

By Senator Lawson

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1 A bill to be entitled

2 An act for the relief of Karen W. Stripling; providing
3 an appropriation to compensate her for damages
4 sustained as a result of a breach of contract by the
5 Department of Education; providing a limitation on the
6 payment of fees and costs; providing an effective
7 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 specified to be 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
21 certain required levels of performance by meeting specified
22 literacy and 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
29 grant contract, Florida Read & Lead, Inc., submitted

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30 documentation that showed it had attained the specified literacy
31 and education 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
36 the requirements, acts, duties, and responsibilities as called
37 for in the payment for" the invoices, based upon the
38 documentation, and

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

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

57 WHEREAS, when Florida Read & Lead, Inc., and Stripling
58 objected to the attempt of the Department of Education to

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convert the grant contract from a "performance-based" contract to a "reimbursement-based" contract, the Department of Education and the Department of Financial Services made numerous false statements to federal and state criminal investigators, including the erroneous assertions that Florida Read & Lead, Inc., had been allocated and had received an additional \$200,000 in federal cash-advance payments at the beginning of the second year of the grant period; that all funds received by Florida Read & Lead, Inc., and Stripling during the first year had been federal cash-advance payments that carry stringent requirements as to their use and separation from personal funds; that Stripling had purchased a new car for her own personal use with government funds; that Stripling had created a fraudulent "grant slush fund" using her own personal Ameritrade retirement account into which she deposited "advance government funds"; that Stripling did not have a Doctorate of Philosophy as she asserted in her application and had fraudulently manufactured her educational background; that Florida Read & Lead, Inc., was to be evaluated in terms of its financial operations as if it were a school district, which by definition includes only public and governmental entities; that Stripling was to be evaluated as if she were a superintendent of a local educational agency; and that Florida Read & Lead, Inc., and Stripling had commingled government cash-advance payments with her own personal funds in violation of criminal law, and

WHEREAS, as a result of these false statements, Stripling was subjected to extensive criminal investigations by state and federal law enforcement authorities, was notified that she was a subject of these criminal investigations, was specifically

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88 threatened with a federal indictment carrying substantial fines
89 and a lengthy prison sentence, and had to pay private criminal
90 defense and other counsel in order to defend her interest and
91 show that the statements of the Department of Education and the
92 Department of Financial Services were completely groundless, and

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

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

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

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117 WHEREAS, the employees of the Department of Education have
118 admitted that they failed to protect the documentation
119 concerning projects managed by Florida Read & Lead, Inc., and
120 Stripling, and so admitted in e-mails that confess that there
121 was "no secure file area," which resulted in "someone removing
122 all documents from our files for all seven of the projects that
123 [Mrs. Stripling] was involved with, including her applications,
124 amendments, award letters, everything," and

125 WHEREAS, the files removed from the premises of the
126 Department of Education included diplomas and student records
127 containing social security numbers, documentation of project
128 accomplishments, and records reflecting the number of students
129 and families served, and

130 WHEREAS, upon detection of the internal breach of security
131 and even though the stolen documents contained confidential
132 student information and data, the Department of Education failed
133 to notify the proper authorities or to submit any incident
134 report whatsoever, and

135 WHEREAS, upon initiation of the criminal investigation, the
136 Department of Education failed to inform the Federal Bureau of
137 Investigation and the United States Attorney of their own breach
138 in internal security which directly affected Florida Read &
139 Stripling, Inc., and Stripling, and

140 WHEREAS, ignoring regulations that allow for financial
141 audits upon the formal designation of "special conditions," the
142 Department of Education initiated intense and lengthy financial
143 audits of numerous faith and community-based recipients, such as
144 Florida Read & Lead, Inc., and Stripling, without any finding of
145 wrongdoing, weakness, need for improvement, or other grounds

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146 that might support a formal designation of the "special
147 conditions" necessary to merit a rigorous financial review;
148 moreover, the Department of Education provided no opportunity
149 for Florida Read & Lead, Inc., and Stripling, to prepare a
150 corrective plan of action, which is the standard operating
151 procedure used for institutional governmental entities upon
152 identification of a weakness, a need for improvement, or a
153 formal designation of special conditions, and

154 WHEREAS, the Department of Education knew full well that
155 their relentless pursuit of faith and community-based recipients
156 would result in the destruction of some of the projects audited,
157 the denial of student participation in federally funded
158 activities, and the ultimate dissolution of the faith-based
159 initiative within this state as established by Presidential
160 Executive Order 13199, and

161 WHEREAS, certain employees of the Department of Education
162 described this across-the-board auditing of faith and community-
163 based project recipients as a "Bush witch-hunt" by state
164 agencies directed toward faith-based community organizations
165 that carried out educational activities formerly conducted by
166 state personnel, and

167 WHEREAS, despite allowing an internal breach of security
168 that resulted in someone removing all of Stripling's
169 applications, amendments, award letters, and other legitimate
170 records, the representatives of the Department of Education
171 managed to insert into Read & Lead's, Inc., official department
172 file numerous press clippings concerning Christian activism in
173 public education, which included articles and editorials
174 ridiculing and criticizing former Governor Bush's private school

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175 voucher initiative as a wasteful and costly experiment, decrying
176 creationism as unscientific, lauding courses teaching
177 homosexuality and Marxism and criticizing those who oppose such
178 courses, warning of the dangers of "religion in schools," noting
179 the efforts of "evangelical Protestants" to publish textbooks
180 "endorsing the Bible as absolute authority," and mocking the
181 "Christian version of intelligent design" as teaching that "a
182 thingy that may look like Santa Claus spent seven days creating
183 everything you see," and

184 WHEREAS, Stripling is also entitled to compensation for the
185 shame and humiliation she experienced as an innocent subject of
186 a federal and state criminal investigation; the total
187 destruction of her personal and business reputations, which
188 taint follows her throughout this state and the eastern United
189 States; the overwhelming mental anguish and emotional distress
190 that ultimately led to her total physical and emotional
191 breakdown, along with associated medical expenses and lost
192 income; the loss of income in the past and the loss of her
193 ability to earn income in the future since the only profession
194 for which she is trained has been severely damaged; and the
195 attorney's fees and costs she incurred in defending herself
196 against the unwarranted criminal investigation facilitated by
197 the false accusations of employees of the Department of
198 Education, and

199 WHEREAS, although a lawsuit has been filed, the Department
200 of Education has offered to pay only \$163,000, which does not
201 even repay Florida Read & Lead, Inc., and Stripling for the
202 approximately \$350,000 owed for fully performing under the grant
203 contract plus 60 months' interest; the loss of income of \$1.5

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204 million to Stripling as an independent contract grant writer,
205 which is a conservative estimate of the income she lost over the
206 last 4 years; the \$160,000 she incurred in fees and costs to
207 defend the false criminal charges against her; the more than \$1
208 million in lost future income as an independent contract grant
209 writer, which is a conservative estimate of lost future income
210 based on her inability to secure any additional grants due to
211 the taint of being labeled a felon who undertook criminal
212 activity and the consequent loss of her personal and business
213 reputations; the \$175,000 in fees and costs associated with her
214 effort to secure payments of the amounts owed to her and Florida
215 Read & Lead, Inc., under the grant contract with the Department
216 of Education; and the \$1.5 million she conservatively is owed
217 for the pain and anguish she endured which resulted in her
218 physical, emotional, and mental breakdown from being falsely
219 accused of committing serious federal and state felonies and
220 becoming the subject of a federal corruption probe, NOW,
221 THEREFORE,

222

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

224

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

227

228 Section 2. The sum of \$4,685,000 is appropriated from the
229 General Revenue Fund to the Department of Education for the
230 relief of Karen W. Stripling for damages sustained due the
breach of contract described in this act.

231

232 Section 3. The Chief Financial Officer is directed to draw

a warrant in favor of Karen W. Stripling in the sum of

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233 \$4,685,000 upon funds of the Department of Education in the
234 State Treasury, and the Chief Financial Officer is directed to
235 pay the same out of such funds in the State Treasury.

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

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