

By Senator Posey

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1 A bill to be entitled
2 An act relating to the Department of Education; providing
3 for the relief of Karen W. Stripling; providing an
4 appropriation to compensate her for damages sustained as a
5 result of a breach of contract by the Department of
6 Education; providing a limitation on the payment of fees
7 and costs; providing an effective date.
8

9 WHEREAS, Karen W. Stripling is the owner and operator of
10 Florida Read & Lead, Inc., a not-for-profit private faith and
11 community-based entity, and

12 WHEREAS, in June 2002, Florida Read & Lead, Inc., was
13 awarded a grant contract from the Department of Education to
14 assist persons in this state in obtaining high school diplomas
15 and developing literacy skills, and

16 WHEREAS, the contract grant was denominated as a
17 "performance-based" grant contract, providing that Florida Read &
18 Lead, Inc., would be paid after Florida Read & Lead, Inc.,
19 presented documentation to the Department of Education which
20 demonstrated that Florida Read & Lead, Inc., had achieved certain
21 required levels of performance by meeting specified literacy and
22 education benchmarks, and

23 WHEREAS, Florida Read & Lead, Inc., was not to be paid on a
24 "cash-advance" or "reimbursement" basis, and, accordingly, was
25 not required to provide receipts, invoices, or other
26 documentation showing its costs and expenditures, and

27 WHEREAS, during the first year of the contract grant, from
28 July 1, 2002, to June 30, 2003, in full compliance with the grant
29 contract, Florida Read & Lead, Inc., submitted documentation that

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30 showed it had attained the specified literacy and education
31 benchmarks, and

32 WHEREAS, upon receipt of the documentation submitted by
33 Florida Read & Lead, Inc., the Department of Education not only
34 approved and paid Florida Read & Lead, Inc., in full, but
35 confirmed in writing that Florida Read & Lead, Inc., met "all the
36 requirements, acts, duties, and responsibilities as called for in
37 the payment for" the invoices, based upon the documentation, and

38 WHEREAS, upon the Department of Education's approval of the
39 documentation during the first year of the contract, the
40 Department of Financial Services paid Florida Read & Lead, Inc.,
41 approximately \$200,000 solely on the basis of documentation
42 substantiating the attainment of the specified literacy and
43 education benchmarks, and

44 WHEREAS, when in December 2003, March 2004, and June 2004,
45 Florida Read & Lead, Inc., submitted additional documentation of
46 progress toward meeting the specified literacy and education
47 benchmarks justifying a payment of approximately \$200,000 for
48 each quarter, documentation that was identical in format to the
49 documentation submitted and approved for payment in the first
50 year of the contract, the Department of Education refused to pay
51 the documentation, wrongfully contending that Florida Read &
52 Lead, Inc., and Stripling were required to present detailed
53 itemized receipts documenting all of the costs Florida Read &
54 Lead, Inc., had incurred to achieve the specified literacy and
55 education benchmarks, and

56 WHEREAS, when Florida Read & Lead, Inc., and Stripling
57 objected to the attempt of the Department of Education to convert
58 the grant contract from a "performance-based" contract to a

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59 "reimbursement-based" contract, the Department of Education and
60 the Department of Financial Services made numerous false
61 statements to federal and state criminal investigators, including
62 the erroneous assertions that Florida Read & Lead, Inc., had been
63 allocated and had received an additional \$200,000 in federal
64 cash-advance payments at the beginning of the second year of the
65 grant period; that all funds received by Florida Read & Lead,
66 Inc., and Stripling during the first year had been federal cash-
67 advance payments that carry stringent requirements as to their
68 use and separation from personal funds; that Stripling had
69 purchased a new car for her own personal use with government
70 funds; that Stripling had created a fraudulent "grant slush fund"
71 using her own personal Ameritrade retirement account into which
72 she deposited "advance government funds"; that Stripling did not
73 have a Doctorate of Philosophy as she asserted in her application
74 and had fraudulently manufactured her educational background;
75 that Florida Read & Lead, Inc., was to be evaluated in terms of
76 its financial operations as if it were a school district, which
77 by definition includes only public and government entities; that
78 Stripling was to be evaluated as if she were a superintendent of
79 a "local education agency"; and that Florida Read & Lead, Inc.,
80 and Stripling had commingled government cash-advance payments
81 with her own personal funds in violation of criminal law, and
82 WHEREAS, as a result of these false statements, Stripling
83 was subjected to extensive criminal investigations by both state
84 and federal law enforcement authorities, was notified she was a
85 subject of these criminal investigations, was specifically
86 threatened with a federal indictment carrying substantial fines
87 and a lengthy prison sentence, and had to pay private criminal

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88 defense and other counsel to defend her interest and show that
89 the statements of the Department of Education and the Department
90 of Financial Services were completely groundless, and

91 WHEREAS, in the course of defending herself against these
92 spurious allegations, Stripling suffered a complete mental,
93 physical, and emotional breakdown, was forced to the brink of
94 bankruptcy, was beset with chronic insomnia, suffered severe
95 anxiety and panic attacks, was subjected to the threat of
96 imminent indictment by a federal grand jury, was forced to move
97 from her lifelong home, was compelled to inform her three
98 children that she was quite likely going to prison, and suffered
99 the loss of her personal and business reputations, and

100 WHEREAS, as a result of the false statements of employees of
101 the Department of Education and the Department of Financial
102 Services, Stripling was threatened with federal prison for
103 stealing, "commingling" and "misappropriating" advance government
104 money when in reality Florida Read & Lead, Inc., never received
105 any state or federal advance money, and

106 WHEREAS, although the Department of Education has now
107 acknowledged that Florida Read & Lead, Inc., has fully performed
108 under the grant contract and has met all of the specified
109 literacy and education benchmarks that are set forth in its grant
110 contract, the Department of Education and the Department of
111 Financial Services have both refused for over 3 years to pay
112 Florida Read & Lead, Inc., the money it is owed as documented in
113 its submissions for December 2003, March 2004, and June 2004, and

114 WHEREAS, Stripling is also entitled to compensation for the
115 shame and humiliation she experienced as an innocent subject of a
116 federal and state criminal investigation; the total destruction

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117 | of her personal and business reputations, which taint follows her
118 | throughout this state and the eastern United States; the
119 | overwhelming mental anguish and emotional distress that
120 | ultimately led to her total physical and emotional breakdown,
121 | along with associated medical expenses and lost income; the loss
122 | of income in the past and the loss of her ability to earn income
123 | in the future since the only profession for which she is trained
124 | has been utterly destroyed; and the attorney's fees and costs she
125 | incurred in defending the unwarranted criminal investigation
126 | facilitated by the false accusations of employees of the
127 | Department of Education, and

128 | WHEREAS, although a lawsuit has been filed, the Department
129 | of Education has offered to pay only \$163,000, which does not
130 | even repay Florida Read & Lead, Inc., and Stripling for the
131 | approximately \$260,000 owed for fully performing under the grant
132 | contract plus 41 months' interest; the loss of income of \$700,000
133 | to Stripling as an independent contract grant writer, which is a
134 | conservative estimate of the income she lost over the last 3
135 | years; the \$160,000 she incurred in fees and costs to defend the
136 | false criminal charges against her; the more than \$1 million in
137 | lost future income as an independent contract grant writer, which
138 | is a conservative estimate of lost future income from her
139 | inability to secure any additional grants due to the taint of
140 | being labeled a felon who undertook criminal activity and the
141 | consequent loss of her personal and business reputations; the
142 | \$100,000 in fees and costs associated with her effort to secure
143 | payments of the amounts owed to her and Florida Read & Lead,
144 | Inc., under the grant contract with the Department of Education;
145 | and the \$500,000 she conservatively is owed for the pain and

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146 anguish she endured which resulted in her physical, emotional,
147 and mental breakdown from being falsely accused of committing
148 serious federal and state felonies and becoming the subject of a
149 federal corruption probe, NOW, THEREFORE,

150

151 Be It Enacted by the Legislature of the State of Florida:

152

153 Section 1. The facts stated in the preamble to this act are
154 found and declared to be true.

155 Section 2. There is appropriated from the General Revenue
156 Fund to the Department of Education the sum of \$2,720,000 for the
157 relief of Karen W. Stripling for damages sustained due the breach
158 of contract described in this act.

159 Section 3. The Chief Financial Officer is directed to draw
160 a warrant in favor of Karen W. Stripling in the sum of \$2,720,000
161 upon funds of the Department of Education in the State Treasury,
162 and the Chief Financial Officer is directed to pay the same out
163 of such funds in the State Treasury.

164 Section 4. This award is intended to provide the sole
165 compensation for all present and future claims arising out of the
166 factual situation described in this act which resulted in this
167 claim by Karen W. Stripling. The total amount paid for attorney's
168 fees, lobbying fees, costs, and other similar expenses relating
169 to this claim may not exceed 25 percent of the amount awarded
170 under this act.

171 Section 5. This act shall take effect upon becoming a law.