

By Senator Wise

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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 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  
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, when 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 the documentation, wrongfully contending that Florida Read &  
53 Lead, Inc., and Stripling were required to present detailed  
54 itemized receipts documenting all of the costs Florida Read &  
55 Lead, Inc., had incurred to achieve the specified literacy and  
56 education benchmarks, and

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

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59 convert the grant contract from a "performance-based" contract  
60 to a "reimbursement-based" contract, the Department of Education  
61 and the Department of Financial Services made numerous false  
62 statements to federal and state criminal investigators,  
63 including the erroneous assertions that Florida Read & Lead,  
64 Inc., had been allocated and had received an additional \$200,000  
65 in federal cash-advance payments at the beginning of the second  
66 year of the grant period; that all funds received by Florida  
67 Read & Lead, Inc., and Stripling during the first year had been  
68 federal cash-advance payments that carry stringent requirements  
69 as to their use and separation from personal funds; that  
70 Stripling had purchased a new car for her own personal use with  
71 government funds; that Stripling had created a fraudulent "grant  
72 slush fund" using her own personal Ameritrade retirement account  
73 into which she deposited "advance government funds"; that  
74 Stripling did not have a Doctorate of Philosophy as she asserted  
75 in her application and had fraudulently manufactured her  
76 educational background; that the financial operations of Florida  
77 Read & Lead, Inc., were to be evaluated as if Florida Read &  
78 Lead, Inc., were a school district, which, by definition,  
79 includes only public and government entities; that Stripling was  
80 to be evaluated as if she were a superintendent of a "local  
81 education agency"; and that Florida Read & Lead, Inc., and  
82 Stripling had commingled government cash-advance payments with  
83 her own personal funds in violation of criminal law, and  
84       WHEREAS, as a result of these false statements, Stripling  
85 was subjected to extensive criminal investigations by both state  
86 and federal law enforcement authorities, was notified she was a  
87 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 to defend her interests and show that  
91 the statements of the Department of Education and the Department  
92 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, Dr. Pat McGill, Executive Director of the  
109 Institute on Urban Policy and Commerce at Florida Agricultural  
110 and Mechanical University, along with others inside the  
111 Department of Education, created a bogus literacy group that  
112 McGill controlled and that McGill subsequently began to call  
113 "The Kay Stripling Group," which McGill used to conceal her own  
114 criminal actions and those of others, and

115 WHEREAS, this was unknown to the real Karen W. "Kay"  
116 Stripling, who was an associate of McGill's but worked in her

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117 own separate literacy-related faith-based business group, and  
118 WHEREAS, although McGill did not work at the Department of  
119 Education, McGill was able to covertly exchange her files with  
120 Stripling's records within the Department of Education with help  
121 from department employees in violation of federal statutes  
122 protecting student identities, known as "FERPA," and

123 WHEREAS, payments to Stripling's faith-based business were  
124 stopped through the actions of a criminal investigator at yet  
125 another state agency, the Department of Financial Services, and

126 WHEREAS, the criminal investigator at the Department of  
127 Financial Services was notified by the department's chief  
128 counsel that the investigator had no authority to withhold  
129 payments to Stripling because the statute upon which the  
130 criminal investigator rested his authority had been repealed in  
131 1999, and

132 WHEREAS, upon said notification of his lack of legal  
133 authority, the criminal investigator at the Department of  
134 Financial Services ignored the legal recommendation by the  
135 department's chief counsel, and took no corrective action in  
136 order to reinitiate payments to Stripling, and

137 WHEREAS, the investigator at the Department of Financial  
138 Services noted that financial irregularities had existed in  
139 McGill's programs for years and years, but when new additional  
140 irregularities surfaced decided to not place McGill under any  
141 "undue hardship" and continued paying her in full while  
142 Stripling remained unpaid, was falsely accused, faced certain  
143 bankruptcy, and was a likely candidate for incarceration, and

144 WHEREAS, McGill realized she had preferential and priority  
145 treatment from influential employees at both the Department of

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146 Education and the Department of Financial Services and that an  
147 opportunity existed to blame Karen W. "Kay" Stripling with  
148 numerous crimes that she did not commit, and McGill continued to  
149 facilitate this by calling Stripling the "Mastermind" of the  
150 total scope of the McGill criminal operations, and

151 WHEREAS, a separate and independent investigation occurred  
152 simultaneously, which was known as the "FAMU Payroll Scandal,"  
153 during which McGill along with 41 employees from FAMU's  
154 Institute on Urban Policy and Commerce were fired due to  
155 corruption within both FAMU and the Institute on Urban Policy  
156 and Commerce, and

157 WHEREAS, the FAMU Payroll Scandal not only brought to light  
158 McGill's crimes, but caught scores of "ghost employees" at FAMU  
159 who drew paychecks but did no work, including an attorney named  
160 Shirley Cunningham, who was paid to teach at the FAMU School of  
161 Law even though this individual was a multi-millionaire living  
162 lavishly in Kentucky and spent such earnings on the triple-crown  
163 winner Curlin and lived an international jet-setting lifestyle,  
164 which included vacations in Dubai, and

165 WHEREAS, it appears that Cunningham was paid in a quid-pro-  
166 quo scheme created by McGill through her organization, the  
167 Institute on Urban Policy and Commerce at FAMU, as well as her  
168 literacy operations that operated throughout multiple counties,  
169 which she bogusly named The "Kay Stripling Group," and which  
170 served to funnel millions of dollars in grant funds back to  
171 FAMU, of which the real Karen W. "Kay" Stripling knew absolutely  
172 and completely nothing, and

173 WHEREAS, Stripling became the subject of an illegal wiretap  
174 called "Power Ring" that was instituted by the criminal

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175 investigator at the Department of Financial Services, and  
176 WHEREAS, Stripling was viewed as uncooperative by the  
177 criminal investigator at the Department of Financial Services  
178 because she knew nothing about Cunningham or the extent of  
179 McGill's fabrications, and this "uncooperative stance" motivated  
180 the department's criminal investigator to move the investigation  
181 forward into the hands of the Federal Bureau of Investigation  
182 and place Stripling as the central target of a major federal  
183 corruption probe, and

184 WHEREAS, further criminal activity was also occurring  
185 simultaneously within the Department of Financial Services  
186 itself within the area that processes invoices, which led to  
187 hundreds of employees being named "persons of interest" by the  
188 FBI, with the subsequent incarceration and firing of several  
189 employees, including an executive of the department, and

190 WHEREAS, this activity occurred covertly under the nose of  
191 the criminal investigator at the Department of Financial  
192 Services, but all the while he focused on Stripling who was  
193 innocent, and

194 WHEREAS, when it was discovered that evidence was mounting  
195 which would exonerate Stripling, the criminal investigator at  
196 the Department of Financial Services began to shred documents,  
197 and

198 WHEREAS, both McGill and Cunningham, along with other  
199 individuals, are in federal prison serving sentences ranging  
200 from 7 years to 20 years, and

201 WHEREAS, this is a factual account of an organized scheme  
202 that existed between the Department of Education, the Department  
203 of Financial Services, and Florida Agricultural and Mechanical

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204 University and that violated the racketeering statutes of the  
205 United States of America of which Stripling was a victim, and

206 WHEREAS, although the Department of Education has now  
207 acknowledged that Florida Read & Lead, Inc., has fully performed  
208 under the grant contract and has met all of the specified  
209 literacy and education benchmarks that are set forth in its  
210 grant contract, the Department of Education and the Department  
211 of Financial Services have both refused for more than 7 years to  
212 pay Florida Read & Lead, Inc., the money it is owed as  
213 documented in its submissions for December 2003, March 2004, and  
214 June 2004, and

215 WHEREAS, Stripling is also entitled to compensation for the  
216 shame and humiliation that she experienced as an innocent  
217 subject of a federal and state criminal investigation; for the  
218 total destruction of her personal and business reputations,  
219 which taint follows her throughout this state and the eastern  
220 United States; for the overwhelming mental anguish and emotional  
221 distress that ultimately led to her total physical and emotional  
222 breakdown, along with associated medical expenses and lost  
223 income; for the loss of income in the past and the loss of her  
224 ability to earn income in the future since the only profession  
225 for which she is trained has been utterly destroyed; and for the  
226 attorney's fees and costs she incurred in defending the  
227 unwarranted criminal investigation facilitated by the false  
228 accusations of employees of the Department of Education, and

229 WHEREAS, although a lawsuit was filed, the Department of  
230 Education has offered to pay only \$163,000, which does not even  
231 repay Florida Read & Lead, Inc., and Stripling for the  
232 approximately \$260,000 owed for fully performing under the grant



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233 contract plus 41 months' interest; the loss of income of  
234 \$700,000 to Stripling as an independent contract grant writer,  
235 which is a conservative estimate of the income she lost over the  
236 last 5 years; the \$160,000 she incurred in fees and costs to  
237 defend the false criminal charges against her; the more than \$1  
238 million in lost future income as an independent contract grant  
239 writer, which is a conservative estimate of lost future income  
240 from her inability to secure any additional grants due to the  
241 taint of being labeled a felon who undertook criminal activity  
242 and the consequent loss of her personal and business  
243 reputations; the \$100,000 in fees and costs associated with her  
244 effort to secure payments of the amounts owed to her and Florida  
245 Read & Lead, Inc., under the grant contract with the Department  
246 of Education; and the conservative estimate of \$500,000 that she  
247 is owed for the pain and anguish she endured which resulted in  
248 her physical, emotional, and mental breakdown from being falsely  
249 accused of committing serious federal and state felonies and  
250 becoming the subject of a federal corruption probe, NOW,  
251 THEREFORE,

252

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

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

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

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

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262 a warrant in favor of Karen W. Stripling in the sum of  
263 \$2,720,000 upon funds of the Department of Education in the  
264 State Treasury, and the Chief Financial Officer is directed to  
265 pay the same out of such funds in the State Treasury.

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

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