

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 3:16-cr-

CARLA WILEY

FACTUAL BASIS¹

The defendant, Carla Wiley ("Wiley"), is a resident of Leesburg, Virginia.

Person A is a public official. Person B works for Person A.

One Door for Education and Charitable Organization Status

On or about April 7, 2011, Carla Wiley submitted to the State Corporation Commission ("SCC") for the Commonwealth of Virginia articles of incorporation ("AOI") for a "Virginia Nonstock Corporation" named "One Door for Education – Amy Anderson Scholarship Fund" (hereinafter "One Door"). Amy Anderson is the name of Wiley's mother.

The AOI specified that One Door was "organized exclusively for charitable, educational, and scientific purposes under section 501(c)3 [sic] of the Internal Revenue code, or corresponding section of any future tax codes." Wiley, who signed the AOI as an incorporator, was listed as One Door's "initial

¹ The Factual Basis is prepared by the United States. The factual basis does not include all pertinent or known facts concerning the charge and guilty plea, or all facts that the defendant has knowledge of. The factual basis is merely a set of facts designed to set forth sufficient information that the Court uses to determine if there is indeed a factual basis to accept the defendant's guilty plea.

Contributions Act requires anyone who solicits donations from people in Florida to register with the Department of Agriculture and Consumer Services and renew the registration annually. At no time has One Door been registered to solicit contributions in Florida.

One Door's Website

On or about April 9, 2013, Wiley registered the domain name onedoor4education.com. Between approximately 2013 and 2015, Wiley and Person B coordinated on the appearance and content of One Door's website. As of in or about August 2014, the webpage contained four individual pages—"Home," "About Us," "Services," and "Contact Us."

On the "Home" page, the website represented One Door's full title and recited the entity's purported goal of "Providing scholarships and opportunities to students pursuing a degree in Education as well as opening doors in the community." Included beneath this statement was the additional slogan: "We make your education dreams a reality."

The "About Us" tab contained the following narrative under the heading "Our Mission":

Established in 2012, in honor of Amy Anderson, 30-year retired Loudoun County School teacher, who believed that it was opportunity and love of the field that creates good teachers ~ not just good grades.

The scholarship foundation creates such an opportunity for those students that have the desire, the potential and may not see it until the "Door of Opportunity" opens.

registered agent" and a "director" of the entity. Wiley's home address was identified as One Door's "initial registered office address."

On or about May 3, 2011, the SCC issued a letter addressed to Wiley officially incorporating One Door in Virginia as of the same day. The SCC assigned One Door the identification number ****908-5. On or about May 16, 2011, One Door also obtained a Tax Identification Number ("TIN") from the U.S. Internal Revenue Service ("IRS")—**-***1887. On or about September 30, 2012, the SCC automatically terminated One Door's corporate status for failure to pay an annual registration fee. The entity was reinstated almost two years later, on or about June 16, 2014, after Wiley paid the necessary reinstatement fees.

One Door has never been a section 501(c)(3) tax-exempt organization. As such, at no time have contributions to One Door qualified as deductible charitable contributions. Neither Wiley nor anyone else acting on behalf of One Door has filed federal or state tax returns for the entity for any tax year.

Under Virginia law, the Office of Charitable and Regulatory Programs (OCRCP), a part of the Virginia Department of Agriculture and Consumer Services, is responsible for the administration of the Virginia Solicitation of Contributions Law (VSOC). Pursuant to the VSOC, any entity soliciting charitable contributions in Virginia must be registered with OCRCP, which publishes a list of any such registered entities. At no time has One Door been registered with OCRCP.

The State of Florida also imposes registration requirements for entities that solicit charitable contributions within the state. Specifically, the Solicitation of

One Door also does a variety of work in the community to break down the small obstacles such as back packs, school supplies that some families might have so that all students have an [sic] opportunity to learn.

The "About Us" page also identified "Upcoming Events," including "A Night with [Person A]," a reference to a social reception held in Person A's honor in or about September 2014.

As of in or about August 2014, the website's "Contact Us" page provided Wiley's contact information, under the phrase "Where the path to enlightenment begins." The "Contact Us" page also listed One Door's SCC identification number (****9085) and IRS TIN (**-***1887) under the heading "For Donations."

Subsequent to in or about August 2014, Wiley and Person B made additional changes to the website, which were reflected on the website into early 2016. As part of these changes, Wiley and Person B changed the slogan "We make your education dreams a reality" on the "Home" page to "We make your education dreams a reality through events and fundraisers." In addition, the page was updated with a series of nine new photographs: Person A appeared in three pictures, and Wiley appeared in two.

The "Services" page of the updated website listed "Scholarships," "Financial Assistance to Families in the Community," "Volunteerism and Financial Support to the YMCA," and "Financial and Academic Support for Students in Need." The page contained three pictures, including two in which Wiley appeared. Finally, as of early 2016, the "Contact Us" page of the One Door website continued to include One Door's SCC identification number and IRS TIN,

and Wiley's home address and phone number.

One Door Donations - Misappropriation of One Door Funds

Wiley first opened a checking account in One Door's name in or about May 2011 at Capital One bank. The initial account was closed in or about May 2012. In or about August 2012, Wiley established a new checking account at Capital One, also in One Door's name. Wiley signed the signature cards. No other individual has ever been formally affiliated with the account.

In or about 2012, after opening the second One Door bank account, Wiley gave to Person B the check book and debit card for the One Door account. Wiley subsequently gave to Person B new debit cards and checks for the One Door account. Between in or about 2012 and in or about January 2016, Person B used the One Door debit card to withdraw cash on dozens of occasions. Person B has also written and signed dozens of One Door checks using Wiley's name.

From in or about August 2012 through in or about January 2016, Wiley and Person B deposited approximately \$800,000 into the One Door bank account—primarily via personal and corporate checks, several of which exceed \$20,000. During the period in which Virginia had terminated One Door's corporate status—in or about October 2012 to in or about mid-June 2014—One Door deposits exceeded \$400,000.

One Door donors included, among others, major corporations, private philanthropies, and entities and individuals based in Jacksonville, Florida, the Washington, D.C. area, and elsewhere. Between in or about 2012 and in or about 2016, Person A, Person B, and others acting on behalf of Person A solicited almost all of the donations to One Door. Checks from donors located in the Middle District of Florida have been negotiated and deposited at Capital One locations in Virginia, and many of the donations were transmitted to Wiley and Person B via the United States Postal Service or by commercial carrier.

Between in or about 2012 and in or about early 2016, One Door has distributed only one scholarship to purportedly cover expenses associated with attending a college or university—a \$1,000 payment to an individual residing in Virginia. In contrast, the vast majority of funds deposited into the One Door bank account have been used for the personal or professional benefit of Person A, Person B, Wiley, and others. One Door expenditures include: (1) more than \$140,000 in cash withdrawals by Wiley or account transfers from the One Door account to her personal bank account; (2) more than \$150,000 in disbursements to cover costs associated with events hosted by Person A or held in Person A's honor; (3) tens of thousands of dollars in ATM cash withdrawals from the account of One Door for Education, the bulk of which were made in the city where Person B resides, that correspond to tens of thousands of dollars in cash deposits to Person A's bank accounts; (4) tens of thousands of dollars in checks made

payable to Person B; and (5) and other miscellaneous disbursements for the personal benefit of Person A, Person B, and Wiley.

Specifically, between in or about 2012 and in or about 2016, Wiley initiated approximately 160 individual transfers from the One Door account to her personal bank account totaling approximately \$113,000. Transfers ranged in size from about \$50 to \$9,000, and on numerous occasions Wiley initiated multiple transfers on the same day. Wiley also initiated a total of at least \$27,600 in withdrawals from the account. Further, Wiley initiated payments from the One Door account to a third-party payment service, totaling approximately \$16,000, for the purpose of making payments on two vehicles in her name.

From 2012 through early 2016, Person B and Wiley and Person A and Person B (as well as others) communicated via Google mail (Gmail) and AOL email, which wire transmissions traveled in interstate commerce, regarding One Door funds or purported fundraising events. Person A and Person B and Person B and Wiley also communicated via cellular telephone regarding One Door funds or purported fundraising events.

a. July 2013 golf tournament

Moreover, in or about mid-2013, Person A, Person B, Wiley, and others planned a golf tournament hosted by Person A and held in or about July 2013. The golf tournament was held at the TPC Sawgrass in Ponte Vedra Beach, Florida, and took place during the July 2013 national meeting of an industry trade group in Jacksonville, Florida. A flier for the golf tournament, which contained

Person A's picture and official seal of Person A's public office, represented that "One Door Education Foundation, Inc." was sponsoring the tournament "[t]o benefit the [trade group] Jacksonville Chapter Scholarship Fund and Other Community Non-Profits." One of Person A's employees was listed as a point of contact for the event.

Potential donors received letters on One Door letterhead that bore Person A's signature and official seal of Person A's public office. In addition to describing the golf event, the letter represented: "One Door for Education Foundation, Inc. is a non-profit organization that will use this golf outing to raise funds for [the trade group's] Jacksonville Chapter scholarship fund and other community non-profits." The letter continued: "I [i.e., Person A] am asking you to become a sponsor." An attached sponsorship form described sponsorship levels ranging from \$125 to as high as \$20,000, at which level a "sponsor" was eligible to play in a foursome with a public official. The donors were solicited to write checks to One Door.

In connection with the golf event—as well as other One Door donations—Wiley and Person B drafted and sent donors "Gift Receipts," bearing the One Door logo and stating: "For tax purposes, no goods or services were provided for this gift. One Door for Education is a 501(c)(3) Public Charity incorporated in Virginia. Its Tax ID is [**-***1887]." In fact, One Door was not properly registered as a 501(c)(3) organization and donations to the entity were not tax deductible.

Tens of thousands of dollars in One Door funds were used to cover

expenses related to the golf event hosted by Person A. Although numerous donors wrote checks to One Door in connection with the golf event, no money was raised for "[the trade group's] Jacksonville Chapter scholarship fund" or any other non-profit.

b. Annual Receptions in Washington, D.C.

In or about September of 2012, 2013, 2014, and 2015, the One Door bank account was used to pay tens of thousands of dollars in expenses related to parties held during an unrelated non-profit foundation's week-long annual conference in Washington, D.C. In each year, Person A, Person B, Wiley, and others planned the events, which were held in Person A's honor at luxury hotels in downtown Washington, D.C. In various years, One Door funds were used to pay for, among other things, transportation, catering, entertainment, and lodging, including lodging for Person B, Wiley, and several of Person A's employees.

In connection with the 2014 reception, expenses also included charges for an alcoholic beverage named for Person A and a birthday cake for a relative of Person A. Person B, Wiley, and others drafted and transmitted invitations to the annual parties, referring to each as "A Night with [Person A]" via U.S. Mail and email.

An invitation transmitted in 2013 contained Person A's picture, details of the event, and the following representation:

The reception is being hosted by One Door For Education Foundation, Inc., which offers scholarships to underprivileged students pursuing education degrees We are hopeful that you will contribute to this worthy causes – any contributions will be

appreciated.

Attendees comprised, among others, personal and professional acquaintances of Person A and Person B. Tickets to the events were free. Although tens of thousands of dollars in One Door funds were used toward expenses for each of the annual parties in 2012, 2013, 2014, and 2015, One Door raised no money for charitable causes in connection with these events.

c. Additional Events

In or about September 2013, Person A hosted a purported fundraiser in a luxury box during a music concert at an arena in Washington, D.C. Approximately \$10,000 in One Door funds were used to pay expenses in connection with this event.

In or about September 2014, Person A hosted another purported fundraiser in a luxury box during an NFL football game in the Washington, D.C. area. More than \$30,000 in One Door funds were used to pay expenses in connection with this event.

Cash Withdrawals from One Door Account and Corresponding Cash Deposits into Person A's Accounts

On numerous occasions between in or about 2012 and in or about late 2015, Person B used the One Door debit card to withdraw cash from the One Door account at an ATM approximately two miles from Person B's residence, which is not in the same state as One Door's represented location. In numerous instances, after Person B (who was never signatory to the One Door account) made withdrawals from the One Door account, equal or similar amounts of cash

were deposited into one of Person A's personal accounts. For example:

- a. On or about September 7, 2012—approximately nine days after Wiley made the first deposit into the current One Door account—\$800 in cash was withdrawn from the One Door account at a Capital One branch near Person B's residence. The same day, \$800 in cash was deposited into one of Person A's personal accounts.
- b. On or about October 19 and 20, 2012, \$800 in cash was withdrawn each day from the One Door account at the same Capital One branch near Person B's residence, and on or about October 19 and 22, \$1,000 and \$800 in cash, respectively, were deposited into one of Person A's bank accounts at a branch also in the city of Person B's residence, and located approximately one mile from the Capital One branch.
- c. On or about February 25, 2013, \$800 in cash was withdrawn from the One Door account at the same Capital One location in the city of Person B's residence and deposited into one of Person A's personal accounts at the same branch in that city.
- d. On or about August 9, 10, 11, 12, and 13, 2013, \$800 in cash was withdrawn each day (for a total of \$4,000 in

cash) from the One Door account at the same Capital One branch in the city of Person B's residence. On or about August 13, 2013, \$3,000 in cash was deposited into one of Person A's personal accounts at the same bank branch.

- e. On or about January 24, 2014, \$800 in cash was withdrawn from the One Door account at the same Capital One branch in the city of Person B's residence. On the same day, \$800 in cash was deposited into Person A's personal account at the same location.
- f. On or about June 11, 2014, \$800 in cash was withdrawn from the One Door account at the Capital One branch in the city of Person B's residence, and, on the same day, \$500 in cash was deposited into one of Person A's personal accounts.
- g. On or about September 22, 2014, \$1,900 in cash was withdrawn—in increments of \$800, \$800, and \$300—from the One Door account at the Capital One branch in the city of Person B's residence, and on the same day \$1,600 in cash was deposited into one of Person A's personal accounts at a bank branch in that same city.
- h. On or about March 4, 2015, and March 17, 2015, \$800 in

cash was withdrawn from the One Door account at the Capital One branch in the city of Person B's residence, and on each day a corresponding \$800 cash deposit into one of Person A's personal accounts.

- i. On or about July 20, July 24, and July 28, 2015, \$800 in cash was withdrawn from the One Door account at the Capital One branch in in the city of Person B's residence, and \$800, \$800, and \$700 in cash was deposited on each day, respectively, into one of Person A's personal accounts at a bank branch in that same city.

Person B's Access to and Misuse of One Door Funds

Between in or about 2012 and in or about 2015, in addition to cash that Person B withdrew using the One Door debit card, Person B also received tens of thousands of dollars in checks written from the One Door account. During this time, Person B also used the One Door debit card to cover numerous personal expenses, including, among other things, airfare, lodging, and a rental car in connection with a personal trip Person B and Wiley took to Miami Beach, Florida; and work performed on Person B's personal luxury vehicle. These expenses did not further One Door's purported charitable goals.

On numerous occasions between in or about 2012 and in or about 2015, Person B asked Wiley to check the One Door account balance. On numerous occasions between in or about 2012 and in or about 2015, Person B sent donor

checks to Wiley using Federal Express labels associated with an account in the name of Person A's public office.

Miscellaneous Expenditures

Additional One Door funds have been used for the personal benefit of Person A, Person B, Wiley, and others, and not to further the entity's purported charitable goals. These additional expenses include airfare for Person A and Person B. For example, One Door funds were used to pay for Person A's travel on at least two occasions—a flight from Jacksonville to Fort Lauderdale, Florida, on or about December 16, 2012, and a flight from Jacksonville, Florida, to Washington, D.C., on or about December 29, 2012. Likewise, One Door funds were used to pay for Person B's flights from Baltimore, Maryland, to Jacksonville, Florida on or about September 28, 2012 and on or about July 12, 2013.

In or about September 2014, \$5,000 in One Door funds were used to help pay for a commemorative issue of a Florida-based magazine. The focus of the commemorative issue was Person A, whose picture appeared on the cover along with Person A's campaign slogan. Although One Door funds were used to cover expenses related to the magazine, the cover indicated that it had been paid for by Person A's campaign.

Person A's, Person B's, and Carla Wiley's Omissions

At no time did Person A, Person B, or Wiley disclose to One Door donors that funds from the One Door bank account were being used for the personal

benefit of Person A, Person B, and Wiley, and not solely in support of One Door's purported educational and charitable mission.

At all times material,

BACKGROUND

1. The defendant, CARLA WILEY, was a resident of the Commonwealth of Virginia.
2. An individual referred to as "Person A" was a public official.
3. An individual referred to as "Person B" worked for Person A.
4. On or about April 7, 2011, WILEY submitted Articles of Incorporation (AOI) for a Nonstock Corporation named "One Door For Education – Amy Anderson Scholarship Fund" (hereinafter "One Door For Education") to the State Corporation Commission (SCC) for the Commonwealth of Virginia.
5. The AOI listed WILEY as the President of One Door For Education.
6. On or about May 16, 2011, One Door For Education received a Tax Identification Number from the Internal Revenue Service.
7. On or about September 30, 2012, the SCC automatically terminated One Door For Education's corporate status with the Commonwealth of Virginia for failure to pay annual registration fees.
8. On or about June 5, 2014, WILEY applied for and obtained reinstatement of One Door For Education's corporate status with the Commonwealth of Virginia.
9. One Door For Education was not registered in the Commonwealth of Virginia or the State of Florida to solicit or receive charitable contributions.

10. One Door For Education was not a section 501(c)(3) charitable organization properly registered with the Internal Revenue Service.

MANNER AND MEANS

1. It was part of the conspiracy that between in or about late 2012 and in or about early 2016, WILEY, Person A, Person B, and others used Person A's official position to solicit contributions to One Door For Education and to induce individuals and corporate entities to make donations to One Door For Education based on false and fraudulent representations that the funds would be used for charitable purposes.

2. It was further part of the conspiracy that beginning in or about September 2012 and continuing through in or about late 2015, WILEY, Person A, Person B, and others planned and carried out a series of social and political events that were sponsored by One Door for Education and hosted by Person A or held in Person A's honor.

3. It was further part of the conspiracy that WILEY, Person A, Person B, and others represented to donors that money raised in connection with these social events would be used to support One Door For Education's purported charitable mission, or to support other charities.

4. It was further part of the conspiracy that WILEY and Person B coordinated on the design and content of a website for One Door For Education, which promoted and touted One Door For Education's purported charitable and benevolent work on behalf of disadvantaged students.

5. It was further part of the conspiracy that promotional material for One Door For Education, including the entity's website, event invitations, donation requests, and fliers often included a photograph of Person A, or a reference to Person A's position as a public official, as a means to induce individuals and entities to make donations to One Door For Education.

6. It was further part of the conspiracy that the vast majority of funds donated to One Door For Education were used for the personal or professional benefit of Person A, Person B, WILEY, and others, including:

(a) more than \$140,000 in cash withdrawals by WILEY or account transfers from the One Door For Education account to WILEY's personal bank account;

(b) more than \$150,000 in disbursements to cover costs associated with social or political events hosted by Person A or held in Person A's honor;

(c) tens of thousands of dollars in ATM cash withdrawals from the bank account of One Door for Education, the bulk of which were made in the city where Person B resides, that correspond to tens of thousands of dollars in cash deposits to Person A's bank accounts;

(d) tens of thousands of dollars in checks made payable to Person B; and

(e) other miscellaneous disbursements for the personal benefit of Person A, Person B, and WILEY.

7. It was further part of the conspiracy that beginning in or about late 2012, and continuing through in or about early 2016, WILEY, Person A, Person B, and others falsely promoted One Door For Education to potential donors as being properly registered as a section 501(c)(3) tax-exempt charitable organization that raised funds to provide scholarships and other educational support for disadvantaged students.

8. It was further part of the conspiracy that WILEY and Person B provided "gift receipts" to donors falsely representing that One Door For Education was a properly registered section 501(c)(3) tax-exempt charitable organization.

9. It was further part of the conspiracy that WILEY gave Person B the One Door For Education debit card and checkbook, which Person B used to write checks that Person B signed in WILEY's name.

10. It was further part of the conspiracy that Person A, Person B, WILEY, and others caused donors in the Middle District of Florida and elsewhere to transmit donation checks to WILEY and Person B by means of the U.S. Postal Service or other commercial carrier.

11. It was further part of the conspiracy that Person B and WILEY communicated on numerous occasions, by cellular phone and through the use of email communication, as well as other interstate wire communications, regarding One Door For Education finances, including discussions of the entity's bank account balance.

12. It was further part of the conspiracy that Person A, Person B, and

WILEY omitted informing One Door For Education donors that the vast majority of funds donated to One Door For Education were not used in support of One Door For Education's purported charitable purpose.

13. It was further part of the conspiracy that WILEY, Person A, Person B, and others performed acts and made statements to hide and conceal and cause to be hidden and concealed the purpose of the conspiracy and the acts committed in furtherance thereof.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE

1. The allegations contained in Count One of this Information are incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of a violation of Title 18, United States Code, Sections 1349 and/or 1343, the defendant shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

3. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third

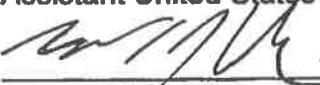
party;

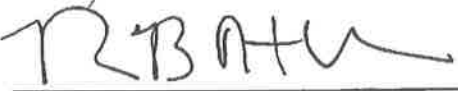
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

A. LEE BENTLEY, III
United States Attorney
Middle District of Florida

By: 
A. Tysen Duva
Assistant United States Attorney

By: 
Michael J. Coolican
Assistant United States Attorney

By: 
Roger B. Handberg, III
Assistant United States Attorney
Chief, Criminal Division (North)

RAYMOND HULSER
Public Integrity Section

By: 
Eric G. Olshan
Deputy Chief