

June 5, 2006

Hon. Joel I. Klein
Chancellor
New York City Public Schools
Department of Education
52 Chambers Street, Room 314
New York, NY 10007

Re: Joanne Pierre
SCI Case # 2005-3107

Dear Chancellor Klein:

An investigation conducted by this office has substantiated that Joanne Pierre, the Principal at the Rachel Carson High School for Coastal Studies (“Rachel Carson”) in Brooklyn, stole more than \$10,000 dollars in Department of Education (“DOE”) funds through a scheme by which she received reimbursement for items she never purchased or for items she returned. Pierre falsified numerous imprest fund expenditure forms which she submitted in support of her fraudulent claims.¹ The thefts began while Pierre was assigned as a Curriculum Instructional Specialist for Citywide Alternative Schools and Programs (“District 79”) and continued when she assumed her position at Rachel Carson.² As a result of her conduct, on May 10, 2006, investigators from the Office of the Special Commissioner of Investigation for the New York City School District (“SCI”) arrested Pierre for Grand Larceny in the Third Degree and related charges.³

This investigation began in November 2005 when Local Instructional Superintendent (“LIS”) Doreen Cokley, along with Regional Counsel Judith Kay, both of whom are from District 79, contacted SCI and reported allegations of fraud committed by Pierre. Specifically, Cokley claimed that in May 2005, Pierre submitted two altered imprest fund expenditure forms which authorized reimbursement amounts payable to Pierre in excess of \$3,000.

¹ On March 21, 2006, Pierre was reassigned to the Region 7 Operations Center at the Petrides Complex, 715 Ocean Terrace, Staten Island, New York during the pendency of this investigation. Pierre, however, never appeared at that assignment.

² In July 2005, Pierre became the Principal at Rachel Carson High School.

³ The criminal matter is pending and is being prosecuted by the Kings County District Attorney’s Office.

Cokley informed investigators that she was contacted by Serge Albert, Budget Officer at the Regional Operations Center (“ROC”) in Brooklyn, who wanted to discuss two imprest fund expenditures that were submitted by Pierre and approved by Cokley.⁴ The expenditures were in the amounts of \$3,069.96 and \$283.94.⁵ According to Cokley, she was permitted to sign expenditure forms that allowed reimbursements up to a \$500 dollar limit. Cokley stated that for an expenditure in the amount of \$3,069.96, a purchase order would be used.

Investigators presented Cokley with one of the original DOE imprest fund expenditure forms which she approved on May 31, 2005. Although Cokley confirmed that it was her signature on the form, she explained that she would never sign off or approve a request for the amount of \$3,069.96. Cokley explained to investigators that after she received the DOE imprest fund expenditure for approval, she returned it to Pierre for her submission to the ROC for reimbursement. According to Cokley, Pierre may have altered the document after she approved it.

Investigators and Cokley reviewed the imprest form and observed that it clearly was altered. The original imprest form was for a “projector bulb” in the amount of \$69.96. In the altered form, the word “bulb” was removed with white out and only the word “projector” remained. The reimbursement amount documented on the altered form was \$3,069.96 and attached to the form were three receipts documenting items Pierre allegedly purchased for the school programs. The three documents included two original credit card receipts from Micro Center and a copy of a cash receipt from Office Max. The date of the purchase on the receipt from Office Max was June 1, 2005, which was one day after Cokley had approved the imprest form submitted by Pierre. Additionally, investigators discovered that the Office Max receipt actually documented a cash refund for the return of the merchandise on June 2, 2005.⁶

⁴ At the time, Albert was fairly new to his position at the ROC so he contacted Cokley for guidance.

⁵ With respect to the imprest refund request in the amount of \$283.94, Pierre was reimbursed for \$274.70 because that was the amount she should have paid for the purchases without tax. School purchases are tax exempt. Investigators later determined that these purchases from various vendors were actually used when Pierre was the Principal at Rachel Carson. Pierre improperly submitted imprest forms for reimbursement to District 79 for items she used at Rachel Carson.

⁶ According to the ROC, Pierre received only \$1,919.98 in partial payment of the \$3,069.96 DOE imprest fund expenditure amount that Pierre had requested. Pierre had contacted Albert to inquire about the remaining monies she claimed she was owed. According to DOE employees Francis Miranda and Micherie Tim, since Pierre did not submit her itemized credit card statement documenting the items purchased at Micro Center, she would not be reimbursed for those items. Pierre, however, was reimbursed in the amount of \$1,919.98 for the Office Max purchase. Investigators questioned why the imprest fund expenditure in the amount of \$1,919.98 was processed since Pierre did not submit the original receipt, but only submitted a copy. Miranda and Tim replied that they were instructed to put it through once it was approved by the LIS.

Investigators also went to Micro Center to determine if the two receipts submitted by Pierre were legitimate. The items listed on the receipts were purchased with Pierre's Municipal Credit Union ("MCU") Visa card. At Micro Center, investigators spoke with the Operations Manager, Pablo Lopez. According to Lopez, Pierre returned both items listed on the two receipts the very same day the items were purchased. A Minolta D Image Scan Dual IV for the amount of \$271.86 was purchased on May 2, 2005 at 3:25 p.m. and was returned by Pierre that same afternoon at 4:14 p.m. The second item from Micro Center, a Toshiba DLP Projector in the amount of \$978.74, was purchased on May 30, 2005 at 5:00 p.m. and was returned four minutes later at 5:04 p.m. Lopez provided investigators with a copy of the return receipts which had Pierre's signature on them. Pierre had received a refund for both items on her MCU Visa credit card.

Additionally, investigators discovered that Pierre had submitted five separate imprest expenditure forms on which she claimed a purchase of \$488.16 for "regents prep books." Attached to each form was a Barnes & Noble receipt from the bookstore located on 7th Avenue in Brooklyn. All the receipts were dated May 24, 2005 and were for the amount of \$488.16. Three of the receipts were marked "store receipt copy." Assistant Manager Jose Perez reviewed the receipts and informed investigators that all of the receipts were estimates and were not actual paid transactions. According to Perez, the receipts were to place an order, and did not reflect that any items were purchased. Perez explained that the customer, usually a teacher, often would obtain estimates for books so that she could give the estimates to the principal of her school. Perez told investigators that the customer would receive a copy of the receipt which was sometimes marked "teacher/educator" and the store would also retain a copy of the receipt which would be marked "store receipt copy." Investigators inquired as to how Pierre would obtain the store's copy of the receipt and Perez responded that Pierre may have asked the cashier for it.⁷

Investigators also presented Perez with six original receipts from a Barnes & Noble store located at 106 Court Street in Brooklyn which were dated January 20, 2005.⁸ Each receipt was for the amount of \$474.60 and had the words "teacher/educator" on it. Pierre submitted imprest forms with the notation "materials for Pd."⁹ Perez examined the receipts and confirmed that each was an estimate to place an order and none reflected actual paid transactions. At the conclusion of the interview, Perez informed investigators that the name of the cashier who assisted Pierre at the Barnes & Noble on 7th Avenue in Brooklyn was Peaches.¹⁰

⁷ In total, Pierre submitted and was paid for twelve fraudulent imprest expense forms with receipts from Barnes & Noble. Eleven were submitted while she was the Curriculum Instructional Specialist at District 79. One was submitted while she was the Principal at Rachel Carson. Pierre submitted both the "teacher/educator" receipts as well as the "store receipt copy" and was paid for both.

⁸ A seventh receipt was a copy and was dated June 3, 2004. This receipt appeared to be legitimate purchase of school books in the amount of \$239.50 which Pierre paid for with her credit card.

⁹ According to Cokley, "Pd" referred to "professional development." Cokley informed investigators that Pierre worked at an afterschool program in Brooklyn for adults.

¹⁰ At the bottom of each receipt next to the date and time was the name of the cashier.

Investigators spoke with Peaches and showed her the receipts from Barnes & Noble dated May 24, 2005. Peaches remembered the transaction. According to Peaches, a woman placed a large order for books that were to be shipped from the warehouse to the Barnes & Noble on 7th Avenue. Peaches told investigators that she repeatedly tried contacting the woman on the telephone, but her phone calls were never returned. Peaches stated that after one month, the books were returned to the warehouse because there was no room to store them. Investigators inquired as to whether the woman who placed the order was named Joanne Pierre. Peaches responded that she believed the woman used a different name.

The investigation further revealed that Pierre had submitted four separate fraudulent imprest fund expenditure forms seeking reimbursement for food allegedly purchased for four separate luncheons. On two of the forms Pierre noted that the justification for the purchase was "food for professional development" and the amount to be reimbursed for the food on each form was \$512.00. On the two other forms Pierre noted that the reason for the purchase was "refreshments for Pd" and the amount to be reimbursed on each form was \$502.00. All of the receipts attached to each of the four imprest forms were from John and Joe's Pizza in the Bronx. Investigators discovered, however, that all the receipts were from the same day and for only one luncheon that Pierre did not even pay for.

On one imprest form Pierre submitted the two "guest check" receipts from John and Joe's Pizza, totaling \$512.00. Months later, on another imprest form, Pierre submitted the two "kitchen check" receipts totaling \$512.00, which were the carbon copies of the "guest check" receipts. On another imprest form Pierre submitted the MasterCard sales receipt in the amount of \$502.00, which reflected payment for the food on January 31, 2005.¹¹ Several months later, on the fourth form, Pierre submitted that same MasterCard sales receipt for the amount of \$502.00. Records reflected that Pierre was paid on all of the four falsified imprest fund expenditures she submitted amounting to a total of \$2,028.00. Pierre, however, did not pay for the luncheon. Investigators learned that Rita Pozniakoff submitted a credit card and paid for the luncheon. Pozniakoff informed investigators that she worked for Renaissance Learning which was a former vendor for the DOE. While employed by Renaissance Learning, Pozniakoff worked with Pierre on a program involving staff development at the Bronx Academy. According to Pozniakoff, she used a credit card to purchase the order from John and Joe's Pizza. Investigators confirmed that the MasterCard receipt from John & Joe's Pizza contained the last four digits of the card which had been issued to Pozniakoff by Renaissance Learning.

¹¹ Investigators spoke with the owner of John and Joe's Pizza. He reviewed the receipts from the luncheon on January 31, 2005 and told investigators that he remembered the order because it was a large order. According to the owner, the green receipt was the "guest check" receipt which was used to place the order and the yellow receipt was the "kitchen copy" which was the carbon copy. Investigators inquired why the green and yellow receipts reflected an amount of \$512.00 and the MasterCard sales receipt associated with the purchase stated \$502.00. Investigators learned that most likely an error was made when John and Joe's Pizza charged the MasterCard used for the purchase.

Investigators discovered that Pierre submitted another imprest form seeking reimbursement for refreshments in the amount of \$49.00. The notation Pierre documented on the imprest form was “refreshments for professional development” and attached was a receipt from Subway and Western Beef. Investigators discovered that the Subway receipt was a “preliminary receipt” and was not a receipt for a purchase. In fact, at the bottom of the Subway receipt there was the notation, “transaction not complete.” In addition, the attendance sheet Pierre attached as documentation to support her reimbursement amount of \$49.00 was a copy of an attendance sheet Pierre had previously submitted with another imprest form in 2004.

Investigators further learned that while Pierre was the Principal at Rachel Carson she continued to submit falsified imprest forms and received reimbursement to which she was not entitled. Investigators discovered the following fraudulent claims by Pierre:

- She submitted an imprest form with a Barnes & Noble receipt attached. In the “justification for purchase” portion of the form, Pierre noted “supplies for the new school – math books” and submitted a Barnes & Noble “store receipt copy” in the amount of \$271.20. This receipt was an estimate to place an order for books and did not reflect an actual paid transaction, although Pierre received a check from the DOE in the amount of \$271.20.¹²
- Pierre submitted two imprest forms with receipts from John’s Pizza in Brooklyn. One receipt was in the amount of \$30.00 and was attached to an imprest form on which Pierre noted that the reason for the purchase was “refreshments for meeting on April 1, 2005.” The other receipt was for the amount of \$85.00 and was attached to an imprest form in which Pierre recorded that the justification for the purchase was “refreshments for meeting on May 13, 2005.” The investigation revealed that Pierre had previously submitted both of these receipts with another fraudulent imprest form in 2004 and had been reimbursed by the DOE.
- Pierre submitted several imprest forms with attached paperwork that did not have any store name or list of items purchased. The purported receipts were merely cash register tape printouts and were attached to imprest forms which noted that the purchases were for “school supplies” or “materials for information session and meetings.” Pierre did not submit any other supporting documentation to support the reimbursement amounts she claimed she was owed. Pierre received checks from the DOE in the amount of \$510.56, \$318.32, and \$300.29.

¹² In total, the amount of money Pierre fraudulently received due to her false claims of expenditures at Barnes & Noble was \$5,423.28. This amount reflects eleven falsified claims while Pierre was the Curriculum Instructional Specialist at District 79, and one falsified claim while she was the Principal at Rachel Carson.

In addition to submitting fraudulent imprest forms, investigators learned that Pierre also misappropriated funds during her employment at District 79. Pierre admitted to investigators that she submitted imprest forms to District 79 for reimbursement for items she purchased for Rachel Carson. The following is a list of several transactions Pierre made on behalf of Rachel Carson although the imprest forms were submitted and approved by employees at District 79:

- On four separate occasions, Pierre made purchases of various supplies at Kinko's for a total amount of \$1,534.49. Pierre submitted several imprest forms with the Kinko's receipts to the DOE at District 79 and was reimbursed for the money she spent. Investigators learned from Pierre, however, that the items she purchased at Kinko's were actually for Rachel Carson.
- Pierre was reimbursed for an imprest fund expenditure form that she submitted to the DOE at District 79 claiming that she was owed the amount \$274.70. In support of this claim, Pierre provided receipts from various vendors such as Staples, Western Beef, John's Pizza, and Fine & Fare. The investigation revealed that these vendors were used in conjunction with activities at Rachel Carson and not District 79.
- Pierre submitted an imprest form and was reimbursed by the DOE for the amount of \$248.39 for items she bought at Barclay School Supplies allegedly for District 79. Investigators discovered that these items were actually used at Rachel Carson.

Investigators spoke with Joanne Pierre in December 2005. According to Pierre, she became the Principal at Rachel Carson on July 1, 2005. Prior to her current position, Pierre had been the Curriculum Instructional Specialist at District 79 since March 2004.

Pierre explained to investigators the process of submitting imprest fund expenditures to the DOE for reimbursement while she was employed at District 79. According to Pierre, she attached receipts to the DOE imprest fund expenditures as backup documentation. Cokley signed off on the DOE expenditures and then returned the imprest fund expenditure back to Pierre once it was approved. Pierre would then submit the expenditure directly to the ROC for payment.

Investigators presented to Pierre the Office Max receipt and inquired as to why she submitted a copy of the receipt instead of the original receipt. Pierre claimed that she did not recall the reason. Pierre maintained that she purchased a projector and a calculator and that she had put in a request to Cokley for the overhead projector. Investigators then presented Pierre with the two receipts from Micro Center. Pierre indicated that she purchased a scanner and a projector. When the investigators inquired as to why Pierre was only paid partially from this DOE imprest fund, Pierre responded that she did not know the reason. Investigators then informed Pierre that she only received partial payment on the DOE imprest fund expenditure because she did not

submit her personal credit card statement showing the two purchases from Micro Center along with her original receipts. Pierre claimed that no one asked her for her personal credit card statements.

Pierre informed investigators that the only credit card she had was her MCU Visa card. She explained that she paid cash for the calculator and projector from Office Max because her credit card was a debit card with a spending limit of \$1,000 per day. Investigators showed Pierre an imprest fund expenditure form she submitted requesting reimbursement in the amount of \$274.70. Attached to the form was an attendance sheet along with a piece of paper without any date that stated "Math Meeting; Topic: Differentiated Instruction; Curriculum Instructional Specialist – Joanne Pierre." Pierre told investigators that she did not recall why there was no date listed. Investigators inquired if the attendance sheet attached to the imprest form was for a program affiliated with District 79. Pierre informed investigators that she did not attach that particular attendance sheet to the imprest form. She further stated that she would fax the correct attendance sheet for the math meeting.¹³ Pierre concluded the interview by informing SCI investigators that the ROC owed her money for outstanding imprest fund expenditures and transportation expenses.¹⁴

In a subsequent interview with Pierre in March 2006, Pierre gave an oral statement to investigators which was reduced to writing and signed by Pierre. In the statement, Pierre admitted that she misappropriated DOE funds. Specifically, Pierre admitted that she submitted to the DOE a series of imprest fund expenses that were false for which she received payments to which she was not entitled. Pierre acknowledged that she deposited the payments into her municipal credit union bank account.

Pierre admitted to investigators that the following imprest fund claims that she submitted contained false expense documentation:

- A claim for a projector purchased from Office Max for \$1,919.98. Pierre admitted that she purchased the projector then returned it to the store and received a refund for her purchase. Pierre then informed investigators that she still submitted an imprest expenditure form to the DOE and was reimbursed for this returned item in the amount of \$1,919.98.
- A series of Barnes & Noble receipts that she submitted and was reimbursed for although she never made any purchases from Barnes & Noble. Pierre admitted that the receipts she submitted were "just price quotes." Specifically, Pierre

¹³ On January 3, 2006, Pierre faxed SCI investigators the attendance sheet she claimed was the correct sheet that reflected the names of the people who attended the math meeting. Investigators discovered, however, that while Pierre was at District 79, she had submitted that very same attendance sheet with an imprest form documenting that she was owed \$49.00 for "refreshments for professional development."

¹⁴ Albert from Region 8 and DOE Local Instructional Superintendent Richard D'Auria from Region 7 informed investigators that Pierre was not owed any money.

admitted that she fraudulently submitted the following receipts: five receipts each in the amount of \$488.16, five receipts in the amount of \$474.60, and one receipt in the amount of \$339. Pierre explained to investigators that the reason there were duplicate receipts from Barnes & Noble was because she asked the person at the register to break up each purchase by a certain number of books which resulted in five receipts for \$488.16, and five receipts for the amount of \$474.60.

- Pierre acknowledged that she submitted duplicate receipts from John and Joe's Pizza in the Bronx and was reimbursed for several purchases which she never made.

At the conclusion of the interview, Pierre informed investigators that she was currently going through a divorce and that she would pay restitution to the DOE.

It is the recommendation of this office that Joanne Pierre's employment be terminated, that she be placed on the ineligible list, and that this matter is considered should she apply for any position in a New York City public school in the future.

We are sending a copy of this report to Kings County District Attorney Charles J. Hynes.

We are forwarding a copy of this letter to the Office of Legal Services. We are also forwarding our findings to the State Education Department for whatever action it deems appropriate. Should you have any inquiries regarding the above, please contact Special Counsel Valerie A. Batista, the attorney assigned to the case. She can be reached at (212) 510-1417. Please notify Ms. Batista within thirty days of the receipt of this letter as to what, if any, action has been taken or is contemplated regarding Joanne Pierre. Thank you for your attention to this matter.

Sincerely,

RICHARD J. CONDON
Special Commissioner
of Investigation for the
New York City School District

By: _____

Regina A. Loughran
First Deputy Commissioner

RJC:RAL:VAB:gm

c: Michael Best, Esq.
Theresa Europe, Esq.