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FOR IMMEDIATE RELEASE:

**FORMER CHARTER SCHOOLS TREASURER PLEADS GUILTY TO
EMBEZZLING FEDERAL FUNDS**

COLUMBUS – Carl W. Shye Jr., 57, of New Albany, Ohio pleaded guilty in U.S. District Court today to one count of embezzlement from a program receiving federal funds, admitting that he illegally took \$472,579.90 in federal funds between 2005 and 2011 while serving as treasurer for four community schools in Ohio. The schools involved include the former George Washington Carver Preparatory Academy which was located in Columbus, Ohio, the former Legacy Academy for Leaders & Arts which was in Youngstown, Ohio, the former NuBethel Center of Excellence and New City Community School, both in Dayton.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, Ohio Auditor of State Dave Yost; Edward J. Hanko, Special Agent in Charge, Federal Bureau of Investigation (FBI); and Executive Director Paul Nick of the Ohio Ethics Commission announced the plea entered today before U.S. District Judge Gregory L. Frost.

According to court documents, between October 2005 and September 2011, Shye used his position as treasurer of multiple Ohio community schools to embezzle from the schools that employed him. Shye was a registered Certified Public Accountant (CPA) who had been certified as a School Treasurer by the State of Ohio and is the sole proprietor of an accounting business called Justyn Gabriel Co.

Treasurers are required to obtain a license from the Ohio Department of Education (ODE) in order to be employed in that position by an Ohio community school and as such, they are considered by the State of Ohio to be public officials.

“The primary means by which Shye illegally converted community school funds to his own use was through checks he made to himself as Treasurer and custodian of the schools’ bank

accounts that were in excess of his approved salary or contracted compensation amount,” Assistant U.S. Attorney Doug Squires said during the hearing. “Shye took steps to hide these payments from the administrators and board members of the respective schools.”

In one example presented to the court, Shye made five salary payments to himself for one service period. Shye also admitted that he cut and pasted the signature of the then-deceased board member of one community school onto a copy of a false contract with the school after auditors requested a copy to try and verify his compensation.

The plea agreement also calls for Shye to forfeit the money he obtained through the embezzlement.

Embezzlement from a program receiving federal funds is punishable by up to ten years in prison, a fine of up to \$250,000 and three years of supervised release. Judge Frost ordered a pre-sentence investigation and will schedule sentencing at a later date.