



U.S. DEPARTMENT OF VETERANS AFFAIRS  
Office of Inspector General  
Southeast Field Office  
P.O. Box 446  
Bay Pines, FL 33744

REPORT OF INVESTIGATION

6/28/07 Appr: REW

SOPHIE SAMPSON CENTER OF HOPE  
401 15<sup>TH</sup> St. N.  
St. Petersburg, FL 33705-2017

File: 2006-02838-IS-0032

By: SA [REDACTED]

Status: Closed

Distr: 51SP, 51H

*(Grant/Per Diem Fraud)*

DETAILS:

The criminal case against the Society of St. Vincent de Paul's SOPHIE SAMPSON CENTER OF HOPE (CENTER) was declined for prosecution by Assistant United States Attorney Robert O'Neill, Chief of Criminal Division, Middle District of Florida, on April 10, 2007 (Attachment 1). United States District Judge James Whittemore, Middle District of Florida, ordered the [REDACTED] against the CENTER and multiple VA employees on May 17, 2007 (Attachment 2). b3

The case agent contacted [REDACTED] of the Board of Directors, Society of St. Vincent De Paul, South Pinellas, Florida, on June 21, 2007 (Attachment 3). [REDACTED] stated that [REDACTED] was reported on a segment on WFLA, the local NBC affiliate on June 21, 2007, and in the St. Petersburg Times on June 22, 2007.

The Special Agent in Charge provided written notice to the Grant and Per Diem National Office on June 27, 2007, that the VA OIG case is being closed. The letter requested that the Grant Per Diem Office take any appropriate action deemed necessary to address alleged questionable billings submitted to VA by the CENTER for capital grant and per diem expenditures. VA OIG requested notification of any administrative actions taken by the Grand and Per Diem Program (Attachment 4).

Prosecutive action regarding this case has been declined and the [REDACTED] b3  
[REDACTED] This case is closed.

**DISPOSITION OF EVIDENCE, CONTRABAND AND/OR PERSONAL PROPERTY:**

No evidence, contraband or personal property was obtained by the VA OIG during the course of this investigation.

**ATTACHMENTS:**

- 1) Memorandum for the Record of AUSA O'Neill's declination, dated 4/10/07.
- 2) Photocopy of [REDACTED] dated 5/17/07. b3
- 3) Memorandum for the Record of [REDACTED] dated 6/22/07.
- 4) Photocopy of notice of case closure to the VA Grant Per Diem Office, dated 6/25/07.

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## MEMORANDUM FOR THE RECORD

4/10/07 Appr: REW

FILE: 2006-02838-IS-0032  
DATE: April 10, 2007  
BY: SA [REDACTED]

The criminal case concerning the CENTER OF HOPE was presented to AUSA [REDACTED] for a prosecutive decision on April 3, 2007. Due to a personal connection with the Society for St. Vincent De Paul, operators and owners of the CENTER OF HOPE, AUSA [REDACTED] referred the decision to AUSA Robert O'Neill, Chief, Criminal Division, Middle District of Florida.

AUSA O'Neill was provided a Prosecutive Summary for his review on April 4, 2007, and a letter requesting a prosecutive decision on April 9, 2007. On April 10, 2007, the case agent was notified by AUSA O'Neill that the case was to be "pink sheeted" for a declination.

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REPORT OF INVESTIGATION

FEDERAL COURT SEALED MATERIAL  
Restricted Distribution

[REDACTED]

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SOPHIE SAMPSON CENTER OF HOPE  
401 15<sup>TH</sup> St. N.  
St. Petersburg, FL 33705-2017

3/22/07 Appr: REW

File: 2006-02838-IS-0032

By: SA E. [REDACTED]

Status: Completed

Distr: 51SP, 51H

*(Grant/Per Diem Fraud)*

Federal Court Sealed Material and other protected information has been omitted from this report.

DETAILS:

**\*\* FEDERAL COURT SEALED MATERIAL OMITTED (Attachment 1)\*\***

[REDACTED] St. Vincent De Paul Center of Hope (CENTER), was interviewed on November 13, 2006 (Attachment 2). SA [REDACTED] asked how the Center of Hope was started. [REDACTED] said that prior to 2001, a soup kitchen was already operating a few miles from where the CENTER is located. [REDACTED] stated that in 2001 she found the former Florida Hospital in St. Petersburg on 15<sup>th</sup> St. and obtained enough funding to purchase the property, approximately \$500,000. After obtaining the property, she obtained the capital grant from the VA, a grant for \$978,000 from the City of St. Petersburg, a grant of \$750,000 from the Florida Department of Children and Families, and two loans totaling \$900,000. [REDACTED] stated that the CENTER opened to residents in March 2003. Initially they rented the units to the residents, with 40 of 88 units going to veterans. However, due to problems with non-payment of

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rent and eviction issues, the system was changed to assigned rooms and a "living agreement" with the residents. Due to the large population of homeless veterans, [REDACTED] applied for an additional grant from the VA in 2004 and received per diem for an additional 10 beds.

[REDACTED] was asked about the funding for the CENTER. [REDACTED] stated that funding has been an issue. When she first received the VA grant/per diem, she stated she was lead to believe that the CENTER would be eligible for the entire \$27/day per diem rate. So when she stated that she would be able to do the items claimed in the grant application, she was basing this on receiving full per diem. Since the CENTER was reduced in mid-2004 to \$11/day and then increased to \$14/day, this was half of what she had planned on and realized that she would be unable to fulfill the promises laid out in the grant application.

SA [REDACTED] asked [REDACTED] about the debt the CENTER owed the VA. [REDACTED] stated that she did not know the exact status of the overpayment claimed by the VA Grant Per Diem Office. She did say that she was lead to believe by senior VA personnel in Washington when she submitted the grant application that the VA would pay the full per diem amount and the determination on how it was to be spent would be left up to her. Due to this, she did not understand how there could be a problem with the overpayment and did not believe that it really existed, but was just a misunderstanding.

[REDACTED] was asked about the problems in the kitchen. She stated that they have had problems keeping a qualified cook, thus affecting the quality of food and conforming to food standards. [REDACTED] stated that the CENTER has recently hired a new cook and that all volunteers working in the kitchen would have a background check.

When [REDACTED] was asked about problems with transportation for the residents, she stated that the CENTER did not possess any bus passes until recently, but has used Bat's Taxi Service for veterans who required transportation. [REDACTED] provided copies of recent monthly statements from Bat's, but it appears the service was used very infrequently. [REDACTED] did say that she has applied for funding for vans from the VA twice but was denied once and has not heard back on her most recent request.

SA [REDACTED] questioned [REDACTED] on the job training program at the CENTER. She stated that they did provide some training, especially when they started the program. They did attempt to have Paralegal training in late 2003, but did not have any residents attend. She did say that they started to work on the DOL grant application in early 2005/late 2004 and that the process took 18-24 months until they received the grant in June 2006. She stated that the reason for the DOL grant was due to the minimal money being received from the VA and the need to conduct the training. The training now includes culinary arts and financial management. [REDACTED] was questioned about the computer lab at the CENTER. [REDACTED] stated that she did know the CENTER had computers for the residents but was unaware of their condition, how many were available, or what training was provided. When asked about the Permanent Housing Program, [REDACTED] stated that she did not have many details on this and referred the agents to [REDACTED] the Center of Hope [REDACTED]

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ended the interview by stating that while she is the [REDACTED] the daily operation is left up to [REDACTED] and asked the agent to discussed the details of the CENTER's operation with her. She added that she would obtain documents that show that the CENTER was working on the DOL grant long before March 2006, when it was officially submitted.

[REDACTED], CENTER [REDACTED] was interviewed on November 15, 2006 (Attachment 3). When asked if she ran the CENTER in accordance with the grant application, [REDACTED] stated that she was not provided a copy of the grants until this past summer when it became an issue. Due to this, she had not read the grants, nor knew what they required. She added that [REDACTED] was responsible for ensuring the CENTER was run in accordance with the grant as the [REDACTED] and the fact that [REDACTED] wrote the grant.

[REDACTED] was asked to discuss the Job Training/Placement Programs. She said that WorkNet Pinellas and Pinellas County VocRehab came to the CENTER. She could not remember how often WorkNet Pinellas came, but knew that VocRehab came each Thursday at 11 a.m. to help the veterans get training in the community. She added that a man named [REDACTED] would come and help the residents develop resumes. When asked if she was involved in the DOL grant, [REDACTED] said no.

SA [REDACTED] questioned [REDACTED] about the case managers. She knew that the grant had a 19:1 ratio and thought that they met that requirement. She added that [REDACTED] was to assist with the case management and only was at the center a few days a week for about 45 minutes a day. She did say that on Mondays she was at the CENTER from 1p.m. until the end of the day.

SA [REDACTED] asked [REDACTED] about [REDACTED] removal. She stated that he was asked to leave [REDACTED] added that [REDACTED] was present at the meeting and agreed with the decision.

SA [REDACTED] asked [REDACTED] about the transportation issues. She stated that while the CENTER did provide taxi services, it was for veterans who were in need of immediate medical care that does not warrant an ambulance. Beyond this, there was no transportation made available to the residents.

[REDACTED] stated that there has been minimal job training and placement and did not know this was a requirement of the grant until recently. She did say that they received assistance from WorkNet Pinellas and the Florida State Vocational Rehabilitation program in getting some veterans to job training programs out in the community and jobs at local businesses. They also had a man named [REDACTED] who came in occasionally to offer assistance in building resumes.

[REDACTED] stated that the CENTER has not provided a permanent housing program and did not realize that this was in the grant until a few months ago.

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**\*\* FEDERAL COURT SEALED MATERIAL OMITTED (Attachment 4)\*\***

██████████ filed a FOIA Complaint against various CENTER and VA employees in Federal District Court on December 8, 2006 (Attachment 5). In this complaint, he alleges that the CENTER and VA personnel failed to provide documents under a FOIA request and requests the Court to have them provide the information requested. ██████████ delivered a "Press and Media Release" to AUSA ██████████ on December 19, 2006 (Attachment 6). In this release, ██████████ discusses the alleged fraud at the CENTER and his FOIA requests being ignored by VA and the CENTER.

**\*\* FEDERAL COURT SEALED MATERIAL OMITTED (Attachment 7)\*\***

**ATTACHMENTS:**

- 1) FEDERAL COURT SEALED MATERIAL OMITTED
- 2) Memorandum of Interview of ██████████ dated
- 3) FEDERAL COURT SEALED MATERIAL OMITTED
- 4) Photocopy of FOIA Complaint, dated 12/8/06.
- 5) Photocopy of ██████████ Press Release, dated 12/19/06.
- 6) FEDERAL COURT SEALED MATERIAL OMITTED

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# MEMORANDUM OF INTERVIEW

11/14/06 Appr: REW

FILE: 2006-02838-IS-0032  
DATE OF INTERVIEW: November 13, 2006  
TIME: 3:20 pm  
PLACE OF INTERVIEW: Center of Hope Administrative Offices  
384 15<sup>th</sup> St. N.  
St. Petersburg, FL

INTERVIEWEE:  
INTERVIEW BY:

SA [REDACTED]

[REDACTED] St. Vincent De Paul Center of Hope (CENTER), was interviewed on November 13, 2006 by SA [REDACTED] and SA [REDACTED] in her office at the Administrative Offices of the CENTER. Also present at the beginning of the interview was [REDACTED] of the Board of Directors. [REDACTED] agreed to interview with the agents on Wednesday, November 14<sup>th</sup>, and left the interview.

SA [REDACTED] asked [REDACTED] to describe how the Center of Hope was started. [REDACTED] said that prior to 2001, a soup kitchen was already operating a few miles from where the CENTER is located. She felt that it was discouraging that after feeding the local homeless population at the soup kitchen, the homeless were turned back to the street. [REDACTED] stated that in 2001 she found the former Florida Hospital in St. Petersburg on 15<sup>th</sup> St. and obtained enough funding to purchase the property, approximately \$500,000. After obtaining the property, she obtained the capital grant from the VA, a grant for \$978,000 from the City of St. Petersburg, a grant of \$750,000 from the Florida Department of Children and Families, and two loans totaling \$900,000. As for the name of the CENTER, this was done by the Society of St. Vincent de Paul as an honor to [REDACTED] for her work with the organization and her work in founding the center.

[REDACTED] stated that the CENTER opened to residents in March 2003. Initially they rented the units to the residents, with 40 of 88 units going to veterans. However, due to problems with non-payment of rent and eviction issues, the system was changed to assigned rooms. Due to the large population of homeless veterans, [REDACTED] applied for an additional grant from the VA in 2004 and received per diem for an additional 10 beds.

[REDACTED] was asked about the funding for the CENTER. [REDACTED] stated that funding has been an issue. When she first received the VA grant/per diem, she stated she was lead to believe that the CENTER would be eligible for the entire \$27/day per diem rate. So when she stated that she would be able to do the items claimed in the grant application, she was basing this on receiving full per diem. Since the CENTER was reduced in mid-2004 to \$11/day and then increased to \$14/day, this was half of what she had planned on and realized that she would be unable to fulfill the promises laid out in the grant application.



SA [redacted] asked [redacted] about the debt the CENTER owed the VA. [redacted] stated that she did not know the exact status of the overpayment claimed by the VA Grant Per Diem Office. She did say that she was lead to believe by senior VA personnel in Washington when she submitted the grant application that the VA would pay the full per diem amount and the determination on how it was to be spent would be left up to her. Due to this, she did not understand how there could be a problem with the overpayment and did not believe that it really existed, but was just a misunderstanding.

[redacted] was asked about the problems in the kitchen. She stated that they have had problems keeping a qualified cook, thus affecting the quality of food and conforming to food standards. [redacted] stated that the CENTER has recently hired a new cook and that all volunteers working in the kitchen would have a background check.

When [redacted] was asked about problems with transportation for the residents, she stated that the CENTER did not possess any bus passes until recently, but has used Bat's Taxi Service for veterans who required transportation. [redacted] provided copies of recent monthly statements from Bat's, but it appears the service was used very infrequently. [redacted] did say that she has applied for funding for vans from the VA twice but was denied once and has not heard back on her most recent request.

SA [redacted] questioned [redacted] on the job training program at the CENTER. She stated that they did provide some training, especially when they started the program. When asked about documentation on hand showing this or details on the training provided, [redacted] did not have details on any job training or placement at the CENTER prior to the DOL grant in March 2006. They did attempt to have Paralegal training in late 2003, but did not have any residents attend. She did say that they started to work on the DOL grant application in early 2005/late 2004 and that the process took 18-24 months until they received the grant in June 2006. She stated that the reason for the DOL grant was due to the minimal money being received from the VA and the need to conduct the training. The training now includes culinary arts and financial management.

[redacted] was questioned about the computer lab at the CENTER. [redacted] stated that she did know the CENTER had computers for the residents but was unaware of their condition, how many were available, or what training was provided.

When asked about the Permanent Housing Program, [redacted] stated that she did not have many details on this and referred the agents to [redacted] the Center of Hope [redacted]

[redacted] ended the interview by stating that while she is the [redacted] the daily operation is left up to [redacted] and asked the agent to discussed the details of the CENTER's operation with her. She added that she would obtain documents that show that the CENTER was working on the DOL grant long before March 2006, when it was officially submitted.

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# MEMORANDUM OF INTERVIEW

11/15/06 Apr: REW

FILE: 2006-02838-IS-0032  
DATE OF INTERVIEW: November 15, 2006  
TIME: 10:10 am  
PLACE OF INTERVIEW: Center of Hope Administrative Offices  
384 15<sup>th</sup> St. N.  
St. Petersburg, FL

INTERVIEWEE:  
INTERVIEW BY:

SA [REDACTED]

[REDACTED] CENTER [REDACTED] was interviewed on November 15, 2006, by SA [REDACTED] VA OIG. SA [REDACTED] provided his credentials for [REDACTED] interview. [REDACTED] stated that she started at the CENTER in May 2003 as a [REDACTED] and became the [REDACTED] in December 2003.

[REDACTED] stated that initially the CENTER was run much like an apartment complex. There were no files, no programs. Due to drug problems, the CENTER was often referred to as the "Center of Dope". When she became the CENTER manager, the contract with the residents was changed from a lease to a "living agreement". When asked if she ran the CENTER in accordance with the grant application, [REDACTED] stated that she was not provided a copy of the grants until this past summer when it became an issue. Due to this, she had not read the grants, nor knew what they required. She added that [REDACTED] was responsible for ensuring the CENTER was run in accordance with the grant as the [REDACTED] and the fact that [REDACTED] wrote the grant.

[REDACTED] was asked to discuss the Job Training/Placement Programs. She said that WorkNet Pinellas and Pinellas County VocRehab came to the CENTER. She could not remember how often WorkNet Pinellas came, but knew that VocRehab came each Thursday at 11AM to help the veterans get training in the community. She added that a man named [REDACTED] would come and help the residents develop resume's. When asked if she was involved in the DOL grant, [REDACTED] said no.

SA [REDACTED] questioned [REDACTED] about the case managers. She knew that the grant had a 19:1 ratio and thought that they met that requirement. She added that [REDACTED] was to assist with the case management and only was at the center a few days a week for about 45 minutes a day. She did say that on Mondays she was at the CENTER from 1PM until the end of the day.

The topic of the Annual Report was discussed. [REDACTED] said that this was never completed until July 2006. When it was turned in to the VA, she said that [REDACTED] said it was satisfactory, but was told by the VISN 8 Inspectors that it was not satisfactory. She added that she was never given an example of how to write the report.

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SA [REDACTED] asked [REDACTED] about [REDACTED] removal. She stated that he was asked to leave [REDACTED] issues. [REDACTED] added that [REDACTED] was present at the meeting and agreed with the decision.

SA [REDACTED] asked [REDACTED] about the transportation issues. She stated that while the CENTER did provide taxi services, it was for veterans who were in need of immediate medical care that does not warrant an ambulance. Beyond this, there was no transportation made available to the residents.

[REDACTED] stated that there has been minimal job training and placement and did not know this was a requirement of the grant until recently. She did say that they received assistance from WorkNet Pinellas and the Florida State Vocational Rehabilitation program in getting some veterans to job training programs out in the community and jobs at local businesses. They also had a man named [REDACTED] who came in occasionally to offer assistance in building resume's.

[REDACTED] stated that the CENTER has not provided a permanent housing program and did not realize that this was in the grant until a few months ago.

When asked about the computer lab, [REDACTED] stated that they have had a difficult time keeping the computers in good condition. They have had computer training provided by volunteers from a local company (Lighthouse Credit Foundations), but that they were in between instructors presently so a resident was filling in.

[REDACTED] stated that she felt that they would be in compliance with the grant soon if they could get additional funding and now that she was aware of the grant.

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# MEMORANDUM OF INTERVIEW

12/12/06 Appr: REW

FILE: 2006-02838-IS-0032  
DATE OF INTERVIEW: December 8, 2006  
TIME: 1:30 PM  
PLACE OF INTERVIEW: VARO St. Petersburg  
9500 Bay Pines Blvd.  
St. Petersburg, FL 33744

INTERVIEW: [REDACTED]

INTERVIEW BY: SA [REDACTED]

[REDACTED] was interviewed by SA [REDACTED] and Assistant United States Attorney (AUSA) [REDACTED], United States Attorney's Office, Middle District of Florida, Tampa Division, concerning a complaint he filed with the US District Court that involves allegations of fraud with the Sophie Sampson Center of Hope, St. Petersburg, Florida. Both SA [REDACTED] and AUSA [REDACTED] identified themselves with credentials.

AUSA [REDACTED] asked about [REDACTED] came to be living in the Center of Hope (CENTER). [REDACTED] said that he was given a pamphlet in December 2004 by a VA employee he believed to be [REDACTED]. On April 15, 2005, he contacted the CENTER where he talked to CENTER Case Worker [REDACTED], who provided him another pamphlet and described all the "great benefits" of living at the CENTER. [REDACTED] stated that he moved into the CENTER three days latter after being sold on the program.

[REDACTED] was asked how much he was required to pay for the program fees to reside at the CENTER. [REDACTED] stated that he paid \$216/month for the entire time he was residing at the CENTER. When asked when he left the CENTER, [REDACTED] stated on July 26, 2006, that two days after contacting Sen. Bill Nelson's office concerning complaints about the CENTER, he was informed that he was being required to move out of the center by July 31, 2006. He added that he has not found a stable place to live since.

AUSA [REDACTED] asked about the required services hours CENTER residents were required to perform. [REDACTED] stated that each resident was initially required to spend eight hours a month doing some sort of service to the community. On December 6, 2005, [REDACTED] stated he was required to acknowledge that the residents were now going to be required to do two hours a week of service at the CENTER instead of at other locations, such as the VA Medical Center (VAMC). Prior to this and for a short time after, he stated he would sweep the stairwell at the CENTER. He added that there was no firm way to track his hours since there was no organized system to monitor the work by the CENTER. Since he did this on his own and did not report his work to anyone or have anyone supervise him, the CENTER staff assigned him to work in the kitchen, where he worked until he left in July 2006.

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██████████ was asked about the meals provided by the CENTER. In his complaint, ██████████ stated that the CENTER only provided the residents with one meal a day. ██████████ stated that the one meal consisted of dinner, which was cooked in the kitchen and brought up to the second floor where the residents then took the meals to their rooms. When asked if he was provided any additional meals, ██████████ said no, but the residents were able to eat these meals in the homeless soup kitchen. When asked if he ever ate these meals, he said he tried to once, but the staff said he needed an identification card, so he left. He added that he never tried to obtain an identification card, nor talked to any staff members about the incident. When asked how long he ate dinner at the CENTER, ██████████ said that he stopped eating dinner in June 2005 due to what he saw working in the kitchen. AUSA ██████████ pointed out that ██████████ did not start to work in the kitchen until February 2006. ██████████ then stated that he was mistaken, that he stopped eating in June 2005 due to the quality and taste of the food.

AUSA ██████████ asked Timson about the staff at the CENTER. ██████████ stated that ██████████ was the ██████████. She worked usually Monday through Friday from 7:30AM-2:30PM. ██████████ was the ██████████. She worked from 9:00AM-5:00PM. The other was a Case Worker named ██████████. She worked there from approximately July 2005 until he moved out in July 2006. Prior to ██████████ was ██████████ who lasted approximately six weeks, and ██████████ who lasted about three months. When asked about other staff members, ██████████ stated that the CENTER had initially had hired security guards, but does not know if they still use them. When asked how residents gained entry into the facility, Timson stated that he was issued a magnetic key for entry after hours.

██████████ was questioned about the VA Liaisons who worked with the CENTER veterans. ██████████ worked at the CENTER when ██████████ arrived until March 2006. ██████████ stated that ██████████ was at the CENTER two to three days a week from approximately 9AM-2PM, and was usually accessible. Workman was replaced in March 2006 by the present liaison, ██████████.

██████████ discussed the problems with the kitchen and food quality. He said that the CENTER would try to serve the ham ends that a deli would normally throw out. In addition, ██████████ stated that the kitchen help were not properly trained. When the workers were asked to clean the countertops, they would use straight bleach and not properly clean the bleach off prior to preparing food.

The topic of the permanent housing program was discussed. ██████████ stated that he would talk to ██████████ since he received no assistance from the CENTER staff, specifically ██████████. At one point ██████████ told ██████████ in reference to finding housing, "That is your job to get housing lists." When asked what the overall problem with the CENTER was, ██████████ stated that it suffered from poor management and the staff allowed items to slip through the cracks.

AUSA ██████████ asked ██████████ about his reference in the complaint about the \$29.50/day the CENTER receives in per diem from VA. ██████████ said this amount came from hearsay and that the figure is probably incorrect. He did say that ██████████

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CENTER [REDACTED], stated in a letter that the CENTER received \$30/day in per diem from VA. It was pointed out to [REDACTED] by SA [REDACTED] that the letter actually stated the [REDACTED] goal was to eventually receive the \$30/day and that they actually receive just over \$14/day in per diem. [REDACTED] stated that he was mistaken about this, also. AUSA [REDACTED] asked [REDACTED] about the program fees he paid to the CENTER. In the complaint, [REDACTED] references that he was required to pay \$375/month in program fees. However, he earlier had mentioned that he was required to pay \$216/month. [REDACTED] stated that while he only had to pay \$216/month, many could pay the full amount of \$375. In addition, he believed that there were veteran/residents who paid up to \$525/month, naming a resident known as [REDACTED].

[REDACTED] stated that evidence demonstrating the CENTER's fraud can be found in copies he received of multiple submissions of a Funds Assurance Letter dated May 18, 2004. On these sheets, all dated the same, the signature for [REDACTED] was identical. SA [REDACTED] informed [REDACTED] that this did not show that all the forms were officially submitted to VA, and that having the same signature on all the forms did not constitute a fraudulent claim. [REDACTED] stated that the other evidence of fraud can be found in the food expenses claimed by the CENTER. He stated that, based on his time working in the kitchen, there was no way that the CENTER spent as much on food as they had probably claimed. When asked if he knew how much the CENTER claimed to VA was spent on food, [REDACTED] said that he has been unable to get these documents from VA under a FOIA request.

AUSA [REDACTED] explained that VA has been aware since prior to [REDACTED] complaint that there was billing issues concerning the food purchased for the CENTER. In addition, the legal difference between a grant and a contract was explained. AUSA [REDACTED] stressed that the complaint filed by [REDACTED] must show that the CENTER knowingly filed a false claim with VA and that this was a high threshold to meet.

[REDACTED] mentioned that there were other issues that he recommended be investigated. [REDACTED] had heard rumors of [REDACTED]. Another rumor was that [REDACTED]. [REDACTED] stressed that investigators needed to talk to a maintenance worker named [REDACTED]. According to [REDACTED] worked part time in the kitchen of the CENTER for a short time and made the comment to [REDACTED] that he "stopped \$1,000 a week going out the door." This comment was in relation to food items diverted from the kitchen for personal use or being stolen out of the kitchen.

AUSA [REDACTED] then explained the difference between the initial capital grant, the per diem for the first 40 beds, and the additional per diem for the last 10 beds.

[REDACTED] was questioned about going to the media. He stated that he was behind the NBC News Channel 8 stories about the CENTER. When asked about if he had told the reporter about the civil suit, [REDACTED] stated that he might have mentioned the suit to the reporter.

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AUSA [REDACTED] questioned [REDACTED] on why the different parties of the suit were named. For [REDACTED] stated that [REDACTED] was named due to his response to Sen. Nelson, which did not address the issues [REDACTED] had raised in a letter to Nelson. When asked if [REDACTED] was aware if [REDACTED] was provided [REDACTED] letter or if Nelson asked [REDACTED] to respond to the initial issues, [REDACTED] said no. [REDACTED] did state that [REDACTED] was intentionally not addressing the issues in order to allow the CENTER to continue their fraud against VA.

Concerning [REDACTED] stated that she was named due to her providing the information to [REDACTED] mentioned in his letter, for signing off on the funds assurance letters when knowing they were fraudulent, and sitting in on the eviction of [REDACTED].

When asked about [REDACTED] stated that she was named due to her presenting [REDACTED] the brochure that convinced [REDACTED] to move into the Center, while knowing that the programs the brochure mentioned were non-existent.

[REDACTED] was named due to her false statements to [REDACTED] to get him into the program at the CENTER. In addition, she was directly responsible for the programs not being provided since she was the [REDACTED].

[REDACTED] was named due to being the [REDACTED] the CENTER, her signatures on the funds assurance letters, and bringing cash into the kitchen. He stated that [REDACTED] brought cash to the kitchen to pay people off the street for doing chores.

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# MEMORANDUM OF INTERVIEW

9/28/06 Appr. REW

FILE: 2006-02838-DS-0462  
DATE OF INTERVIEW: September 28, 2006  
TIME: 8:40 AM  
PLACE OF INTERVIEW: VAOIG Southeast Field Office (51SP)  
Bay Pines, FL  
INTERVIEWEE: [REDACTED]  
VAMC Bay Pines Grant Per Diem [REDACTED]  
INTERVIEW BY: SA [REDACTED]

[REDACTED] VAMC Bay Pines Grant Per Diem [REDACTED] for the Center of Hope, was interviewed at the Southeast Field Office on September 28, 2006, due to the ongoing investigation concerning the Sophie Sampson Center of Hope in St. Petersburg, Florida. This interview was a follow up interview from her first interview on June 16, 2006. Included in the interview was SA [REDACTED]

SA [REDACTED] explained that the purpose of the interview was to clarify statements [REDACTED] made during her June 16<sup>th</sup> interview. He added that this was necessary due to the broadcast of a story run by NBC News Channel 8 on September 21, 2006. In this report, Center of Hope [REDACTED] stated that prior to the Center of Hope receiving a US Department of Labor (DOL) grant in June 2006 for training of homeless individuals, the Center of Hope did not provide any job training to homeless veterans as required by the VA grant application. In her previous interview, [REDACTED] stated that the job training program did exist and she has been monitoring the program since she started her current position in March 2006. SA [REDACTED] stressed to [REDACTED] that while she was not under investigation for any criminal wrong doing and she was considered to be a witness, she needed to be forthright and honest in her statements since there is a discrepancy between her accounting of the job training and [REDACTED]

[REDACTED] stated that [REDACTED] was mistaken in the interview and that the Center of Hope has been providing job training for the past 3 years. She said that [REDACTED] is not aware of [REDACTED]. When asked if there was any documentation of this, [REDACTED] said that she had the minutes from meetings with the Center of Hope staff that shows that they discussed the training prior to the grant from DOL. When asked how far back the records go, [REDACTED] said that they went to March 2006 when she started in her current position. [REDACTED] added that her predecessor, [REDACTED] did not take any notes or leave any records or documentation on the program when he left his position. [REDACTED] said that [REDACTED] currently works at the VAMC Bay Pines Domiciliary with the [REDACTED]

[REDACTED] said that the news broadcast was very misleading. She had heard that the reporter interviewed [REDACTED] for almost 2 1/2 hours. She also stated that the reporter had recently interviewed two Center residents, but cut them off when they talked positively

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about the Center. [REDACTED] said that she expected NBC to air a new report on the 28<sup>th</sup> to show how veterans were asked to leave the Center following their complaints about the Center.

SA [REDACTED] asked [REDACTED] to provide examples of how the Center of Hope provided job training. She stated that two organizations come to the Center each week. The first is the Worknet Pinellas Program. She said that [REDACTED] is the Community Relations [REDACTED] for Worknet Pinellas and has been coming to the Center for the past 3 years. She added that she has an appointment the afternoon of September 28<sup>th</sup> at 2:30pm with [REDACTED]. The other organization is the Florida State VocRehab which runs the Disabled Veterans Outreach Program. When asked who comes to the Center for the State VocRehab, [REDACTED] stated that she did not know. SA [REDACTED] asked if the VA provides any training at the Center. [REDACTED] said that the VA does not provide any job placement or training, but she sends the veterans from the Center to the VAMC for the CWT program. When asked how the veterans get to the VAMC, [REDACTED] said that the transportation is the responsibility of the veteran unless they have no income. If they have no source of income, she provides single day use bus passes to them. SA [REDACTED] asked if there have been any incidents where she was unable to provide bus passes, [REDACTED] said not since she has been at the Center.

SA [REDACTED] stated that he needed to discuss the conditions in the kitchen. He asked if the Center provides any Culinary Training. [REDACTED] said that this was recently started with the grant from DOL. When asked if the Center was still under suspension, preventing them from adding any new veterans to the program due to failing two previous kitchen inspections, [REDACTED] said no. She said that the Center passed their last inspection and the suspension was lifted as of today. [REDACTED] added that the reason for the suspension was due to [REDACTED] not making herself available to meet with VA staff. [REDACTED] said that the suspension was used to hurt the Center and [REDACTED] to demonstrate how the Center needs VA's funds and follow the VA's directives. SA [REDACTED] questioned [REDACTED] about how VA was going to ensure that the food quality and safety remains at acceptable levels. [REDACTED] said that the Center will conduct a biweekly inspection for the next 6 months. SA [REDACTED] asked about the cooks at the Center and their qualifications. She said that the Center had just hired another cook. The cook at the Center when she took her current position 3 months ago quit a few months ago. The Center hired another cook, but he only lasted about 4 days. She did say that she believes the new cook is a certified dietary manager. She added that all cooks must have a Serve Safe Certification. When asked if she has seen any documentation for the new cook, [REDACTED] said no. She did say that the Center has a new Kitchen Committee that is recommending that the Center hire a dietician.

SA [REDACTED] questioned [REDACTED] about transportation provided by the Center, specifically funding requested by the Center for a van. [REDACTED] said that she was not sure of the status of the application for the van, but understood that the application was going to be denied by VA. She added that she does not believe that the Center is aware that the van will be denied. SA [REDACTED] asked [REDACTED] what the original grant application states about the Center providing transportation to the residents/veterans. [REDACTED] said that she does not know if the grant application addresses transportation, and added that

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she has not read the entire grant application since she has only been on the job a short time. SA [REDACTED] explained that she had made a similar comment in her June interview, but she has now been in her current position for 7 months and the program has been under close scrutiny since June. [REDACTED] stated that she does not have time to read the entire document due to its size. SA [REDACTED] explained that as the VAMC liaison to the Center, she had an obligation to know what is required of the Center by means of the grant application and recommended taking the application home to read if need be. He further explained that due to the high visibility of the program within the VA, with Congress, and with the media, she would be best suited to know the requirements of the program. SA [REDACTED] added that the facility could hold her accountable due to her position and possibly take action [REDACTED] based on the outcome of the current program reviews being conducted.

[REDACTED] was questioned about the Center's computer lab and computer training. [REDACTED] said that the Center has had a person coming to the Center for the past 3 years, but left in June. When SA [REDACTED] asked who the individual was, [REDACTED] could not remember. When questioned about the individual's qualifications to teach the program, [REDACTED] did not know what qualifications the instructor had. Following the interview, [REDACTED] provided SA [REDACTED] with some requested documentation. At this point, she stated the former computer instructor was known as [REDACTED] but did not know his full name. During the interview, SA [REDACTED] asked who was now teaching the program. [REDACTED] said that a resident at the Center was now teaching the program, but did not know his name or his qualifications to teach. SA [REDACTED] asked if this new instructor was temporary until a permanent instructor was found. [REDACTED] said no, the resident will remain as the permanent instructor.

SA [REDACTED] reminded [REDACTED] that during the previous interview, she made the comment that if the onsite computers did not meet the needs of the resident, the resident could use the computers at the public library. When asked if the residents could walk to the library from the Center or if the Center provided any transportation, [REDACTED] said no and added that the residents were responsible for their own transportation such as the bus. SA [REDACTED] asked if it made sense to refer residents to the library for computer needs, but not provide a way to get there. [REDACTED] said that she did not feel that this was an issue to most of the residents.

SA [REDACTED] asked [REDACTED] to discuss the permanent housing program. [REDACTED] said that the residents should be looking for housing as soon as they enter the program. When asked what kind of assistance is provided the residents, [REDACTED] said that she posts listing of available housing units on the information board, to include Section 8 Housing. SA [REDACTED] asked if she did this, what assistance the Center provided. [REDACTED] admitted that the Center does not provide assistance to veterans in finding permanent housing, but if a resident brought an application into the Center, the staff would assist the resident in completing the form.

[REDACTED] said that another issue that needed to be resolved was the fact that the Center was charging the residents the first month in fees prior to entry into the program, which is not allowed. Also, she added that the Center is only accepting applications from veterans

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at the upper end of the population in terms of finances and the veterans' ability to function.

SA [REDACTED] asked who at the Center should be interviewed. [REDACTED] said that the list would include [REDACTED] and [REDACTED]

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# MEMORANDUM OF INTERVIEW

7/18/06 Appr: REW

FILE: 2006-02838-DS-0462  
DATE OF INTERVIEW: July 17, 2006  
TIME: 1:00 PM  
PLACE OF INTERVIEW: VA National Grant Per Diem Program Office  
Tampa, FL  
INTERVIEWEE: [REDACTED]  
Homeless [REDACTED]  
VA National Grant Per Diem Program  
INTERVIEW BY: SA [REDACTED]

On July 17, 2006, SA [REDACTED] interviewed [REDACTED] Homeless [REDACTED] for the VA National Grant Per Diem Program, located in Tampa, Florida. [REDACTED] stated that [REDACTED] was the liaison to the Center of Hope and worked for the Director of VAMC Bay Pines. [REDACTED] felt that [REDACTED] was informed on the workings at the Center of Hope and spent a good amount of time there.

Concerning VA funding, [REDACTED] confirmed there was an initial capital grant valued at approximately \$900,000 to renovate 40 "beds" for veterans. The only other funding is the per diem paid to the center for veteran residents. [REDACTED] stated that this is currently approximately \$14/day per veteran. This program has increased to cover 50 "beds" from the initial 40. It was previously \$30/day, but was reduced due to problems with the program in the way the Center of Hope was calculating their expenditures for veteran residents. [REDACTED] stated that there has never been an annual contract with the Center of Hope valued at \$3.1 million.

[REDACTED] stated that the Center of Hope is inspected annually by VAMC Bay Pines and [REDACTED] is responsible to ensure that the goals per the grant are met. The amount of per diem allowed is based in part on the annual inspection and is adjusted accordingly to the results. The audits of the program by the VA National Grant Per Diem Office were reviewed by VA Central Office approximately 6 months ago and Central Office found no major discrepancies.

# MEMORANDUM OF INTERVIEW

8/4/06 Appr: REW

FILE: 2006-02838-DS-0462  
DATE OF INTERVIEW: August 3, 2006  
TIME: 2:10 PM  
PLACE OF INTERVIEW: Via Telephone from:  
VA National Grant Per Diem Program Office  
Tampa, FL  
INTERVIEWEE: [REDACTED]  
Homeless [REDACTED]  
VA National Grant Per Diem Program  
INTERVIEW BY: SA [REDACTED]

[REDACTED] auditor for the VA National Grant Per Diem Office, was interviewed on August 3, 2006. [REDACTED] stated that he has audited each fiscal year of the Center of Hope's accounting since 2003. He has found that poor accounting practices of the Center of Hope and their inability to track expenses for the veteran residents separate from the non-veteran residents caused the VA to overpay the Center of Hope approximately \$100,000 over a 2 year period. While the VA overpaid, [REDACTED] did not feel that it was intentional or fraudulent and the overpayment was due to poor understanding of federal accounting practices and policies as well as disagreement on what are billable expenses. [REDACTED] stated that his work has been reviewed by an accountant from VA Central Office with no major discrepancies found.

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