

NEWS RELEASE

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ALABAMA AG, U.S. DEPARTMENT OF EDUCATION OIG ANNOUNCE ARREST OF FORMER STATE DEPARTMENT OF EDUCATION OFFICIAL, SPOUSE FOR FELONY ETHICS CHARGES

(MONTGOMERY) –Alabama Attorney General Luther Strange and the U.S. Department of Education’s Office of Inspector General announced the arrest 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. Dr. Stone, 50, and Mr. Stone, 54, of Wetumpka, both surrendered today at the Montgomery County Sheriff’s Office.

Attorney General Strange's Special Prosecutions Division partnered with agents and auditors in the U.S. States 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 related to the 2010 award of Recovery Act School Improvement Grant funds to local education agencies.

Prosecutors presented evidence to a Montgomery County Special grand jury on Tuesday, August 20, resulting in the Stones’ indictment.* Specifically, the indictment charges Dr. and Mr. Stone with the following five state ethics law violations:

- Count 1 charges 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 charges 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;



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- Count 3 charges 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 charges 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 Coosa County School System; and
- Count 5 charges 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.

"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 for partnering with my office to investigate this matter," said Attorney General Strange. "We will continue to work with local, state and federal law enforcement agencies to maximize our resources to more effectively combat crimes of public corruption."

"Today's action alleges that Dr. Stone and her husband abused their positions of trust for personal gain, and that is unacceptable." said Yessyka Santana, Special Agent in Charge of the U.S. Department of Education Office of Inspector General (OIG) Southeastern Regional Office. "OIG will continue to aggressively pursue those who misappropriate education funds for their own purposes. America's students and taxpayers deserve nothing less."

No further information about the investigation or about the Stones' alleged crimes other than that stated in the indictment may be released at this time.

If convicted, both defendants face a maximum penalty of 20 years in prison and fines of \$30,000 for each of the five counts in the indictment.

The Attorney General commended Special Prosecutions Chief Miles M. Hart, Deputy Attorney General Mike Duffy, Investigators in the Attorney General's Special Prosecutions Division, and Special Agents and Auditors of the United States Department of Education, Office of Inspector General.

**Note: An indictment is merely an accusation. Defendants are presumed innocent unless and until proven guilty.*