



# Department of Justice

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Eastern District of Virginia  
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## **Former Richmond City School Official Pleads Guilty to Theft of Federal Funds**

RICHMOND, VA - Kelli Payne, age 40, of Ashland, Va., today pled guilty to stealing federal funds from the City of Richmond School District, for whom Payne previously worked.

Dana J. Boente, United States Attorney for the Eastern District of Virginia, made the announcement after the plea was accepted by United States District Judge Henry E. Hudson. Sentencing has been set for October 13, 2009. Payne faces a maximum punishment of 10 years in prison, a fine of \$250,000, and three years of supervised release.

In 2005, the City of Richmond Public Schools received a federal grant for the Even Start education program, which is a federally funded program designed to improve the academic performance of low-income families. Payne was hired by the City of Richmond Public Schools to serve as a coordinator for the program. Instead of ensuring that all of the federal funds reached low-income families, Payne converted nearly \$15,000 for her personal use by submitting fraudulent invoices for reimbursement and then keeping the money; depositing Even Start funds into her personal accounts and then withdrawing the funds for her personal use, and purchasing pre-paid VISA gift cards ostensibly to reward successful families, but then using the gift cards for her personal use. Payne left the employment of the City of Richmond Public Schools in 2008 when the Even Start grant expired.

The case was investigated by the Office of the City of Richmond Auditor and the FBI. Assistant United States Attorney David Novak prosecuted the case on behalf of the United States.

The FBI encourages members of the public to call their corruption hotline at (804) 627-4597 if they are aware of the misuse of any other federal funds. Further, the Richmond City Auditor encourages the public to call their hotline at (804) 646-5697 if they are aware of the misuse of any city funds.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.usdoj.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <http://pacer.uspci.uscourts.gov>.