals, for example, all received cellular devices and cellular services paid for by the District. Many of these individuals were given multiple upgrades as well.

- Matt Como received a cell phone and an iPad
- James Donato received a cell phone and an iPad
- Donato's secretary, Heather Dohmsohn, received a cell phone
- Head football coach Matt Ortega received a cell phone and an iPad
- Assistant football coach Tim Lucci received a cell phone and an iPad
- Rebecca Layfield, athletic trainer and close personal friend of Como, received a cell phone and an iPad
- Rick Nelms, the boys basketball coach, received a cell phone
- Damien Henry, a boys football and track coach, received a cell phone
- Kristen Delgrippe, the field hockey coach, received an iPad
- Larry Austin, a basketball and football coach, received a cell phone

These cellular devices came at a high cost to taxpayers and at significant expense to the students. Between January 2010 and March 2014, the District spent \$71,326.80 on cellular equipment from Verizon Wireless alone. The District spent a total of \$351,167 on cellular service from Verizon over that same period. Thus, Como spent over \$420,000 on cellular devices and services, even while students were going without supplies and teachers were being furloughed.

B. Use Of Title III Funds To Pay For iPads

Further, this investigation revealed that Como attempted to misappropriate federal grant money to pay for some of these electronic devices. As described above, Title III is a federal

grant program that allocates funds for supplemental programs and services for English-as-a-Second-Language (“ESL”) students. These funds may only be used to supplement a school district’s ESL programs. They may not be used for other purposes.

In November 2012, at Como’s behest, Angelo Romaniello submitted a purchase order to pay for the purchase of twelve iPads using Title III grant money. The iPads were purchased and the purchase order submitted without the prior knowledge or approval of the Title III grant administrator.⁵³

The iPads cost the District a total of \$8,441.88. As per Romaniello’s instructions, the cost of seven of these iPads was budgeted to Title III elementary schools, three were attributed to Title III middle schools, and two were attributed to Title III high schools. Prior to Como’s resignation, only one of these iPads was actually given to an ESL teacher. Three iPads were given to Como, one was given to Donato, and two were given to central office administrators. The District could not determine who received the remaining Title III funded iPads. These actions constitute an attempt to misuse federal funds.

XIII. THE COATESVILLE AREA SCHOOL BOARD FAILED TO UPHOLD THEIR DUTIES AND RESPONSIBILITIES

The Grand Jury had the opportunity to hear testimony from current and former School Board members of the Coatesville Area School District. While it is evident from our investigation that the Board failed to provide any meaningful oversight of their Superintendent, time and again the Grand Jury heard the same defense from the individual Board members: “Our job is not to micromanage.” It is true that the members of the Board are not supposed to involve themselves, either individually or as the whole Board, in the day-to-day operations of the District. However the Board also is not a rubber stamp for the Superintendent.

The attitude of the Coatesville School Board resulted in the total abdication of their elected responsibilities to their students and their community. Their refusal to provide any oversight afforded Richard Como and others with the opportunity to abuse the District in ways that will take years to repair. The Board’s failure to do their job allowed Richard Como and

⁵³ Upon learning that purchased iPads were not actually used for ESL services, the grant administrator, Kathleen Feeney, removed these costs from the Title III budget. In doing so, she prevented the District from committing fraud and thus jeopardizing future grant funding. However, as a result, the cost of the iPads was transferred to the General Fund.

James Donato to steal thousands of dollars from the District, hire inappropriate candidates for employment, mismanage the budget, and pay enormous legal fees to the District's Solicitor.

To understand how the elected members of the Coatesville Area School Board failed their District, some background on the duties and responsibilities of the Board is required.

A. School Board Duties and Responsibilities

The primary role of the School Board is to improve student achievement. First and foremost, the Coatesville Area School District is a public school system. The purpose of a public school is to educate the children who live within the District. Everything else the School Board does is secondary to this primary role.

To improve student achievement, the School Board must manage and maintain a variety of groups within the District. They must ensure that the District has a strong, education focused leader - the Superintendent. They must hire and retain quality principals and teachers to educate the children of the District. They must manage the District's buildings and grounds. They must adopt a budget that takes into consideration not only the needs of the children but also the ability of the community to pay through property taxes. Finally, the Board must maintain good communication between the Board, the Superintendent, the employees, and the community, to make sure that everyone understands the District's priorities.

School Board members are elected officials. They are elected to represent the communities which they serve, and they are accountable to the voters in these communities. As elected officials, Board members have both the legal and moral obligation to operate openly and transparently.

The Board holds public meetings at least twice a month: one for committee meetings and a second for the general public meeting. These meetings allow the Board to communicate with the community and the District's employees. This communication should flow both ways. At both committee meetings and the general meeting, members of the community are afforded the opportunity to speak and comment on matters of concern to those individuals. At committee meetings, the Board hears reports and recommendations from District administrators and sets the agenda for the general meeting. The purpose of the general meeting is to conduct the business of the District. At the general meeting, the Board votes on all matters of concern to the District, such as hiring staff, approving the schools' curriculum, paying the bills, entering into contracts,

passing a budget, and approving tax rates. With certain exceptions, all District business must be conducted in public, as a matter of both law and common sense.

While it is the superintendent's job to manage the day-to-day operations of the District, the Board's job does not end the day after they hire their superintendent. Ultimately, the Board is responsible for monitoring the superintendent's performance. The Board must maintain oversight of the superintendent. This requires the Board to have open communication with all members of the District, including administrators, principals, teachers, parents, and the community.

The Solicitor has a limited but important role with the School District. The solicitor is to provide legal and procedural advice to the Board. He should explain legal issues to the Board, but he should not make policy for the Board.

B. Failures of the Coatesville School Board

The Grand Jury finds that the Coatesville Area School Board created a culture in which the Board failed or refused to provide any oversight to the District. This failure manifested itself most notably in three distinct areas. First, with regard to the Superintendent, the Board considered its only responsibility was to hire the Superintendent. Once the Board hired Como, they turned the District over to him without any meaningful oversight. Second, the Board failed to maintain any communication with members of the District. They failed to seek input from administrators, teachers, parents, students, or other members of the community. Moreover, the Board failed to inform these stakeholders adequately of actions taken by the Board, or by Como, which kept both District employees and the community in the dark. Third, the Board utterly failed to supervise Solicitor James Ellison, allowing millions of dollars of unjustified legal fees to be billed.

1. The School Board Failed to Supervise Richard Como

The Grand Jury concludes that the School Board viewed their primary role as simply hiring a Superintendent to run the District. Once that role was completed, the Board, in effect, considered their job complete. Anything that required meaningful review – hiring employees, approving annual budgets, approving expenditures – was approved by the Board with minimal review if it came with Richard Como's recommendation.

Members of the Coatesville School Board who testified before the Grand Jury believed that this was the appropriate execution of their elected duties -- hire a Superintendent, and then get out of the way. They believed that listening to the Superintendent and then voting to follow his recommendations was akin to “working with” the Superintendent. They believed that any direct oversight of the Superintendent was “micromanaging” and should be avoided at all costs. Unfortunately, the School Board took this “avoid at all costs” mentality too literally. Due to their complete lack of supervision, the District, and in particular the children suffered.

The members of the Coatesville School Board failed to recognize that there was more to their job than just showing up to two meetings a month and voting “aye” when the Superintendent made a request. Their job was ultimately to provide leadership so as to guarantee that the District’s children would have the best chance to excel. The members of the Coatesville Area School Board failed miserably at this responsibility.

Of course, this relationship was a two-way street. It obviously was a benefit to Como to have a Board that was asleep at the wheel. This relationship allowed him to hire whomever he wanted, steal money, reward his favorite personnel and athletic programs, and basically create his own empire.

The Board’s annual review of Como reflected this skewed dynamic. While the Board recognized their obligation to evaluate the Superintendent’s performance, in practice these evaluations were perfunctory at best. The Grand Jury uncovered a lax review process in which the Superintendent’s performance review was determined primarily by the results of personal interaction between individual Board members and Como, as well as information that Board members “heard” about his performance. This is not an effective method of performance evaluation. In practice, this lack of any meaningful evaluation rewarded Como with exorbitant salary increases which he did not deserve. The Board had no idea that the gregarious Como they saw in public was a façade, behind which he threatened and intimidated anyone who disagreed with him.

Moreover, many of the Board’s performance evaluations of Como appeared to be nothing more than rubber stamps of approval wholly inconsistent with facts the Board should have known. For example, Como received positive reviews for implementing sound business and financial procedures even at a time when the District’s bond ratings were being dropped due to persistent structural imbalances with the budget. In fact, former Board member William

Sweigart testified that even in light of everything learned since the text messages were disclosed, he believed that Como was a perfect Superintendent.

The following is an excerpt from Sweigart’s testimony before the Grand Jury on July 31, 2014:

Q. It is your position that Mr. Como was, in your mind, a flawless Superintendent?

A. That is correct.

Q. Not one single flaw that you could think of – and I don’t mean in hindsight, but at the time you believed he was completely flawless?

A. Yes.

...

Q. So do you agree in retrospect that he was a perfect Superintendent?

A. That is correct.

Q. Even though you now know that he sent, and we’ll get to those in just a bit, even though you now know that he sent, if I could categorize them as flagrantly racist, text messages?

A. That is correct.

During interviews and testimony before the Grand Jury, many Board members were questioned as to why they did not do more. Why didn’t they question the bills? Why didn’t they review the backgrounds and qualification of new hires? Why didn’t they go out into the District and seek input from administrators, teachers, parents, or even students? Some Board members continued to defend their inaction by suggesting that this would be “micromanaging.” Others suggested that they worked full time and did not have the time to put into their elected position. Regardless, not one Board member provided a sufficient response to justify their lack of oversight.

2. The School Board Failed to Keep the Public Informed

A review of the Board’s meeting agendas revealed that the Board conducted most of their business by “Consent Agenda.” The purpose of a Consent Agenda is to allow the Board to approve routine matters. It allows a Board to take one vote to approve a number of items without any further debate. Items that usually appear on a Consent Agenda are the approval of the minutes from past meetings and payment of routine bills. Consent Agendas require a special rule of order or guideline to establish what can and cannot be included. See Robert’s Rules of Order. Coatesville has no such special rule or guideline in place.

To give an example of how a Consent Agenda is misused, imagine a hypothetical School Board meeting where the Board agenda included the following issues: (1) whether to allow prayer in the classroom; (2) whether to hire Bob Jones as the Assistant Superintendent; (3) whether to ban a book; (4) whether to furlough 15 teachers; (5) whether to grant raises of 1.5% to all non-union employees; (6) whether to raise the superintendent's salary by \$7,000.00; and (7) whether to approve the settlement of a racial discrimination suit. In most school districts, each of these issues would be debated and voted on individually. Under Coatesville's Consent Agenda, the Board members either voted "yes" or "no" to all of the issues in one vote (and the vote was virtually always a unanimous "yes" with no discussion). This procedure is a great way to avoid informed debate, transparency, and accountability, if those are your goals.

The Coatesville Area School District used their Consent Agenda to approve almost all of their business. By using a Consent Agenda to approve the majority of the Board's business, the Board effectively kept the public in the dark about their decisions and avoided individual accountability.

Moreover, the Board's use of Consent Agendas provided a vehicle for Como to conceal his mismanagement and criminal actions from the Board. Every questionable action taken by Como – hiring his son, hiring employees with criminal records, expense reimbursements, selling the generator – was accomplished via the Consent Agenda (or sometimes without any Board knowledge). When questioned, most of the Board members were unaware of the questionable people Como hired or the money Como was spending on rings and personal expenses.

Likewise, the Board used the Consent Agenda when they did not want to highlight action they were taking. The most egregious example of this is the September 24, 2013 meeting wherein the Board approved the "resignations" of Como and Donato by Consent Agenda. After many hours of public comment, the Board quickly took a vote to approve the Consent Agenda, which included almost all of the Board's business for the meeting. The Board then quickly adjourned the meeting without any comment or explanation. Most of those members of the community in attendance were unaware of or confused about what action the Board had taken with regard to Como and Donato.

3. The School Board Failed to Supervise Their Solicitor

The Board's lack of oversight extended beyond Richard Como. James Ellison, the District's Solicitor, also took advantage of the School Board's apathy. When it came to

determining legal strategy, the Board let Ellison run the show, and blindly supported him. This allowed Ellison to increase his billing to the District without any regard for whether his work was necessary (or even was actually performed).

Moreover, the Board paid Ellison's legal fees without ever scrutinizing the bills for accuracy. Had the Board simply taken the time to question Ellison's billing practices, the Board could have saved the District hundreds of thousands or even millions of dollars. Indeed, in 2007 Board member Eric Brown, an attorney, began to question Ellison's billing practices. Almost immediately, Ellison's monthly bills dropped nearly 50%, even though the amount of work he performed for the District remained the same. However, after Brown left the Board, Ellison's bills began to slowly creep up again and eventually returned to where they were before Brown raised his concerns with the Board.

XIV. GENERAL RECOMMENDATIONS FOR CASD

The Grand Jury recognizes that although the position of School Director is an elected position, it is an unpaid, part-time position. Members of the School Board are not expected to be on the school's property ten hours a day, nor should they be. However, they cannot simply show up to two meetings a month and believe that they are doing everything they can for their District.

Moving forward, the School Board needs to understand that they must actually put time and effort into their job. An excellent place for them to start would be to reach out to the community and their employees for the purposes of self-evaluation. Rather than ask themselves whether they are doing a good job, the Board should step back and listen to other people tell them how they believe the Board is performing. This will provide feedback to the Board not only on areas which require improvement, but also areas in which they are succeeding.

The members of the School Board, both individually and as a group, must get involved by visiting schools, attending school activities such as academic competitions, musical performances, and athletic events, and meeting with parents. The School Boards of successful School Districts ask questions of everyone who has a stake in the success of the District: parents, teachers, administrators, custodians, as well as local business owners and community residents who do not have school age children but who pay taxes to support the District. Each has a perspective on the successes and failures of the District.

The Board must also be prepared to scrutinize matters they are asked to vote on. The Board must publicly review the bills and expenses before they vote on making a payment. They must also review the employment recommendations to determine if there are any conflicts of interest, job offers that appear to be outside the normal salary range, and whether the applicant is both qualified and free of any criminal record which would disqualify the applicant. If any irregularities appear, the Board can turn to the Superintendent, during the public meeting, and request further explanation for everyone to hear.

Another area for improvement by the Board and the District is to become integrated into the community of education comprised of other Chester County School Districts and School Boards. This will allow Coatesville to obtain information from other School Districts about best practices and procedures. School Board members would benefit from working with, and learning from their peers. CASD already has taken a step in the right direction in this area by hosting an event for all Chester County School Districts.

In addition, the Board should follow the Grand Jury recommendations for all School Districts listed in this report.

XV. CONCLUSION AND RECOMMENDATIONS

The Grand Jury acknowledges that numerous positive changes have taken place in the District during the past year as our investigation progressed. Como and Donato have been replaced as Superintendent and Athletic Director. Board member Tonya Thames Taylor was voted out of office. Board President Neil Campbell and Vice President Richard Ritter have resigned. James Ellison has been removed as Solicitor. New Superintendent Dr. Cathy Taschner and the current Board have started to implement some positive reforms.

These developments all bode well for the students and taxpayers of the CASD. The Grand Jury hopes that these reforms continue. We hope that the Board and the public remain vigilant so that the apathy, corruption, and dysfunction that crippled the CASD during Como's tenure do not return. Most importantly, we hope that other school districts throughout Pennsylvania can learn from Coatesville's experience.

To that end, we conclude this report with the following recommendations for school districts throughout the Commonwealth.

1. Acceptable Use Policy. Establish and enforce an acceptable use policy for school district employees regarding the use of emails, texts, and other electronic communications. The enforcement of such a policy should include annual training and periodic spot-checks of individual user's accounts to make sure of compliance. The racist/sexist texting scandal in this case could have been avoided with the enforcement of such a policy.
2. Handling of Cash. Establish and maintain appropriate financial controls over the handling of cash within the school district, particularly regarding athletic events. Such controls should include an exact accounting of all cash received and disbursed, a system of double-checks and sign-offs for all cash transactions above \$50, and an independent annual audit of cash transactions. School districts also should perform credit checks every year on every school district employee who is authorized to engage in accounting for large sums of cash for the school district.
3. Nepotism. Establish and enforce a rule outlawing nepotism in school district hiring. The rule should be clear and absolute: no family member of a school district supervisor or board member may be employed by that school district. This must be a rule, not merely a guideline. The occurrence or appearance of favoritism has a tremendously negative impact on a school district.
4. Consent Agenda. The so-called "consent agenda" should not be used by school boards. Under a consent agenda, a board considers a large number of issues (e.g., hiring, budgetary issues, discipline, spending, community input, etc.) often over a number of hours, then simply votes "yes" or "no" on the agenda as a whole. Such a practice decreases accountability and transparency. Each issue on the agenda should be subject to a separate vote by the school board, allowing for community input and allowing the community to see how each board member is voting on each issue.
5. Board Training. For new school board members, require mandatory training on the duties of a school board member. Such training should include ethics, the Sunshine Act, parliamentary procedure, budget issues, personnel issues, and other basic duties. Many board members are elected with only rudimentary understanding of these basic issues. Uninformed and uneducated board members can be a recipe for disaster.

6. Legal Fees. The legal fees for a school district must be reviewed every month by a school district supervisor who: (a) has a basic understanding of appropriate legal billing; and (b) has access to sufficient information to check on the activities of the board's solicitor. The board should require that the solicitor bill in tenth of an hour increments and prohibit the practice of "block billing" (billing for unspecified activities or multiple activities in one consolidated block of time).
7. Hiring of Criminals. Require a criminal background check for all prospective employees. Under Pennsylvania law, school districts must disqualify anybody who has a prior conviction for certain crimes. Even if the applicant's criminal conviction does not technically disqualify the person from employment, school districts should be reluctant to hire a convicted felon to be around children. All school districts should have a policy requiring that every arrest of a current employee be immediately reported by that employee to a designated school district supervisor. All school districts should update criminal history checks on all school employees at least every other year.
8. Athletics. Athletic programs are an adjunct to the educational purpose of schools. School districts must not let the educational activities of the school revolve around athletics in general or any particular athletic program. It is the duty of a school district superintendent and school board to maintain this priority. As many colleges have discovered, allowing an athletic program to become more important than academics is an invitation to long-term failure.
9. Qualifications. School districts must carefully select candidates for supervisory positions who are highly qualified. Being a football coach does not qualify somebody to become the Superintendent of a school district, which involves a multitude of complex duties. School boards should consider the relevant work experience, educational level, and personal background of every person chosen for a senior supervisory position in a school district.
10. Transparency. School districts must operate openly, not in secrecy. Important decisions for the school district should be made in public meetings with public input. The public should be advised at least three days in advance of any items that will appear on a board meeting agenda for public discussion.

11. Superintendent's Performance Evaluation. School boards should develop a formal procedure for evaluating the superintendent which seeks input from all of the district's stakeholders: administrators, teachers, parents, community members, etc. More importantly, this input should be confidential to ensure that no one fears reprisals for their critique.
12. Compliance Reports. Every school district should have a compliance officer and a "tip-line." The compliance officer should be a direct report to the school board, serving as an independent check on potential abuses by school district supervisors. And the compliance officer should maintain an anonymous tip-line, allowing school district employees, students, parents, and other parties to report potential wrongdoing in the school district to the compliance officer.
13. Expenditure of Funds. School districts must spend money with a full recognition for the source of that money -- the hard work of taxpayers. School district funds must not be spent on supplying smart phones and tablets to favored employees, must not be spent on celebratory jewelry for administrators and athletes, must not be spent on providing cell phone service for a non-employee to make personal phone calls while on vacation, and must not be spent on expenditures for the personal benefit of school district supervisors and board members. School district money should be spent on expenses that provide a quality education to children.

The Grand Jury requests that this report and presentment be made public, both to address the problems in CASD and to allow other school districts across Chester County and Pennsylvania to avoid the same problems.

DATE

FOREPERSON
18TH CHESTER COUNTY
INVESTIGATING GRAND JURY