



AG ANNOUNCES CONVICTIONS OF FORMER STATE DEPARTMENT OF EDUCATION OFFICIAL, SPOUSE FOR FELONY ETHICS CHARGES

(MONTGOMERY) –Alabama Attorney General Luther Strange announced the convictions today of Dr. Deann K. Stone, the former Director of Federal Programs for the State Department of Education, and her husband, Dave Stone, an employee of Information Transport Solutions, Inc., on felony state ethics charges. Both are from Wetumpka.

Attorney General Strange's Special Prosecutions Division partnered with agents and auditors with the U.S. Department of Education's Office of Inspector General in an investigation into the allocation of \$49,000,000 in federal grant money under the American Recovery and Reinvestment Act of 2009 for failing Alabama schools. The Office of Inspector General's February 2012 Audit Report found a conflict of interest and raised serious concerns about the 2010 awarding of Recovery Act School Improvement Grant funds to local education agencies.

"These defendants not only betrayed taxpayers but also the citizens and students of Alabama who were counting on scarce resources to help schools that were in dire need," said Attorney General Strange.

Prosecutors presented evidence at a trial that began on September 29 and lasted through October 9 showing that with the help of her husband Dave, Dr. Deann Stone took actions to manipulate the grant process to ensure that school districts that have agreements with Dave Stone's business employer received millions in federal grant money. The jury deliberated for part of Friday morning before returning guilty verdicts for both Deann K. Stone and Dave Stone as charged in the following five counts:

- Count 1 charged Deann Stone and Dave Stone with violating the state ethics law by intentionally using Dr. Stone's official position as Director of Federal Programs to obtain personal gain for themselves or Information Transport Solutions, Inc., through the allocation and funding of funds from the American Recovery and Reinvestment Act of 2009, Title I, Part A, 1003(g) School Improvement Grant to the Lowndes County School System;
- Count 2 charged Deann Stone and Dave Stone with violating the state ethics law by intentionally using Dr. Stone's official position as Director of Federal Programs to obtain personal gain for themselves or Information Transport Solutions, Inc., through the allocation and funding of funds from the American Recovery and Reinvestment Act of



2009, Title I, Part A, 1003(g) School Improvement Grant to the Marengo County School System;

- Count 3 charged Deann Stone and Dave Stone with violating the state ethics law by intentionally using Dr. Stone's official position as Director of Federal Programs to obtain personal gain for themselves or Information Transport Solutions, Inc., through the allocation and funding of funds from the American Recovery and Reinvestment Act of 2009, Title I, Part A, 1003(g) School Improvement Grant to the Coosa County School System;
- Count 4 charged Deann Stone and Dave Stone with violating the state ethics law by intentionally using a state computer, a state email account, the human labor and/or the time of Dr. Stone and another state employee, or documents and/or materials created by state employees, for their private or business benefit through the allocation and funding of funds from the American Recovery and Reinvestment Act of 2009, Title I, Part A, 1003(g) School Improvement Grant to the Lowndes, Marengo, and Coosa County School Systems; and
- Count 5 charged Deann Stone and Dave Stone with violating state ethics law by intentionally soliciting or receiving meals, transportation, and hotel expenses in Boston, Massachusetts from Cambium Learning, Inc., for themselves for the purpose of influencing official action.

Sentencing is set for December 15, 2014, when the defendants will face potential penalties of two to 20 years and fines of up to \$30,000.00 for each of the five counts for which they were convicted.

"I want to thank the Office of Inspector General for performing a thorough audit of the federal stimulus money intended to help struggling Alabama schools and the Investigative Services Branch for partnering with my office to investigate this matter," said Attorney General Strange. "This kind of cooperative effort among state and federal law enforcement agencies maximizes our resources to more effectively combat crimes of public corruption."

"As the law enforcement arm of the U.S. Department of Education, ensuring that those who steal Federal education funds or game the system for their own selfish purposes are stopped and held accountable for their criminal actions is a big part of our mission," said Kathleen S. Tighe, Inspector General of the U.S. Department of Education. "That's why I'm proud of the work of OIG and our law enforcement colleagues for holding these individuals accountable for their criminal actions."

The Attorney General commended Assistant Attorneys General Bill Lisenby and Pete Smyczek and Special Agents in the Attorney General's Special Prosecutions Division, as well as Special Agents and Auditors of the United States Department of Education, Office of Inspector General.