

CITY OF NEW YORK  
THE SPECIAL COMMISSIONER OF INVESTIGATION  
FOR THE NEW YORK CITY SCHOOL DISTRICT

80 MAIDEN LANE, 20TH FLOOR  
NEW YORK, NEW YORK 10038

RICHARD J. CONDON  
SPECIAL COMMISSIONER

TELEPHONE: (212) 510-1400  
FAX: (212) 510-1550  
WWW.NYCSCI.ORG

November 26, 2007

Hon. Joel I. Klein  
Chancellor  
New York City Public Schools  
Department of Education  
52 Chambers Street, Room 314  
New York, NY 10007

Re: Gregory Hodge  
Thomas Ajibola  
Andres Alonso  
SCI Case #2006-4035

Dear Chancellor Klein:

An investigation conducted by this office has substantiated that Frederick Douglass Academy ("FDA") Principal Gregory Hodge and Assistant Principal Thomas Ajibola inappropriately used the Small Item Payment Process ("SIPP") to pay Ajibola's mother-in-law, Rafata Fashanu.<sup>1</sup> Specifically, Hodge and Ajibola used the SIPP account to pay Fashanu approximately \$24,596.00 between July 2005 and April 2006 for purchasing and cooking food for the FDA after school program even though Fashanu had not provided appropriate documentation for food purchases or hours worked.

This office also has substantiated that at the direction of Hodge, FDA Teacher Andres Alonso engaged in bill-splitting. Specifically, Hodge violated the Department of Education ("DOE") Standard Operating Procedural Manual ("SOPM") when he directed Alonso and other employees to split SIPP transactions into payments of approximately \$249.00 in order to circumvent the bidding process.<sup>2</sup> In addition, Alonso purchased approximately \$4,946.00 in computer parts for the Robotics Team, that were shipped to his residence.<sup>3</sup>

This investigation began on November 27, 2006, when the Office of the Special Commissioner of Investigation ("SCI") received a report from the Office of the Auditor General ("OAG") regarding questionable SIPP purchases at FDA. The OAG reviewed FDA's SIPP account at the request of the Regional Operational Center ("ROC") after the

<sup>1</sup> Neither Hodge nor Ajibola was reassigned pending this investigation.

<sup>2</sup> The SOPM requires three bids for all purchases over \$250.00.

<sup>3</sup> Alonso was not reassigned pending this investigation.

ROC found an unusually large volume of payments totaling \$193,000.00 between July 1, 2005 and April 28, 2006, which were provided to various teachers and vendors.

SCI investigators met with OAG Auditor [REDACTED] who confirmed that the OAG was reviewing FDA's SIPP transactions for the 2005-2006 school year. [REDACTED] stated that Ajibola was in charge of maintaining the finances for FDA, including the SIPP transactions. [REDACTED] added that in October 2005, Ajibola was in a car accident which required him to miss most of the school year due to his injuries. According to [REDACTED] was informed by Hodge that as a result of Ajibola's absence, many of the SIPP postings had been delayed.

[REDACTED] explained that while reviewing the SIPP transactions, [REDACTED] discovered that Alonso had several purchases shipped to his residence. According to [REDACTED] Hodge claimed that all the items purchased were sent to Alonso's residence out of convenience because Alonso and the Robotics Club were building a computer.

Additionally, [REDACTED] stated that Alonso admitted to splitting the SIPP transactions into \$249.00 amounts so that everything could be processed in a timely manner because Ajibola was absent. However, [REDACTED] indicated that splitting the SIPP transactions circumvented the bidding procedure, a violation of the DOE's SOPM.

#### Principal Gregory Hodge

SCI investigators spoke with Hodge on January 12, 2007, and he explained that Ajibola was in charge of the school's SIPP transactions.<sup>4</sup> Hodge stated that staff members submitted the receipts or invoices directly to Ajibola, but Hodge acknowledged that he reviewed the majority of the receipts or invoices unless he was out of the building. According to Hodge, Ajibola was in an accident in October 2005 and that due to his absence, the SIPP payments had been delayed five or six months. Hodge indicated that he did not have a password to enter the DOE's system to process the SIPP payments and that Ajibola came into the school a few days specifically to process the SIPP payments. When asked whether Hodge contacted the Region for assistance, Hodge stated that he had not and added that he had believed that Ajibola would return sooner than he did.

Hodge also acknowledged that the school's SIPP transactions for the 2005-2006 school year had been reviewed by the OAG and that he had been provided with a Correction Action Plan. According to Hodge, he was told by the OAG auditor that the School's Robotics Team had not used a DOE vendor when purchasing supplies.<sup>5</sup> Hodge added that the OAG audit had focused on the school's cooking programs. He indicated that FDA had a full culinary kitchen and that the school was open seven days a week and was used by the community. Hodge explained that FDA did not have a supply secretary and that he had been told that there was a certain cut-off date to use school funds.

<sup>4</sup> Hodge was interviewed on numerous occasions by SCI investigators.

<sup>5</sup> Hodge explained that the goal of the Robotics Team was to build a robot within 30 days, which required a large amount of money to be spent in a relatively short amount of time. He added that there currently were no DOE vendors for Robotics purchases.

According to Hodge, Alonso was reimbursed for items purchased and sent to the teacher's home. Hodge explained that the items purchased were often shipped overnight and that was why they were shipped directly to Alonso's home. Hodge asserted that he had approved these purchases being shipped to Alonso's home and that all the items were accounted for at the school.

SCI investigators questioned Hodge regarding Fashanu and were told that she was one of FDA's cooks for the after school program. Hodge indicated that Ajibola recommended Fashanu and added that the school had many volunteers who cooked for the after school program. Hodge denied knowing that Fashanu was related to Ajibola. He additionally denied having knowledge that Fashanu had been reimbursed over \$20,000.00 in SIPP payments. He also denied that he had approved or verified the SIPP reimbursements to Fashanu. Hodge was shown a receipt submitted by Fashanu which simply noted the date of September 10, 2005, and listed "food items and labor" under the description of item/service purchase. When asked whether this description was sufficient to be reimbursed, Hodge answered affirmatively. Hodge then added that perhaps Fashanu could have stated the date of the event for which she had cooked. Hodge indicated that he paid his volunteers \$10.00 per hour for their labor.

On May 30, 2007, Hodge was again questioned about Fashanu's relationship with Ajibola. During this interview, Hodge admitted that he was aware that Fashanu was Ajibola's mother-in-law. He added that he had first met her when she had brought dinner one evening when Ajibola was working late.

SCI investigators interviewed Hodge a third time on August 6, 2007. Hodge acknowledged that he had been aware that Alonso made two separate purchases of ten cameras each on the same day and he indicated that the DOE vendor only allowed them to purchase ten cameras at a time.<sup>6</sup> However when questioned further, Hodge stated that Alonso had used a non DOE vendor because the cameras were cheaper and could be delivered quicker through an online vendor. Hodge confirmed that Alonso was issued several SIPP checks for a single purchase as reimbursement. According to Hodge, issuing SIPP checks under \$250.00 was the only way he had available to reimburse Alonso. Hodge said that he understood that FDA could have received a "P Card," but added that the DOE has had trouble with the card in the past and he did not want one.

Hodge was asked why he referred to Fashanu as a volunteer when she received SIPP payments totaling over \$20,000.00, and he indicated that she had started out as a volunteer. Hodge further stated that he truly enjoyed her cooking and he began to reimburse Fashanu for her labor and related items she had purchased. Hodge revealed that he had not issued Fashanu a 1099 form and also admitted that he had not issued 1099 forms to any other FDA volunteers. According to Hodge, he only became aware of the conflict of interest with Fashanu once the OAG auditors came to the school.

On August 30, 2007, SCI investigators spoke with Hodge for a final time. Hodge was again shown two invoices each listing ten Olympus Infinity 80QD cameras. According

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<sup>6</sup> The cameras purchased were Olympus Infinity 80QD.

to Hodge, the cameras were purchased in that manner because the vendor only allowed them to purchase ten cameras at a time. However, when informed by the assigned investigator that a representative from the online company had stated that there was no quantity limit for that item, Hodge claimed that he must be confused. Additionally, Hodge was shown ten orders for Vex Robotics Starter Kits from Radio Shack placed on April 26, 2006.<sup>7</sup> According to Hodge, he instructed Alonso to split the orders. Hodge also admitted that he made mistakes in regard to SIPP transactions and that as principal he took full responsibility for those errors.

Assistant Principal Thomas Ajibola

SCI investigators spoke with Ajibola on January 12, 2007.<sup>8</sup> Ajibola confirmed that his duties and responsibilities included posting SIPP transactions into the DOE's Financial Accounting Management Information System ("FAMIS") for processing. Ajibola explained that staff members submit receipts or invoices for reimbursement of items they have purchased for school use. According to Ajibola, Hodge reviewed the SIPP transactions but did not approve them. He added that Hodge was aware of every purchase made on the school's behalf. Ajibola stated that he had been involved in an automobile accident in October 2005 and that he had been absent for approximately three months. When he returned to school in January 2006, Ajibola indicated that the SIPP transactions were backed up and needed to be approved in the system.

Ajibola indicated that Hodge had been aware that Fashanu was Ajibola's mother-in-law when the principal was first asked by SCI investigators. He added in a surprised voice, "Why? Did Dr. Hodge say he did not know she was my mother-in-law?" Ajibola confirmed that Fashanu was one of a number of people who cooked at FDA, which also included staff members and their families, parents and guardians. According to Ajibola, Fashanu was approached to cook by Hodge after she had brought Ajibola food one evening when he was working late.<sup>9</sup> Ajibola added that there were many volunteers at the school.<sup>10</sup> Ajibola explained that he had attended New York City Conflicts of Interest Board training and indicated that he did not feel that there was a conflict because Fashanu was supervised by Hodge.

According to Ajibola, Fashanu submitted documentation at Hodge's direction for the food items purchased and for her labor when she cooked for the after school program. Ajibola explained that Fashanu had not submitted detailed invoices along with her request for reimbursement because she purchased ethnic food from small neighborhood stores which did not issue receipts. SCI investigators informed Ajibola that Fashanu had received over \$20,000.00 in SIPP payments which violated the DOE's guidelines. Ajibola acknowledged that he had been told by the OAG auditor that the school must obtain bids when one

<sup>7</sup> Each Vex Robotic Starter Kit was \$149.99.

<sup>8</sup> Ajibola was interviewed on numerous occasions.

<sup>9</sup> Ajibola explained that his mother-in-law as well as his wife and children frequently brought him food when he was working late at the school. He added that Fashanu always brought extra food because she was aware that other staff members worked late.

<sup>10</sup> According to Ajibola, [REDACTED] husband and [REDACTED] mother-in-law also volunteered at FDA.

individual received payments from SIPP that exceeded \$20,000.00. Ajibola went on to explain that he had implemented changes regarding SIPP transactions and that he also planned on using purchase orders for tighter control.

On March 7, 2007, SCI investigators asked Ajibola to contact Fashanu by telephone in Georgia.<sup>11</sup> Using Ajibola as an interpreter, SCI investigators learned from Fashanu that Hodge had asked her to cook for the after school program after tasting her cooking on an occasion when she brought dinner to the school for Ajibola. When asked who told her to submit receipts for reimbursements, Fashanu indicated that Hodge had done so. Fashanu added that she used cash to purchase items from small neighborhood vendors who did not provide receipts. Fashanu also said that she based her labor on the amount of people she was cooking for, usually between 30 and 50 people and she charged between \$5.00 and \$8.00 per person.<sup>12</sup>

SCI investigators met with Ajibola again on August 2, 2007, and learned the following. Ajibola acknowledged that his address listed in the DOE's Human Resources System ("HRS"), a Post Office box, was the same address where SIPP payments were issued to Fashanu.<sup>13</sup> According to Ajibola, everyone within his household was permitted to receive and retrieve mail at the Post Office box including Fashanu. Ajibola denied that he ever picked up Fashanu's SIPP payments. He also denied that he ever cashed SIPP payments issued to Fashanu.

#### Teacher Andres Alonso

On March 8, 2007, SCI investigators interviewed Alonso who stated that he had been involved in FDA's Robotics Team for three years and that the team competed against various other schools.<sup>14</sup> He added that the object of the competition was to build a robot in 30 days. According to Alonso, the school did not know before hand what type of robot would be required to be built or what command the robot must complete. Alonso said that due to the time constraints, several specialty items had to be purchased over a short period of time.

Alonso explained that because of the time constraints, several purchases were shipped overnight and therefore he sent them to his home since no one would be available to accept the delivery at the school. Alonso insisted that Hodge was aware of all the items being shipped to Alonso's home and had approved the purchase.<sup>15</sup> He added that Hodge was aware of each and every purchase made on behalf of the school. According to Alonso, some of the purchases were made on his personal credit card and that he submitted those bills and was reimbursed in full by the school.

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<sup>11</sup> According to Ajibola, Fashanu traveled between family members and was currently living in Georgia. In addition, Ajibola explained that Fashanu did not speak English, but instead spoke Yoruba, a local Nigerian dialect.

<sup>12</sup> During his August 2, 2007 interview, Ajibola asserted that Fashanu based her labor on the amount of people for whom she cooked.

<sup>13</sup> Ajibola indicated that due to his frequent moves, he used the Post Office box to ensure that he received his mail.

<sup>14</sup> Alonso was interviewed on several occasions by SCI investigators.

<sup>15</sup> Alonso indicated that the approval was verbally given by Hodge.

During a second interview on August 6, 2007, Alonso was questioned regarding SIPP payments issued to him as reimbursement for purchases he made. Alonso acknowledged that he had been issued several SIPP checks for a single item, but added that he submitted one invoice for the entire amount. He confirmed that he purchased a dual cassette deck for \$1,064.23 and was reimbursed for this purchase in four separate checks, three totaling \$212.84 and the fourth totaling \$212.87. Alonso also confirmed that he had purchased a Chessmaster for \$711.15 and that he received two checks, one for \$400.00 and the other for \$311.15.

SCI investigators also asked Alonso about two separate orders he made on the same day for ten Olympus Infinity 80QD cameras.<sup>16</sup> Alonso acknowledged that he received reimbursement in the form of two checks, each totaling \$494.26. According to Alonso, the Art teacher had asked him to order ten cameras for his Photography class and then Hodge asked him to order ten additional cameras for the school.

On August 30, 2007, SCI investigators met with Alonso for a final time. Alonso was shown ten invoices for Vex Robotics Starter Kits ordered on April 26, 2006. According to Alonso he had been instructed to order the kits separately. When asked who told him to place the orders in this manner, Alonso was uncertain if it was Hodge or Ajibola.

Recommendations

Throughout the various interviews, Hodge was evasive when questioned by SCI investigators about the SIPP transactions and lied about his knowledge regarding Fashanu and Ajibola's familial relationship.<sup>17</sup> Therefore, it is the recommendation of this office that Gregory Hodge be terminated from employment with the DOE, that he be made ineligible for future work, and that this matter be considered should he apply for any type of position with the New York City public school system.

[REDACTED]

We refer our findings regarding Thomas Ajibola and Andres Alonso for your information and appropriate action.

[REDACTED]

We are sending a copy of this letter and of our report concerning this investigation to the Office of Legal Services. We also are forwarding our findings to the State Education Department for whatever action it deems appropriate. Should you have any inquires regarding the above, please contact Special Counsel Christina Creek Laslo, the attorney assigned to the case. She can be reached at (212) 510-1454. Please notify Ms. Laslo within

<sup>16</sup> Both orders were placed on October 4, 2005 and the order numbers were #24470260 and #24470194.

<sup>17</sup> In SCI Case No. 2006-3425, this office found that Hodge had failed to maintain sufficient records to account for the time and attendance of his staff. We recommended that he should be admonished for his school's insufficient record keeping and told that any such failings in the future could result in disciplinary action. This matter is still pending with the DOE.

Hon. J. I. Klein

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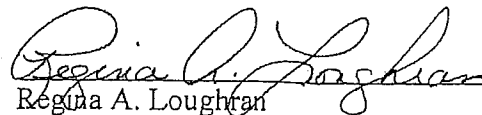
November 26, 2007

thirty days of receipt of this letter of what, if any, action has been taken or is contemplated concerning Gregory Hodge, Thomas Ajibola, and Andres Alonso. Thank you for your attention to this matter.

Sincerely,

RICHARD J. CONDON  
Special Commissioner  
of Investigation for the  
New York City School District

By:

  
Regina A. Loughran  
First Deputy Commissioner

RJC:RAL:CCL:lm

c: Michael Best, Esq.  
Theresa Europe, Esq.