

Holland, Austin

From: Goren, Nicola
Sent: Tuesday, June 09, 2009 6:02 PM
To: 'Elana_J._Tyrangiel'; [REDACTED] Schmelzer, Ranit; Trinity, Frank
Cc: 'Norman_L._Eisen'; [REDACTED]
Subject: Re: conf call

Got it thanks

Sent via blackberry - please excuse typos

From: Tyrangiel, Elana J. [REDACTED]
To: Goren, Nicola; Schmelzer, Ranit; Trinity, Frank
Cc: Eisen, Norman L. [REDACTED]
Sent: Tue Jun 09 17:46:35 2009
Subject: FW: conf call

Attached is the information for the call at 8:30 pm tonight. If you could please confirm with me that you received this email and will be available, I would appreciate it. Thanks!

From: Fergenson, Micah F.
Sent: Tuesday, June 09, 2009 4:38 PM
To: Tyrangiel, Elana J.
Subject: conf call

[REDACTED]
Code: [REDACTED]

Micah Fergenson
White House Counsel's Office
EEOB Room 135

[REDACTED] (desk)
[REDACTED] (cell)

8/6/2009

Flowe, Meredith

From: Trinity, Frank

Sent: Tuesday, June 09, 2009 6:32 PM

To: 'jsamuels [REDACTED]

Subject: TPs for Mr. Obey's staff

- We understand that several months ago Mr. Obey's committee staff tasked the Corporation's Inspector General with a review of the Corporation's budget execution in fiscal year 2008.
- That review is nearly complete, and the Corporation's board and staff have been briefed on the findings and recommendations.
- We want to emphasize that the findings and recommendations communicated in advance of the final report have been constructive, and the Corporation believes that the report will be useful in strengthening the agency's operations moving forward.
- The budget review is a separate matter from the President's action today, and the agency has every intention to work cooperatively with the Office of Inspector General on the final report.

Holland, Austin

From: Earnest, Joshua R. [REDACTED]
Sent: Wednesday, June 10, 2009 2:08 PM
To: Tyrangiel, Elana J.; Oleske, James M.; Singiser, Dana E.; Perez, Alejandro; Samuels, Jonathan D.; Maher, Shawn P.; Turton, Daniel A.; Eisen, Norman L.; Trinity, Frank; Schmelzer, Ranit; Goren, Nicola
Subject: RE: CNCS IG Notification Prep

Looks right to me.

From: Tyrangiel, Elana J.
Sent: Wednesday, June 10, 2009 1:38 PM
To: Oleske, James M.; Singiser, Dana E.; Perez, Alejandro; Samuels, Jonathan D.; Maher, Shawn P.; Turton, Daniel A.; Earnest, Joshua R.; Eisen, Norman L.; 'trinity [REDACTED] 'rschmelzer [REDACTED] 'ngoren [REDACTED]
Subject: CNCS IG Notification Prep

Attached please find a summary of the action plan we agreed upon last night. If anything seems amiss, please let us know. Otherwise, Norm will make the call to Walpin at 5 or 5:30 pm, and we will update you as soon as he gets off the phone.

Holland, Austin

From: Perez, Alejandro [REDACTED]
Sent: Wednesday, June 10, 2009 2:28 PM
To: Tyrangiel, Elana J.; Oleske, James M.; Singiser, Dana E.; Samuels, Jonathan D.; Maher, Shawn P.; Turton, Daniel A.; Earnest, Joshua R.; Eisen, Norman L.; Trinity, Frank; Schmelzer, Ranit; Goren, Nicola; Wilson, Denise R.
Subject: RE: CNCS IG Notification Prep

Adding Denise Wilson

From: Tyrangiel, Elana J.
Sent: Wednesday, June 10, 2009 1:38 PM
To: Oleske, James M.; Singiser, Dana E.; Perez, Alejandro; Samuels, Jonathan D.; Maher, Shawn P.; Turton, Daniel A.; Earnest, Joshua R.; Eisen, Norman L.; 'frinity [REDACTED]; 'rschmelzer [REDACTED]; 'ngoren [REDACTED]
Subject: CNCS IG Notification Prep

Attached please find a summary of the action plan we agreed upon last night. If anything seems amiss, please let us know. Otherwise, Norm will make the call to Walpin at 5 or 5:30 pm, and we will update you as soon as he gets off the phone.

Holland, Austin

From: Samuels, Jonathan D. [REDACTED]
Sent: Wednesday, June 10, 2009 5:09 PM
To: Tyrangiel, Elana J.; Oleske, James M.; Singiser, Dana E.; Perez, Alejandro; Maher, Shawn P.; Turton, Daniel A.; Earnest, Joshua R.; Eisen, Norman L.; Trinity, Frank; Schmelzer, Ranit; Goren, Nicola
Subject: RE: CNCS IG Notification Prep

Thanks much. Please advise as to when the call is or will be made so we can be sure to make our calls on time. If you've got a status update now, that would be great.

From: Tyrangiel, Elana J.
Sent: Wednesday, June 10, 2009 1:38 PM
To: Oleske, James M.; Singiser, Dana E.; Perez, Alejandro; Samuels, Jonathan D.; Maher, Shawn P.; Turton, Daniel A.; Earnest, Joshua R.; Eisen, Norman L.; 'frinity [REDACTED] 'rschmelzer [REDACTED] 'ngoren [REDACTED]
Subject: CNCS IG Notification Prep

Attached please find a summary of the action plan we agreed upon last night. If anything seems amiss, please let us know. Otherwise, Norm will make the call to Walpin at 5 or 5:30 pm, and we will update you as soon as he gets off the phone.

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 5:56 PM
To: Holland, Austin
Subject: FW:
Attachments: letter to Congress.doc; Walpin Q&A.doc; walpin quote.doc

From: Earnest, Joshua R. [mailto: [REDACTED]]
Sent: Wednesday, June 10, 2009 9:31 AM
To: Schmelzer, Ranit
Subject: FW:

Hey Ranit:

I should have forwarded this to you last week. It's the basic language that we've agreed upon that should be helpful as you draft a news release today.

I'm in meetings this morning – but you can get me on bberry at this email address or on my cell at [REDACTED]

Let me know if I can be helpful, Josh

From: Tyrangiel, Elana J.
Sent: Friday, June 05, 2009 3:59 PM
To: Earnest, Joshua R.
Subject: FW:

From: Tyrangiel, Elana J.
Sent: Friday, June 05, 2009 2:46 PM
To: Vietor, Thomas F.
Cc: Eisen, Norman L.
Subject:

Tommy, attached are some materials on the removal of the IG, which will likely happen this afternoon (Walpin will be offered a chance to resign first). Could we chat as soon as possible about coordination with the Corporation for National and Community Service? I'm at [REDACTED] Thanks.

THE WHITE HOUSE

June 5, 2009

Speaker Nancy Pelosi
Office of the Speaker
United States Capitol
H-232
Washington, DC 20515

RE: Notification pursuant to the Inspector General Act

Dear Madam Speaker:

This is to advise that I have exercised my power as President to remove from office the current appointee to the position of Inspector General for the Corporation for National and Community Service, effective thirty days from today. The removed appointee may be involved in investigations that would be aided by some continued association with his office. We will want to review these situations to consider asking for his continued participation on an appropriate basis.

It is extremely important that we uncover fraud, waste and mismanagement of federal funds, and that we promote the economy, effectiveness and efficiency of federal programs and operations. The Inspector General has a critical role in the achievement of these goals. As is the case with regard to all positions where I, as President, have the power of appointment by and with the advice and consent of the Senate, it is vital that I have the fullest confidence in the ability, integrity, and commitment of the appointees to the position of Inspector General.

I will be submitting to the Senate my nomination of an individual for this position who has my confidence and who meets the appropriate qualifications.

Sincerely,

Barak Obama

CONFIDENTIAL: FOR BRIEFING PURPOSES ONLY

- Gerald Walpin has served, since January, 2007, as the Inspector General for the Corporation for National and Community Service (CNCS). Prior to joining CNCS, Walpin spent 40 years with the firm Katten Muchin Rosenman and was an Assistant United States Attorney for the Southern District of New York, where he served as Chief of Special Prosecutions.
- Walpin was flagged as a problem at the agency even during the transition process, when the Corporation's Acting CEO and staff complained that Walpin displayed excessively antagonistic behavior to agency grantees and espoused a "gotcha" mentality. More acute problems with Walpin have developed when on May 19, 2009, CNCS held a board meeting at which Walpin delivered a disastrous presentation, during which he seemed disoriented and unable to speak or answer questions for a period of time.
- The Chair of the Board, Alan Solomont, contacted our office immediately after the board meeting and thereafter forwarded several emails he received from other board members conveying concerns about Walpin. In those email messages, board members noted that Walpin's behavior at the board meeting was troubling and raised questions about Walpin's capacity to serve.
- Other issues with Walpin's conduct and performance involve his decision to telecommute from New York since January, contrary to the Board's wishes, and a style that has caused unnecessary conflict within the agency.
- Walpin recently sent a report to Congress regarding the settlement of an investigation involving Sacramento's mayor (who previously was employed by a charter school that received AmeriCorps funds). Walpin believes the settlement was "worthless." In connection with that same investigation (and before any report was sent to the Hill), the United States Attorney for the Eastern District of California referred Walpin to the Council on Inspectors General because Walpin allegedly elected "to provide [the] office with selective information" and spoke with the press, inappropriately, during the pendency of the investigation.

Q&A, for background only

When will the removal take effect?

Consistent with the Inspector General Act, this removal will take effect 30 days from today, July 6.

Why is Mr. Walpin being removed?

The President has lost confidence in Mr. Walpin and wants to replace him with someone in whom he does have full confidence.

What specifically, were the issues?

We don't want to get into any detail, but there were some performance-based issues.

On the record quote:

Today, the President has notified Congress that he intends to remove the Inspector General for the Corporation for National and Community Service. Board Chair, Democrat Alan Solomont, the Board's Vice Chair, Republican Steve Goldsmith, and Eric Tanenblatt, Chair of the Board's Management, Audit, and Governance Committee, fully support this decision and look forward to working with a newly appointed and confirmed Inspector General.

For Background:

- Gerald Walpin has served, since January, 2007, as the Inspector General for the Corporation for National and Community Service (CNCS). Prior to joining CNCS, Walpin spent 40 years with the firm Katten Muchin Rosenman and was an Assistant United States Attorney for the Southern District of New York, where he served as Chief of Special Prosecutions.
- Walpin was flagged as a problem at the agency even during the transition process, when the Corporation's Acting CEO and staff complained that Walpin displayed excessively antagonistic behavior to agency grantees and espoused a "gotcha" mentality. More acute problems with Walpin have developed when on May 19, 2009, CNCS held a board meeting at which Walpin delivered a disastrous presentation, during which he seemed disoriented and unable to speak or answer questions for a period of time.
- The Chair of the Board, Alan Solomont, contacted our office immediately after the board meeting and thereafter forwarded several emails he received from other board members conveying concerns about Walpin. In those email messages, board members noted that Walpin's behavior at the board meeting was troubling and raised questions about Walpin's capacity to serve.
- Other issues with Walpin's conduct and performance involve his decision to telecommute from New York since January, contrary to the Board's wishes, and a style that has caused unnecessary conflict within the agency.
- Walpin recently sent a report to Congress regarding the settlement of an investigation involving Sacramento's mayor (who previously was employed by a charter school that received AmeriCorps funds). Walpin believes the settlement was "worthless." In connection with that same investigation (and before any report was sent to the Hill), the United States Attorney for the Eastern District of California referred Walpin to the Council on Inspector Generals because he allegedly elected "to provide [the] office with selective information" and spoke with the press, inappropriately, during the pendency of the investigation.

Q&A, for background only

When will the removal take effect?

Consistent with the Inspector General Act, this removal will take effect 30 days from today, July 6.

Will Mr. Walpin remain the Inspector General until that time?

Yes, but Kenneth Bach, who currently serves as Assistant Inspector General for Support at the Corporation, will fill in until a new Inspector General can be nominated.

Who is Kenneth Bach?

Bach currently serves as one of the Assistant Inspectors General at the Corporation for National and Community Service and has years of relevant experience that will enable him to handle matters effectively until a new Inspector General can be nominated and confirmed.

Why is Mr. Walpin being removed?

The President has lost confidence in Mr. Walpin and wants to replace him with someone in whom he does have full confidence.

What specifically, were the issues?

We don't want to get into any detail, but there were some performance-based issues.

Holland, Austin

From: Schmelzer, Ranit
Sent: Wednesday, June 10, 2009 7:50 PM
To: Earnest, Joshua R.
Cc: Goren, Nicola; Trinity, Frank
Subject: update

I talked to Chronicle of Philanthropy. She's likely to do something short for the web. She asked why this was happening now – and whether it was a response to the CUNY situation. On background, I told her that the President has lost confidence in him (as we outlined in the Q/A doc.).

That's all for now.

Ranit Schmelzer
Director, Office of Public Affairs
Corporation for National & Community Service
Tel: [REDACTED]
Cell: [REDACTED]

Holland, Austin

From: Schmelzer, Ranit
Sent: Wednesday, June 10, 2009 9:29 PM
To: Earnest, Joshua R.
Cc: Goren, Nicola; Trinity, Frank
Subject: Just talked to AP

Ann is not going to write tonight, but may do something in the morning. She wants to know what the circumstances were. I stuck to our TPs on background (as an Official from CNCS). I assume she'll call the WH tomorrow for comment if she writes. Let me know if you have Qs.

Ranit Schmelzer
Director, Office of Public Affairs
Corporation for National & Community Service

Tel: [REDACTED]
Cell: [REDACTED]

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:21 PM
To: Holland, Austin
Subject: FW: Chronicle of Philanthropy, 9:22 pm

From: Schmelzer, Ranit
Sent: Wednesday, June 10, 2009 9:35 PM
To: Earnest, Joshua R.
Cc: Goren, Nicola; Trinity, Frank
Subject: Chronicle of Philanthropy, 9:22 pm

<http://philanthropy.com/news/government/index.php?id=8528>

<input type="checkbox"/> News Updates

<input type="checkbox"/>

June 10, 2009

Obama Removes National-Service Inspector General

President Obama plans to remove Gerald Walpin, the inspector general of the Corporation for National and Community Service, the corporation announced today in a statement.

Mr. Walpin recently issued a report critical of an AmeriCorps program that provides money to the Teaching Fellows project at City University of New York that was contested by the corporation, according to an [article](#) in the publication *Youth Today*. An official at the corporation, which operates AmeriCorps and other national-service programs, declined to say whether the firing was connected.

“The president has lost confidence in the inspector general and wants to appoint someone in whom he has full confidence,” the official said.

The corporation’s statement said Alan Solomont, the agency’s board chair; Stephen Goldsmith, the vice chair; and Eric Tanenblatt, chair of the board’s management, audit, and governance committee, all strongly support the president’s decision.

The corporation official said Mr. Walpin, who was nominated by President George W. Bush and has served in the position since January 2007, will be required to leave his post in 30 days.

Mr. Walpin, who lives in New York, could not be immediately reached for comment.

—“Suzanne Perry”:mailto:suzanne.perry@philanthropy.com

Wednesday June 10, 2009 | [Permalink](#)

Sandy Scott
Director of Media Relations
Corporation for National and Community Service
1201 New York Ave. NW
Washington DC 20525
Phone: [REDACTED]
Fax: [REDACTED]
email: [REDACTED]
website: www.nationalservice.gov

Holland, Austin

From: Samuels, Jonathan D. [REDACTED]
Sent: Wednesday, June 10, 2009 10:27 PM
To: Trinity, Frank
Subject: RE: please call me

I am all set—no problem. But would appreciate a brief email about the Obey background. I spoke with his Staff Director and the reaction was mild. But my notes from last night inadvertently got deleted and I want to be sure I am clear on his Committee's background in case they come back to me tomorrow. Thanks much

From: Trinity, Frank [mailto:[REDACTED]]
Sent: Wednesday, June 10, 2009 10:23 PM
To: Samuels, Jonathan D.
Subject: Re: please call me

Sorry John,
We had some email problems, so I'm just seeing this. I'm available if you want to talk.
Frank

From: Samuels, Jonathan D. [REDACTED]
To: Trinity, Frank
Sent: Wed Jun 10 17:28:18 2009
Subject: please call me
[REDACTED]

Jon Samuels
Special Assistant to the President
White House Office of Legislative Affairs
[REDACTED]

Holland, Austin

From: Trinity, Frank
Sent: Thursday, June 11, 2009 4:52 PM
To: 'Tyrangiel, Elana J.'
Subject: RE: update on CNCS matter

Thanks Elana,

Are we correct that the President's letter is a public document that may be shared?

From: Tyrangiel, Elana J. [mailto: [REDACTED]]
Sent: Thursday, June 11, 2009 4:22 PM
To: Meltzer, Daniel; Messina, James A.; Eisen, Norman L.; Earnest, Joshua R.; Goren, Nicola; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: update on CNCS matter

Attached please find letters that were delivered to Congress earlier today regarding Gerald Walpin's removal. Below are links to a few media stories. AP is working on a story now. Hill consultations have been done.

<http://philanthropy.com/news/government/index.php?id=8528>

http://www.youthtoday.org/publication/article.cfm?article_id=2949

Holland, Austin

From: Trinity, Frank
Sent: Thursday, June 11, 2009 5:21 PM
To: Schmelzer, Ranit; Scott, Sandy; Goren, Nicola
Subject: we may share President's letter to Congress re IG removal

From: Tyrangiel, Elana J. [mailto: [REDACTED]]
Sent: Thursday, June 11, 2009 5:14 PM
To: Trinity, Frank
Subject: RE: update on CNCS matter

Yes.

From: Trinity, Frank [mailto: [REDACTED]]
Sent: Thursday, June 11, 2009 4:52 PM
To: Tyrangiel, Elana J.
Subject: RE: update on CNCS matter

Thanks Elana,

Are we correct that the President's letter is a public document that may be shared?

From: Tyrangiel, Elana J. [mailto: [REDACTED]]
Sent: Thursday, June 11, 2009 4:22 PM
To: Meltzer, Daniel; Messina, James A.; Eisen, Norman L.; Earnest, Joshua R.; Goren, Nicola; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: update on CNCS matter

Attached please find letters that were delivered to Congress earlier today regarding Gerald Walpin's removal. Below are links to a few media stories. AP is working on a story now. Hill consultations have been done.

<http://philanthropy.com/news/government/index.php?id=8528>

http://www.youthtoday.org/publication/article.cfm?article_id=2949

Flowe, Meredith

From: Eisen, Norman L. [REDACTED]
Sent: Thursday, June 11, 2009 6:52 PM
To: Tyrangiel, Elana J.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; Goren, Nicola; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: RE: Grassley letter re CNCS matter
Importance: High
Attachments: 2009-06-11 Letter to The White House.pdf

Letter from Grassley complaining about Walpin firing attached. We are drafting a response for everyone's consideration. Note his erroneous statement that Congress was not notified.

11

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:19 PM
To: Holland, Austin
Subject: FW: Youth Today on IG

From: Schmelzer, Ranit
Sent: Thursday, June 11, 2009 6:53 PM
To: 'Joshua R. Earnes' [REDACTED]
Subject: Fw: Youth Today on IG

From: Scott, Sandy
To: Schmelzer, Ranit; Trinity, Frank; Goren, Nicola; Glickman, Rhoda
Sent: Thu Jun 11 15:31:16 2009
Subject: Youth Today on IG
Youth Today, June 11, 2009
http://www.youthtoday.org/publication/article.cfm?article_id=2949

Obama Fires CNCS Watchdog

Inspector general removed after scathing report on AmeriCorps grantee.

by Nancy Lewis

The inspector general (IG) of the Corporation for National and Community Service is being removed by President Barack Obama, a week after the IG questioned the eligibility of the largest and most expensive AmeriCorps program, and while the IG was contesting the "propriety" of a settlement made with a mayor for alleged misuse of AmeriCorps funds.

Gerald Walpin, an appointee of President George W. Bush who has served as the corporation's IG for more than two years, could not be reached for comment yesterday, and a spokesman for his office said neither the office nor Walpin could say anything about the removal.

Officials insisted that Walpin's removal was not connected to recent controversies but was merely a routine change that came with a change in administrations. But those routine changes are rarely announced or characterized as "removal."

A statement issued by Nicola Goren, acting CEO of the corporation, said that board chairman Alan Solomont and vice chair Stephen Goldsmith fully supported the move. CNCS spokeswoman Ranit Schmelzer would not say if they requested Walpin's removal. The announcement said he has 30 days to vacate the office.

The action leaves the top four positions at CNCS - chief executive officer, chief operating officer, chief financial officer and inspector general - vacant or filled temporarily, at a time when the corporation is charged with increasing its capacity to 250,000 volunteers by 2017. By then the budget is expected to rise to nearly \$6 billion annually, from \$1.19 billion.

Maria Eitel, a Nike vice president chosen by Obama to lead CNCS, abruptly withdrew her name late last month, five weeks after her selection was announced, citing health problems. The president's announcement of the choice of Eitel was made with great public fanfare, but her withdrawal was also announced through a statement from Goren, released late on the Friday before Memorial Day.

WLD

There is no indication when new leadership will be chosen, though Obama has made service a hallmark of his administration.

Some decisions about CNCS are being made by First Lady Michelle Obama, according to service advocates (who asked not to be named). Last week, Mrs. Obama announced that her chief of staff, Jackie Norris, would move to CNCS as a senior adviser. Officials said yesterday that Norris is scheduled to arrive on June 22.

Asked why the announcement of Walpin's removal came late Wednesday from CNCS instead of the White House, Schmelzer of CNCS said it's because Walpin - who serves at the pleasure of the president - is a corporation employee.

IG Controversies

Funding for the largest AmeriCorps program - the Teaching Fellows Program, run by the Research Foundation of the City University of New York - is in abeyance pending resolution of widespread problems identified in a recent audit. Although Walpin recommended that funding be curtailed and that previous funds (perhaps as much as \$75 million) be repaid to the corporation, the corporation has said it will take no action on that matter.

Walpin concluded that nothing was being gained by the grants to CUNY and that the money was simply being used to subsidize an existing and funded program.

At the same time, Walpin was challenging the resolution of charges against Sacramento mayor Kevin Johnson stemming from the Hood Corps, a project of St. Hope Academy, which he started in one of the city's low-income neighborhoods. The IG audit found that the program misused virtually all its funds and did little of what was outlined in its grant proposal.

Specifically, the audit found that Johnson and other officials of Neighborhood Corps used AmeriCorps volunteers to recruit students for a charter school run by its parent program, improperly paid at two school employees with AmeriCorps funds for duties they did not perform, improperly used volunteers to perform personal errands for Johnson (including washing his car and driving him to personal appearances) and used the AmeriCorps volunteers to engage in political activities in connection with a board of education election.

Johnson, who was elected mayor in November, was barred from receiving federal grant money - the most serious action that the agency can take against a person or program.

When questions were raised about whether Johnson's city would therefore be ineligible to receive federal stimulus funds, a settlement was reached with the U.S. attorney's office calling for repayment of about half the grant money. Johnson was to pay a portion of the money, with the agency he had headed paying the remainder over five years. The ban on funds to Johnson was also lifted.

In a letter to Sen. Edward Kennedy (D-Mass.), head of the Senate committee that oversees the corporation, and other congressional leaders, Walpin objected to the settlement, saying St. Hope was insolvent and likely would not be able to repay the money.

Walpin, who as inspector general usually would have been involved in any settlement, was cut out of the deal after the acting U.S. attorney filed a complaint with the Integrity Committee of the Council of Inspectors General on Integrity and Efficiency.

No one from the committee returned calls inquiring about that matter and a copy of the complaint has not been released. The complaint appears to center on claims that the U.S. attorney's office learned about the action against Johnson from a local newspaper. Walpin's office maintains that office was notified of the pending action months before.

Fax: [REDACTED]
email: [REDACTED]
website: www.nationalservice.gov

Holland, Austin

From: Eisen, Norman L. [REDACTED]
Sent: Thursday, June 11, 2009 9:04 PM
To: Oleske, James M.; Goren, Nicola; Tyrangiel, Elana J.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: RE: Grassley letter re CNCS matter

Edits still coming in, circulate final in a bit.

From: Oleske, James M.
Sent: Thursday, June 11, 2009 9:04 PM
To: 'Goren, Nicola'; Tyrangiel, Elana J.; Eisen, Norman L.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: RE: Grassley letter re CNCS matter

Same here.

From: Goren, Nicola [mailto:[REDACTED]]
Sent: Thursday, June 11, 2009 8:57 PM
To: Tyrangiel, Elana J.; Eisen, Norman L.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: RE: Grassley letter re CNCS matter

We are fine with the letter.

Nicola Goren
Acting Chief Executive Officer
Corporation for National and Community Service
[REDACTED]

Your World. Your Chance to Make it Better.
www.nationalservice.gov

From: Tyrangiel, Elana J. [mailto:[REDACTED]]
Sent: Thursday, June 11, 2009 8:40 PM
To: Tyrangiel, Elana J.; Eisen, Norman L.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; Goren, Nicola; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: RE: Grassley letter re CNCS matter

The latest version of the letter is attached.

From: Tyrangiel, Elana J.
Sent: Thursday, June 11, 2009 8:07 PM
To: Eisen, Norman L.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; 'ngoren [REDACTED]'; 'Trinity, Frank'; 'Schmelzer, Ranit'; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa

8/6/2009

Subject: RE: Grassley letter re CNCS matter

Attached please find a draft response to the Grassley letter. Please let us know as soon as possible, and no later than an hour from now, if you see any problems. Thanks much.

From: Eisen, Norman L.

Sent: Thursday, June 11, 2009 6:52 PM

To: Tyrangiel, Elana J.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; 'ngoren [REDACTED] 'Trinity, Frank'; 'Schmelzer, Ranit'; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa

Subject: RE: Grassley letter re CNCS matter

Importance: High

Letter from Grassley complaining about Walpin firing attached. We are drafting a response for everyone's consideration. Note his erroneous statement that Congress was not notified.

Flowe, Meredith

From: Earnest, Joshua R. [REDACTED]
Sent: Thursday, June 11, 2009 9:11 PM
To: Eisen, Norman L.; Oleske, James M.; Goren, Nicola; Tyrangiel, Elana J.; Meltzer, Daniel; Messina, James A.; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
Subject: RE: Grassley letter re CNCS matter

Here's the first version of the AP story:

Obama to fire inspector general of AmeriCorps

By ANN SANNER and PETE YOST – 15 minutes ago

WASHINGTON (AP) — President Barack Obama plans to fire the inspector general who investigates AmeriCorps and other national service programs amid a controversy between the IG and Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star.

The IG, Gerald Walpin, was criticized by the U.S. attorney in Sacramento for the way he handled an investigation of Johnson and his nonprofit group, which received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

On Thursday, Obama said in a letter to Congress that he had lost confidence in Walpin. Neither the president nor deputy White House press secretary Josh Earnest would give details.

The president must give Congress 30 days' notice before removing Walpin, who is being suspended with pay for the 30 days.

Sen. Chuck Grassley, R-Iowa, criticized the White House's reluctance to specify why Walpin is being fired. Grassley pointed to a Senate committee report that says the requirement to notify Congress when an IG is removed is designed to ensure that inspectors general are not removed for political reasons.

The report accompanied an IG reform law passed by Congress last year. Grassley said Walpin had identified millions of dollars in AmeriCorps funds that were wasted or misspent.

"For obvious reasons, we won't get into details of a personnel decision like this, but I can tell you that the president lost confidence in Mr. Walpin's performance," Earnest said. "The president will appoint a replacement in whom he has full confidence as the corporation carries out its important mission."

Walpin serves at the pleasure of the president, the corporation said.

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The IG found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car.

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"We also highlighted numerous questions and further investigation they needed to conduct, including the fact that they had not done an audit to establish how much AmeriCorps money was actually misspent," the U.S. attorney's office said in an April 29 letter to the federal counsel of inspectors general.

Walpin's office made repeated public comments just before the Sacramento mayoral election,

M/PM

prompting the U.S. attorney's office to inform the media that it did not intend to file any criminal charges.

The U.S. attorney's office reached a settlement in the matter. Brown cited press accounts that said Johnson and the nonprofit would repay half of nearly \$850,000 in grants it received.

Ken Bach, who works in the inspector general's office at the corporation, will be acting inspector general until Obama appoints someone to the position.

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On Wednesday night, Alan Solomont, a Democrat and the board chairman of the government-run corporation, and Stephen Goldsmith, a Republican and the board's vice chair, said they backed the president's decision.

In a written statement, Solomont and Goldsmith said: "We strongly endorse the president's decision with respect to Inspector General Gerald Walpin. We look forward to working with a new inspector general."

From: Eisen, Norman L.

Sent: Thursday, June 11, 2009 9:04 PM

To: Oleske, James M.; 'Goren, Nicola'; Tyrangiel, Elana J.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; 'Trinity, Frank'; 'Schmelzer, Ranit'; Singiser, Dana E.; Wilson, Denise R.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa

Subject: RE: Grassley letter re CNCS matter

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Sent: Thursday, June 11, 2009 8:57 PM

To: Tyrangiel, Elana J.; Eisen, Norman L.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa

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We are fine with the letter.

Nicola Goren

Acting Chief Executive Officer

Corporation for National and Community Service

Your World. Your Chance to Make it Better.

www.nationalservice.gov

W.M.

From: Tyrangiel, Elana J. [mailto: [REDACTED]]
Sent: Thursday, June 11, 2009 8:40 PM
To: Tyrangiel, Elana J.; Eisen, Norman L.; Meltzer, Daniel; Messina, James A.; Earnest, Joshua R.; Goren, Nicola; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Oleske, James M.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
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Importance: High

Letter from Grassley complaining about Walpin firing attached. We are drafting a response for everyone's consideration. Note his erroneous statement that Congress was not notified.

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:19 PM
To: Holland, Austin
Subject: FW: Grassley letter re CNCS matter

-----Original Message-----

From: Schmelzer, Ranit
Sent: Thursday, June 11, 2009 9:47 PM
To: Earnest, Joshua R.
Subject: RE: Grassley letter re CNCS matter

Hey Josh,

2 quick things

- I'm playing phone tag w/the Sacramento Bee. Will let you know.
- I heard through the grapevine that the Chronicle of Philanthropy is working on an op-ed criticizing the WH on the choice of Maria Eitel and the process around her nomination. The paper hasn't called me.

-----Original Message-----

From: Earnest, Joshua R. [mailto: [REDACTED]]
Sent: Thu 6/11/2009 9:11 PM
To: Eisen, Norman L.; Oleske, James M.; Goren, Nicola; Tyrangiel, Elana J.; Meltzer, Daniel; Messina, James A.; Trinity, Frank; Schmelzer, Ranit; Singiser, Dana E.; Wilson, Denise R.; Maher, Shawn P.; Perez, Alejandro; Terrell, Louisa
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Here's the first version of the AP story:

Obama to fire inspector general of AmeriCorps

By ANN SANNER and PETE YOST - 15 minutes ago

WASHINGTON (AP) — President Barack Obama plans to fire the inspector general who investigates AmeriCorps and other national service programs amid a controversy between the IG and Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star.

The IG, Gerald Walpin, was criticized by the U.S. attorney in Sacramento for the way he handled an investigation of Johnson and his nonprofit group, which received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

On Thursday, Obama said in a letter to Congress that he had lost confidence in Walpin. Neither the president nor deputy White House press secretary Josh Earnest would give details.

The president must give Congress 30 days' notice before removing Walpin, who is being suspended with pay for the 30 days.

Sen. Chuck Grassley, R-Iowa, criticized the White House's reluctance to specify why Walpin is being fired. Grassley pointed to a Senate committee report that says the requirement to notify Congress when an IG is removed is designed to ensure that inspectors general are not removed for political reasons.

The report accompanied an IG reform law passed by Congress last year. Grassley said Walpin had identified millions of dollars in AmeriCorps funds that were wasted or misspent.

"For obvious reasons, we won't get into details of a personnel decision like this, but I can tell you that the president lost confidence in Mr. Walpin's performance," Earnest said. "The president will appoint a replacement in whom he has full confidence as the corporation carries out its important mission."

Walpin serves at the pleasure of the president, the corporation said.

Messages left for Walpin seeking comment were not immediately returned.

The IG found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car.

In August 2008, Walpin referred the matter to the local U.S. attorney's office, which said the IG's conclusions seemed overstated and did not accurately reflect all the information gathered in the investigation.

"We also highlighted numerous questions and further investigation they needed to conduct, including the fact that they had not done an audit to establish how much AmeriCorps money was actually misspent," the U.S. attorney's office said in an April 29 letter to the federal counsel of inspectors general.

Walpin's office made repeated public comments just before the Sacramento mayoral election, prompting the U.S. attorney's office to inform the media that it did not intend to file any criminal charges.

The U.S. attorney's office reached a settlement in the matter. Brown cited press accounts that said Johnson and the nonprofit would repay half of nearly \$850,000 in grants it received.

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From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:19 PM
To: Holland, Austin
Subject: FW: CBS Radio

From: Schmelzer, Ranit
Sent: Friday, June 12, 2009 8:59 AM
To: 'Earnest, Joshua R.'
Subject: CBS Radio

Josh,

Steve Goldsmith got a call at home this morning from CBS Radio. He declined to comment and asked one of us to follow up. Do you want to take it? He didn't get a contact, just a number: [REDACTED]

Also, FYI, here are some more stories.

Associated Press, June 12, 2009, 5:00 AM PDT,
<http://www.google.com/hostednews/ap/article/ALeqM5iUZkMBy1mNzbML2mfyPzPWfj0wdwD98P0F000>

Obama removes AmeriCorps's IG in spat with friend

By ANN SANNER and PETE YOST – 4 hours ago

WASHINGTON (AP) — President Barack Obama says he has lost confidence in the inspector general who investigates AmeriCorps and other national service programs and has told Congress he is removing him from the position.

Obama's move follows an investigation by IG Gerald Walpin of Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star, into the misuse of federal grants by a nonprofit education group that Johnson headed.

Walpin was criticized by the acting U.S. attorney in Sacramento for the way he handled an investigation of Johnson and St. HOPE Academy, a nonprofit group that received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

"It is vital that I have the fullest confidence in the appointees serving as Inspectors General," Obama said in a letter Thursday to House Speaker Nancy Pelosi and Vice President Joe Biden, who also serves as president of the Senate. "That is no longer the case with regard to this Inspector General."

The president didn't offer any more explanation, but White House Counsel Gregory Craig, in a letter to Sen. Charles Grassley, R-Iowa, cited the U.S. attorney's criticism of Walpin to an integrity committee for inspectors general.

"We are aware of the circumstances leading to that referral and of Mr. Walpin's conduct throughout his tenure and can assure you that the president's decision was carefully considered," Craig wrote.

Grassley had written Obama a letter pointing to a law requiring that Congress be given the reasons an IG is fired. He cited a Senate report saying the requirement is designed to ensure that inspectors general are not removed

for political reasons.

Grassley said Walpin had identified millions of dollars in AmeriCorps funds that were wasted or misspent and "it appears he has been doing a good job."

Messages left for Walpin seeking comment were not immediately returned.

The IG found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car.

In August 2008, Walpin referred the matter to the local U.S. attorney's office, which said the IG's conclusions seemed overstated and did not accurately reflect all the information gathered in the investigation.

"We also highlighted numerous questions and further investigation they needed to conduct, including the fact that they had not done an audit to establish how much AmeriCorps money was actually misspent," Acting U.S. Attorney Lawrence Brown said in an April 29 letter to the federal counsel of inspectors general.

Walpin's office made repeated public comments just before the Sacramento mayoral election, prompting the U.S. attorney's office to inform the media that it did not intend to file any criminal charges.

The U.S. attorney's office reached a settlement in the matter. Brown cited press accounts that said Johnson and the nonprofit would repay half of nearly \$850,000 in grants it received.

Kevin Heistand, chairman of the board of St. HOPE Academy, said in a statement it was "about time" Walpin was removed. "Mr. Walpin's allegations were meritless and clearly motivated by matters beyond an honest assessment of our program."

Ken Bach, who works in the inspector general's office at the corporation, will be acting inspector general until Obama appoints someone to the position.

Walpin, a New York attorney, was appointed by then-President George W. Bush and sworn into office in January 2007 after being confirmed by the Senate, according to a news release on AmeriCorps' Web site. Walpin graduated from College of the City of New York in 1952 and received a law degree in 1955 from Yale Law School. He was a partner with the New York City law firm Katten Muchin and Rosenman LLP for more than 40 years.

Alan Solomont, a Democrat and the board chairman of the government-run corporation, and Stephen Goldsmith, a Republican and the board's vice chair, said they strongly endorsed Obama's decision.

Associated Press, 06/11/2009 08:29:01 PM PDT

<http://www.google.com/hostednews/ap/article/ALeqM5iUZkMBy1mNzbML2mfyPzPWfj0wdwD98OQCE00>

Obama to fire inspector general of AmeriCorps

By ANN SANNER and PETE YOST

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The IG, Gerald Walpin, was criticized by the U.S. attorney in Sacramento for the way he handled an investigation of Johnson and his nonprofit group, which received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

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Sacramento Bee, Friday, Jun. 12, 2009 - 12:00 am | Page 1B
<http://www.sacbee.com/ourregion/story/1940228.html>

St. HOPE exec departs with \$98,916 severance

By Melody Gutierrez, mgutierrez@sacbee.com

St. HOPE Public Schools' board of directors announced Thursday that embattled executive director Rick Maya will leave the nonprofit and receive a severance package of \$98,916.

The move ends months of speculation. Maya resigned from the board of directors April 8 and was later put on paid administrative leave as executive director of the nonprofit that operates Sacramento Charter High School

and PS7 Elementary School.

A former Bank of America executive, Maya was highly acclaimed by St. HOPE when he was hired in December 2007 to replace Kevin Johnson, who stepped down as director last year to focus on his winning mayoral bid.

Maya will receive four months of severance pay totaling \$56,916. He also will receive \$42,000 to work as a consultant to the charter over the next six months. St. HOPE officials said the four-month settlement constitutes one-third of Maya's annual salary.

St. HOPE board members called the split mutual and amicable. However, the eight-page letter Maya wrote in April when he resigned from the board of directors suggests otherwise.

Maya outlined a list of legal and ethical concerns about the operation of the charter schools. Among the claims was that a board member had deleted Johnson's e-mails during a federal investigation into the misuse of public funds at St. HOPE Academy.

Maya wrote that board members loyal to Johnson had ignored the "highly inappropriate and potentially unlawful incursion into our e-mail system."

Johnson's mayoral spokesman, Steve Maviglio, said the incident involved an information technology person from St. HOPE working to organize Johnson's e-mail to separate his mayoral campaign and St. HOPE communications. E-mails deleted from one account were fully backed up by another, Maviglio said.

However, Maya's claims – which The Bee reported in May – prompted Gerald Walpin, the inspector general of the Corporation for National and Community Service, to call for the U.S. attorney's office to take action.

Walpin's office had conducted the investigation of St. HOPE Academy's use of AmeriCorps funds and alleged that Johnson and officials with St. HOPE Academy improperly used some of the \$847,673 in federal money received between 2004 and 2007.

The U.S. attorney's office later negotiated a settlement that called for Johnson, St. HOPE and its former executive director, Dana Gonzalez, to repay more than \$400,000 in grants.

Walpin opposed the settlement and recently asked Congress to review the case.

Following the initial investigation, U.S. Attorney Larry Brown asked a branch of the FBI that polices the integrity of federal inspectors general to review Walpin's performance. Brown had questioned Walpin's decision to make his investigation public without consulting the U.S. attorney's office.

On Thursday, President Barack Obama's office announced that Walpin will be removed from office. The removal is effective in 30 days.

William O. Hillburg, a spokesman for the inspector general's office, would not comment on Walpin's removal or whether his handling of the St. HOPE investigation played a part.

While not discussing the details behind the decision, deputy White House press secretary Josh Earnest said "the president lost confidence in Mr. Walpin's performance."

Kenneth Bach, an assistant inspector general, was named acting inspector general.

Brown has not commented on whether federal investigators are revisiting the St. HOPE case and looking into the deleted e-mails.

At the time Maya's letter was released, he said, "The deliberate destruction of evidence is a serious allegation and will be treated accordingly."

Maya's departure was announced Thursday during a St. HOPE board meeting.

"During his stay, Rick provided us with guidance in critical areas, and we appreciate the contributions he made to our organization," said Tracy Stigler, the board's chairman.

St. HOPE will transition from having an executive director to using a superintendent – a position that will be filled at least temporarily by Sacramento High School principal Ed Manansala.

Sacramento City Unified School District Deputy Superintendent Tom Barentson said Maya's departure had been expected. The district authorizes the charter that allows St. HOPE to operate the high school and PS7.

"They make their own personnel decisions and thought they needed to make a change," Barentson said. "We've been working with (other staffers) who have really picked up where Rick left. I've been pleased with how we have been able to move forward."

Washington Examiner, June 11, 2009

<http://www.washingtonexaminer.com/opinion/blogs/beltway-confidential/Whats-behind-Obamas-sudden-firing-of-the-AmeriCorps-inspector-general-47877797.html>

Opinion

What's behind Obama's sudden attempt to fire the AmeriCorps inspector general?

By: Byron York
Chief Political Correspondent

06/11/09 8:14 PM EDT

Some strange and potentially suspicious events tonight concerning the Obama White House and the AmeriCorps program. I've been told that on Wednesday night the AmeriCorps inspector general, Gerald Walpin, received a call from the White House counsel's office telling him that he had one hour to either resign or be fired. The White House did not cite a reason. "The answer that was given was that it's just time to move on," one Senate source told me tonight. "The president would like to have someone else in that position."

Inspectors General are part of every federal department. They are given the responsibility of independently investigating allegations of waste, fraud, and corruption in the government, without fear of interference by political appointees or the White House. Last year Congress passed the Inspectors General Reform Act, which added new protections for IGs, including a measure requiring the president to give Congress 30 days prior notice before dismissing an IG. The president must also give Congress an explanation of why the action is needed. Then-Sen. Barack Obama was one of the co-sponsors of the Act.

Now, there is the hurried attempt to dismiss Walpin, without the required notice or cause. After last night's call, Walpin got in touch with Congress, and it appears the White House has backed off, at least for now. This afternoon, Republican Sen. Charles Grassley, who is something of a guardian angel for inspectors general, fired off a letter to the White House about the affair.

"I was troubled to learn that last night your staff reportedly issued an ultimatum to the AmeriCorps Inspector General Gerald Walpin that he had one hour to resign or be terminated," Grassley wrote. "As you know, Inspectors General were created by Congress as a means to combat waste, fraud, and abuse and to be independent watchdogs ensuring that federal agencies were held accountable for their actions. Inspectors General were designed to have a dual role reporting to both the President and Congress so that they would be free from undue political pressure. This independence is the hallmark of all Inspectors General and is essential so they may operate independently, without political pressure or interference from agencies attempting to keep their failings from public scrutiny."

Grassley said he was "deeply troubled" by the Walpin matter and closed by asking the president "to review the Inspector General Reform Act you cosponsored and to follow the letter of the law should you have cause to remove any Inspector General."

UPDATE 1: I've been trying to discover the real reason for Obama's move, and it's still not clear. I'm told that it could be a combination of the normal tensions that surround any inspector general's office, or the president's desire to get his own people in IG positions, or a dispute over a particular investigation. "Bottom line," one source wrote, "getting rid of a tough, Republican-appointed IG who has been aggressively going after waste and fraud

gives Obama a chance to replace that IG with a more compliant team player."

I'm also told that a number of inspectors general around the government have been expressing concerns to Congress recently about threats to their independence.

UPDATE 2: More information now, from the Associated Press. The White House is going ahead with firing Walpin. The firing apparently stems from Walpin's investigation of a non-profit group, St. HOPE Academy, run by Kevin Johnson, the former NBA star who is now mayor of Sacramento, California (and a big Obama supporter). "[Walpin] found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car," the AP reports. In April, the U.S. attorney declined to file any criminal charges in the matter and criticized Walpin's investigation. But at the same time Johnson and St. HOPE agreed to repay about half of the \$850,000 it had received from AmeriCorps.

Bottom line: The AmeriCorps IG accuses prominent Obama supporter of misusing AmeriCorps grant money. Prominent Obama supporter has to pay back more than \$400,000 of that grant money. Obama fires AmeriCorps IG.

KCRA, 4:07 pm PDT June 11, 2009
<http://www.kcra.com/politics/19729290/detail.html>

Inspector General In Mayor's Probe To Lose Job

Use Of Federal Funds At Issue In St. HOPE Investigation

WASHINGTON — Inspector general Gerald Walpin, who was involved in a probe of Sacramento Mayor Kevin Johnson's use of federal funds, will soon lose his position.

President Barack Obama indicated Thursday that he intends to remove the inspector general from the Corporation for National and Community Service, corporation spokesperson Ranit Schmelzer said in a statement.

Walpin's removal will take effect in 30 days, acting CEO for the Corporation for National and Community Service said in a letter.

The issue with Johnson first surfaced during last year's campaign for mayor after the inspector general accused Johnson and his nonprofit, St. HOPE, of misusing federal funds by having subsidized volunteers wash Johnson's car, run personal errands and campaign for school board candidates.

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:11 PM
To: Holland, Austin
Subject: FW: CBS Radio

From: Earnest, Joshua R. [mailto: [REDACTED]]
Sent: Friday, June 12, 2009 10:56 AM
To: Schmelzer, Ranit
Subject: RE: CBS Radio

Good morning:

Ironically, this version of the AP story is somewhat better than the version they ran last night.

[REDACTED]

Jake Tapper is blogging on this, too. He's asked for the letters and he and I will talk later this morning.

From: Schmelzer, Ranit [mailto: [REDACTED]]
Sent: Friday, June 12, 2009 8:59 AM
To: Earnest, Joshua R.
Subject: CBS Radio

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Steve Goldsmith got a call at home this morning from CBS Radio. He declined to comment and asked one of us to follow up. Do you want to take it? He didn't get a contact, just a number: [REDACTED]

Also, FYI, here are some more stories.

Associated Press, June 12, 2009, 5:00 AM PDT,
<http://www.google.com/hostednews/ap/article/ALeqM5iUZkMBy1mNzbML2mfyPzPWfj0wdwD98P0F>

Obama removes AmeriCorps's IG in spat with friend

By ANN SANNER and PETE YOST – 4 hours ago

WASHINGTON (AP) — President Barack Obama says he has lost confidence in the inspector general who investigates AmeriCorps and other national service programs and has told Congress he is removing him from the position.

Obama's move follows an investigation by IG Gerald Walpin of Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star, into the misuse of federal grants by a nonprofit

education group that Johnson headed.

Walpin was criticized by the acting U.S. attorney in Sacramento for the way he handled an investigation of Johnson and St. HOPE Academy, a nonprofit group that received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

"It is vital that I have the fullest confidence in the appointees serving as Inspectors General," Obama said in a letter Thursday to House Speaker Nancy Pelosi and Vice President Joe Biden, who also serves as president of the Senate. "That is no longer the case with regard to this Inspector General."

The president didn't offer any more explanation, but White House Counsel Gregory Craig, in a letter to Sen. Charles Grassley, R-Iowa, cited the U.S. attorney's criticism of Walpin to an integrity committee for inspectors general.

"We are aware of the circumstances leading to that referral and of Mr. Walpin's conduct throughout his tenure and can assure you that the president's decision was carefully considered," Craig wrote.

Grassley had written Obama a letter pointing to a law requiring that Congress be given the reasons an IG is fired. He cited a Senate report saying the requirement is designed to ensure that inspectors general are not removed for political reasons.

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Messages left for Walpin seeking comment were not immediately returned.

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"We also highlighted numerous questions and further investigation they needed to conduct, including the fact that they had not done an audit to establish how much AmeriCorps money was actually misspent," Acting U.S. Attorney Lawrence Brown said in an April 29 letter to the federal counsel of inspectors general.

Walpin's office made repeated public comments just before the Sacramento mayoral election, prompting the U.S. attorney's office to inform the media that it did not intend to file any criminal charges.

The U.S. attorney's office reached a settlement in the matter. Brown cited press accounts that said Johnson and the nonprofit would repay half of nearly \$850,000 in grants it received.

Kevin Heistand, chairman of the board of St. HOPE Academy, said in a statement it was "about time" Walpin was removed. "Mr. Walpin's allegations were meritless and clearly motivated by matters beyond an honest assessment of our program."

Ken Bach, who works in the inspector general's office at the corporation, will be acting inspector

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Walpin, a New York attorney, was appointed by then-President George W. Bush and sworn into office in January 2007 after being confirmed by the Senate, according to a news release on AmeriCorps' Web site. Walpin graduated from College of the City of New York in 1952 and received a law degree in 1955 from Yale Law School. He was a partner with the New York City law firm Katten Muchin and Rosenman LLP for more than 40 years.

Alan Solomont, a Democrat and the board chairman of the government-run corporation, and Stephen Goldsmith, a Republican and the board's vice chair, said they strongly endorsed Obama's decision.

Associated Press, 06/11/2009 08:29:01 PM PDT

<http://www.google.com/hostednews/ap/article/ALeqM5iUZkMBy1mNzbML2mfyPzPWfj0wdwD980Q>

Obama to fire inspector general of AmeriCorps

By ANN SANNER and PETE YOST

WASHINGTON (AP) — President Barack Obama plans to fire the inspector general who investigates AmeriCorps and other national service programs amid a controversy between the IG and Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star.

The IG, Gerald Walpin, was criticized by the U.S. attorney in Sacramento for the way he handled an investigation of Johnson and his nonprofit group, which received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

On Thursday, Obama said in a letter to Congress that he had lost confidence in Walpin. Neither the president nor deputy White House press secretary Josh Earnest would give details.

The president must give Congress 30 days' notice before removing Walpin, who is being suspended with pay for the 30 days.

Sen. Chuck Grassley, R-Iowa, criticized the White House's reluctance to specify why Walpin is being fired. Grassley pointed to a Senate committee report that says the requirement to notify Congress when an IG is removed is designed to ensure that inspectors general are not removed for political reasons.

The report accompanied an IG reform law passed by Congress last year. Grassley said Walpin had identified millions of dollars in AmeriCorps funds that were wasted or misspent.

"For obvious reasons, we won't get into details of a personnel decision like this, but I can tell you that the president lost confidence in Mr. Walpin's performance," Earnest said. "The president will appoint a replacement in whom he has full confidence as the corporation carries out its important mission."

Walpin serves at the pleasure of the president, the corporation said.

Messages left for Walpin seeking comment were not immediately returned.

The IG found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson

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On Wednesday night, Alan Solomont, a Democrat and the board chairman of the government-run corporation, and Stephen Goldsmith, a Republican and the board's vice chair, said they backed the president's decision.

In a written statement, Solomont and Goldsmith said: "We strongly endorse the president's decision with respect to Inspector General Gerald Walpin. We look forward to working with a new inspector general."

Sacramento Bee, Friday, Jun. 12, 2009 - 12:00 am | Page 1B
<http://www.sacbee.com/ourregion/story/1940228.html>

St. HOPE exec departs with \$98,916 severance

By Melody Gutierrez, mgutierrez@sacbee.com

St. HOPE Public Schools' board of directors announced Thursday that embattled executive director Rick Maya will leave the nonprofit and receive a severance package of \$98,916.

The move ends months of speculation. Maya resigned from the board of directors April 3 and was later put on paid administrative leave as executive director of the nonprofit that operates Sacramento Charter High School and PS7 Elementary School.

A former Bank of America executive, Maya was highly acclaimed by St. HOPE when he was hired in December 2007 to replace Kevin Johnson, who stepped down as director last year to focus on his winning mayoral bid.

Maya will receive four months of severance pay totaling \$56,916. He also will receive \$42,000 to work as a consultant to the charter over the next six months. St. HOPE officials said the four-month settlement constitutes one-third of Maya's annual salary.

St. HOPE board members called the split mutual and amicable. However, the eight-page letter Maya wrote in April when he resigned from the board of directors suggests otherwise.

Maya outlined a list of legal and ethical concerns about the operation of the charter schools. Among the claims was that a board member had deleted Johnson's e-mails during a federal investigation into the misuse of public funds at St. HOPE Academy.

Maya wrote that board members loyal to Johnson had ignored the "highly inappropriate and potentially unlawful incursion into our e-mail system."

Johnson's mayoral spokesman, Steve Maviglio, said the incident involved an information technology person from St. HOPE working to organize Johnson's e-mail to separate his mayoral campaign and St. HOPE communications. E-mails deleted from one account were fully backed up by another, Maviglio said.

However, Maya's claims – which The Bee reported in May – prompted Gerald Walpin, the inspector general of the Corporation for National and Community Service, to call for the U.S. attorney's office to take action.

Walpin's office had conducted the investigation of St. HOPE Academy's use of AmeriCorps funds and alleged that Johnson and officials with St. HOPE Academy improperly used some of the \$847,673 in federal money received between 2004 and 2007.

The U.S. attorney's office later negotiated a settlement that called for Johnson, St. HOPE and its former executive director, Dana Gonzalez, to repay more than \$400,000 in grants.

Walpin opposed the settlement and recently asked Congress to review the case.

Following the initial investigation, U.S. Attorney Larry Brown asked a branch of the FBI that polices the integrity of federal inspectors general to review Walpin's performance. Brown had questioned Walpin's decision to make his investigation public without consulting the U.S. attorney's office.

On Thursday, President Barack Obama's office announced that Walpin will be removed from office. The removal is effective in 30 days.

William O. Hillburg, a spokesman for the inspector general's office, would not comment on Walpin's removal or whether his handling of the St. HOPE investigation played a part.

While not discussing the details behind the decision, deputy White House press secretary Josh Earnest said "the president lost confidence in Mr. Walpin's performance."

Kenneth Bach, an assistant inspector general, was named acting inspector general.

Brown has not commented on whether federal investigators are revisiting the St. HOPE case and looking into the deleted e-mails.

At the time Maya's letter was released, he said, "The deliberate destruction of evidence is a serious allegation and will be treated accordingly."

Maya's departure was announced Thursday during a St. HOPE board meeting.

"During his stay, Rick provided us with guidance in critical areas, and we appreciate the contributions he made to our organization," said Tracy Stigler, the board's chairman.

St. HOPE will transition from having an executive director to using a superintendent – a position that will be filled at least temporarily by Sacramento High School principal Ed Manansala.

Sacramento City Unified School District Deputy Superintendent Tom Barentson said Maya's departure had been expected. The district authorizes the charter that allows St. HOPE to operate the high school and PS7.

"They make their own personnel decisions and thought they needed to make a change," Barentson said. "We've been working with (other staffers) who have really picked up where Rick left. I've been pleased with how we have been able to move forward."

Washington Examiner, June 11, 2009

<http://www.washingtonexaminer.com/opinion/blogs/beltway-confidential/Whats-behind-Obamas-sudden-firing-of-the-AmeriCorps-inspector-general-47877797.html>

Opinion

What's behind Obama's sudden attempt to fire the AmeriCorps inspector general?

By: Byron York
Chief Political Correspondent

06/11/09 8:14 PM EDT

Some strange and potentially suspicious events tonight concerning the Obama White House and the AmeriCorps program. I've been told that on Wednesday night the AmeriCorps inspector general, Gerald Walpin, received a call from the White House counsel's office telling him that he had one hour to either resign or be fired. The White House did not cite a reason. "The answer that was given was that it's just time to move on," one Senate source told me tonight. "The president would like to have someone else in that position."

Inspectors General are part of every federal department. They are given the responsibility of independently investigating allegations of waste, fraud, and corruption in the government, without fear of interference by political appointees or the White House. Last year Congress passed the Inspectors General Reform Act, which added new protections for IGs, including a measure requiring the president to give Congress 30 days prior notice before dismissing an IG. The president must also give Congress an explanation of why the action is needed. Then-Sen. Barack Obama was one of the co-sponsors of the Act.

Now, there is the hurried attempt to dismiss Walpin, without the required notice or cause. After last night's call, Walpin got in touch with Congress, and it appears the White House has backed off, at least

for now. This afternoon, Republican Sen. Charles Grassley, who is something of a guardian angel for inspectors general, fired off a letter to the White House about the affair.

"I was troubled to learn that last night your staff reportedly issued an ultimatum to the AmeriCorps Inspector General Gerald Walpin that he had one hour to resign or be terminated," Grassley wrote. "As you know, Inspectors General were created by Congress as a means to combat waste, fraud, and abuse and to be independent watchdogs ensuring that federal agencies were held accountable for their actions. Inspectors General were designed to have a dual role reporting to both the President and Congress so that they would be free from undue political pressure. This independence is the hallmark of all Inspectors General and is essential so they may operate independently, without political pressure or interference from agencies attempting to keep their failings from public scrutiny."

Grassley said he was "deeply troubled" by the Walpin matter and closed by asking the president "to review the Inspector General Reform Act you cosponsored and to follow the letter of the law should you have cause to remove any Inspector General."

UPDATE 1: I've been trying to discover the real reason for Obama's move, and it's still not clear. I'm told that it could be a combination of the normal tensions that surround any inspector general's office, or the president's desire to get his own people in IG positions, or a dispute over a particular investigation. "Bottom line," one source wrote, "getting rid of a tough, Republican-appointed IG who has been aggressively going after waste and fraud gives Obama a chance to replace that IG with a more compliant team player."

I'm also told that a number of inspectors general around the government have been expressing concerns to Congress recently about threats to their independence.

UPDATE 2: More information now, from the Associated Press. The White House is going ahead with firing Walpin. The firing apparently stems from Walpin's investigation of a non-profit group, St. HOPE Academy, run by Kevin Johnson, the former NBA star who is now mayor of Sacramento, California (and a big Obama supporter). "[Walpin] found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car," the AP reports. In April, the U.S. attorney declined to file any criminal charges in the matter and criticized Walpin's investigation. But at the same time Johnson and St. HOPE agreed to repay about half of the \$850,000 it had received from AmeriCorps.

Bottom line: The AmeriCorps IG accuses prominent Obama supporter of misusing AmeriCorps grant money. Prominent Obama supporter has to pay back more than \$400,000 of that grant money. Obama fires AmeriCorps IG.

KCRA, 4:07 pm PDT June 11, 2009

<http://www.kcra.com/politics/19729290/detail.html>

Inspector General In Mayor's Probe To Lose Job

Use Of Federal Funds At Issue In St. HOPE Investigation

WASHINGTON -- Inspector general Gerald Walpin, who was involved in a probe of Sacramento Mayor Kevin Johnson's use of federal funds, will soon lose his position.

President Barack Obama indicated Thursday that he intends to remove the inspector general from the Corporation for National and Community Service, corporation spokesperson Ranit Schmelzer said in a statement.

Walpin's removal will take effect in 30 days, acting CEO for the Corporation for National and Community Service said in a letter.

The issue with Johnson first surfaced during last year's campaign for mayor after the inspector general accused Johnson and his nonprofit, St. HOPE, of misusing federal funds by having subsidized volunteers wash Johnson's car, run personal errands and campaign for school board candidates.

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:19 PM
To: Holland, Austin
Subject: FW: CBS Radio

From: Schmelzer, Ranit
Sent: Friday, June 12, 2009 11:23 AM
To: 'Joshua R. Earnest' [REDACTED]
Subject: Re: CBS Radio

Got it.

From: Earnest, Joshua R. [REDACTED]
To: Schmelzer, Ranit
Sent: Fri Jun 12 10:55:46 2009
Subject: RE: CBS Radio
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Obama's move follows an investigation by IG Gerald Walpin of Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star, into the misuse of federal grants by a nonprofit education group that Johnson headed.

Walpin was criticized by the acting U.S. attorney in Sacramento for the way he handled an investigation of Johnson and St. HOPE Academy, a nonprofit group that received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

"It is vital that I have the fullest confidence in the appointees serving as Inspectors General," Obama said in a letter Thursday to House Speaker Nancy Pelosi and Vice President Joe Biden, who also serves as president of the Senate. "That is no longer the case with regard to this Inspector General."

The president didn't offer any more explanation, but White House Counsel Gregory Craig, in a letter to Sen. Charles Grassley, R-Iowa, cited the U.S. attorney's criticism of Walpin to an integrity committee for inspectors general.

"We are aware of the circumstances leading to that referral and of Mr. Walpin's conduct throughout his tenure and can assure you that the president's decision was carefully considered," Craig wrote.

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"We also highlighted numerous questions and further investigation they needed to conduct, including the fact that they had not done an audit to establish how much AmeriCorps money was actually misspent," Acting U.S. Attorney Lawrence Brown said in an April 29 letter to the federal counsel of inspectors general.

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Sen. Chuck Grassley, R-Iowa, criticized the White House's reluctance to specify why Walpin is being fired. Grassley pointed to a Senate committee report that says the requirement to notify Congress when an IG is removed is designed to ensure that inspectors general are not removed for political reasons.

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By Melody Gutierrez, mgutierrez@sacbee.com

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St. HOPE will transition from having an executive director to using a superintendent – a position that will be filled at least temporarily by Sacramento High School principal Ed Manansala.

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"They make their own personnel decisions and thought they needed to make a change," Barentson said. "We've been working with (other staffers) who have really picked up where Rick left. I've been pleased with how we have been able to move forward."

Washington Examiner, June 11, 2009

<http://www.washingtonexaminer.com/opinion/blogs/beltway-confidential/Whats-behind-Obamas-sudden-firing-of-the-AmeriCorps-inspector-general-47877797.html>

Opinion

What's behind Obama's sudden attempt to fire the AmeriCorps inspector general?

By: Byron York
Chief Political Correspondent

06/11/09 8:14 PM EDT

Some strange and potentially suspicious events tonight concerning the Obama White House and the AmeriCorps program. I've been told that on Wednesday night the AmeriCorps inspector general, Gerald Walpin, received a call from the White House counsel's office telling him that he had one hour to either resign or be fired. The White House did not cite a reason. "The answer that was given was that it's just time to move on," one Senate source told me tonight. "The president would like to have someone else in that position."

Inspectors General are part of every federal department. They are given the responsibility of independently investigating allegations of waste, fraud, and corruption in the government, without fear of interference by political appointees or the White House. Last year Congress passed the Inspectors General Reform Act, which added new protections for IGs, including a measure requiring the president to give Congress 30 days prior notice before dismissing an IG. The president must also give Congress an explanation of why the action is needed. Then-Sen. Barack Obama was one of the co-sponsors of the Act.

Now, there is the hurried attempt to dismiss Walpin, without the required notice or cause. After last night's call, Walpin got in touch with Congress, and it appears the White House has backed off, at least

for now. This afternoon, Republican Sen. Charles Grassley, who is something of a guardian angel for inspectors general, fired off a letter to the White House about the affair.

"I was troubled to learn that last night your staff reportedly issued an ultimatum to the AmeriCorps Inspector General Gerald Walpin that he had one hour to resign or be terminated," Grassley wrote. "As you know, Inspectors General were created by Congress as a means to combat waste, fraud, and abuse and to be independent watchdogs ensuring that federal agencies were held accountable for their actions. Inspectors General were designed to have a dual role reporting to both the President and Congress so that they would be free from undue political pressure. This independence is the hallmark of all Inspectors General and is essential so they may operate independently, without political pressure or interference from agencies attempting to keep their failings from public scrutiny."

Grassley said he was "deeply troubled" by the Walpin matter and closed by asking the president "to review the Inspector General Reform Act you cosponsored and to follow the letter of the law should you have cause to remove any Inspector General."

UPDATE 1: I've been trying to discover the real reason for Obama's move, and it's still not clear. I'm told that it could be a combination of the normal tensions that surround any inspector general's office, or the president's desire to get his own people in IG positions, or a dispute over a particular investigation. "Bottom line," one source wrote, "getting rid of a tough, Republican-appointed IG who has been aggressively going after waste and fraud gives Obama a chance to replace that IG with a more compliant team player."

I'm also told that a number of inspectors general around the government have been expressing concerns to Congress recently about threats to their independence.

UPDATE 2: More information now, from the Associated Press. The White House is going ahead with firing Walpin. The firing apparently stems from Walpin's investigation of a non-profit group, St. HOPE Academy, run by Kevin Johnson, the former NBA star who is now mayor of Sacramento, California (and a big Obama supporter). "[Walpin] found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car," the AP reports. In April, the U.S. attorney declined to file any criminal charges in the matter and criticized Walpin's investigation. But at the same time Johnson and St. HOPE agreed to repay about half of the \$850,000 it had received from AmeriCorps.

Bottom line: The AmeriCorps IG accuses prominent Obama supporter of misusing AmeriCorps grant money. Prominent Obama supporter has to pay back more than \$400,000 of that grant money. Obama fires AmeriCorps IG.

KCRA, 4:07 pm PDT June 11, 2009
<http://www.kcra.com/politics/19729290/detail.html>

Inspector General In Mayor's Probe To Lose Job

Use Of Federal Funds At Issue In St. HOPE Investigation

WASHINGTON -- Inspector general Gerald Walpin, who was involved in a probe of Sacramento Mayor Kevin Johnson's use of federal funds, will soon lose his position.

President Barack Obama indicated Thursday that he intends to remove the inspector general from the Corporation for National and Community Service, corporation spokesperson Ranit Schmelzer said in a statement.

Walpin's removal will take effect in 30 days, acting CEO for the Corporation for National and Community Service said in a letter.

The issue with Johnson first surfaced during last year's campaign for mayor after the inspector general accused Johnson and his nonprofit, St. HOPE, of misusing federal funds by having subsidized volunteers wash Johnson's car, run personal errands and campaign for school board candidates.

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:19 PM
To: Holland, Austin
Subject: FW: CBS Radio

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Sent: Friday, June 12, 2009 11:23 AM
To: 'Joshua R. Earnest' [REDACTED]
Subject: Re: CBS Radio

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To: Schmelzer, Ranit
Sent: Fri Jun 12 10:55:46 2009
Subject: RE: CBS Radio
Good morning:

Ironically, this version of the AP story is somewhat better than the version they ran last night.

[REDACTED]

Jake Tapper is blogging on this, too. He's asked for the letters and he and I will talk later this morning.

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To: Earnest, Joshua R.
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Josh,

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Also, FYI, here are some more stories.

Associated Press, June 12, 2009, 5:00 AM PDT,
<http://www.google.com/hostednews/ap/article/ALeqM5iUZkMBy1mNzbML2mfyPzPWfj0wdwD98P0F>

Obama removes AmeriCorps's IG in spat with friend

The U.S. attorney's office reached a settlement in the matter. Brown cited press accounts that said Johnson and the nonprofit would repay half of nearly \$850,000 in grants it received.

Kevin Heistand, chairman of the board of St. HOPE Academy, said in a statement it was "about time" Walpin was removed. "Mr. Walpin's allegations were meritless and clearly motivated by matters beyond an honest assessment of our program."

Ken Bach, who works in the inspector general's office at the corporation, will be acting inspector general until Obama appoints someone to the position.

Walpin, a New York attorney, was appointed by then-President George W. Bush and sworn into office in January 2007 after being confirmed by the Senate, according to a news release on AmeriCorps' Web site. Walpin graduated from College of the City of New York in 1952 and received a law degree in 1955 from Yale Law School. He was a partner with the New York City law firm Katten Muchin and Rosenman LLP for more than 40 years.

Alan Solomont, a Democrat and the board chairman of the government-run corporation, and Stephen Goldsmith, a Republican and the board's vice chair, said they strongly endorsed Obama's decision.

Associated Press, 06/11/2009 08:29:01 PM PDT

<http://www.google.com/hostednews/ap/article/ALeqM5iUZkMBy1mNzbML2mfyPzPWfj0wdwD9800>

Obama to fire inspector general of AmeriCorps

By ANN SANNER and PETE YOST

WASHINGTON (AP) — President Barack Obama plans to fire the inspector general who investigates AmeriCorps and other national service programs amid a controversy between the IG and Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star.

The IG, Gerald Walpin, was criticized by the U.S. attorney in Sacramento for the way he handled an investigation of Johnson and his nonprofit group, which received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

On Thursday, Obama said in a letter to Congress that he had lost confidence in Walpin. Neither the president nor deputy White House press secretary Josh Earnest would give details.

The president must give Congress 30 days' notice before removing Walpin, who is being suspended with pay for the 30 days.

Sen. Chuck Grassley, R-Iowa, criticized the White House's reluctance to specify why Walpin is being fired. Grassley pointed to a Senate committee report that says the requirement to notify Congress when an IG is removed is designed to ensure that inspectors general are not removed for political reasons.

The report accompanied an IG reform law passed by Congress last year. Grassley said Walpin had identified millions of dollars in AmeriCorps funds that were wasted or misspent.

"For obvious reasons, we won't get into details of a personnel decision like this, but I can tell you that the president lost confidence in Mr. Walpin's performance," Earnest said. "The president will appoint a

replacement in whom he has full confidence as the corporation carries out its important mission."

Walpin serves at the pleasure of the president, the corporation said.

Messages left for Walpin seeking comment were not immediately returned.

The IG found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car.

In August 2008, Walpin referred the matter to the local U.S. attorney's office, which said the IG's conclusions seemed overstated and did not accurately reflect all the information gathered in the investigation.

"We also highlighted numerous questions and further investigation they needed to conduct, including the fact that they had not done an audit to establish how much AmeriCorps money was actually misspent," the U.S. attorney's office said in an April 29 letter to the federal counsel of inspectors general.

Walpin's office made repeated public comments just before the Sacramento mayoral election, prompting the U.S. attorney's office to inform the media that it did not intend to file any criminal charges.

The U.S. attorney's office reached a settlement in the matter. Brown cited press accounts that said Johnson and the nonprofit would repay half of nearly \$850,000 in grants it received.

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On Wednesday night, Alan Solomont, a Democrat and the board chairman of the government-run corporation, and Stephen Goldsmith, a Republican and the board's vice chair, said they backed the president's decision.

In a written statement, Solomont and Goldsmith said: "We strongly endorse the president's decision with respect to Inspector General Gerald Walpin. We look forward to working with a new inspector general."

Sacramento Bee, Friday, Jun. 12, 2009 - 12:00 am | Page 1B
<http://www.sacbee.com/ourregion/story/1940228.html>

St. HOPE exec departs with \$98,916 severance

By Melody Gutierrez, mgutierrez@sacbee.com

St. HOPE Public Schools' board of directors announced Thursday that embattled executive director Rick Maya will leave the nonprofit and receive a severance package of \$98,916.

The move ends months of speculation. Maya resigned from the board of directors April 3 and was later put on paid administrative leave as executive director of the nonprofit that operates Sacramento Charter High School and PS7 Elementary School.

A former Bank of America executive, Maya was highly acclaimed by St. HOPE when he was hired in December 2007 to replace Kevin Johnson, who stepped down as director last year to focus on his winning mayoral bid.

Maya will receive four months of severance pay totaling \$56,916. He also will receive \$42,000 to work as a consultant to the charter over the next six months. St. HOPE officials said the four-month settlement constitutes one-third of Maya's annual salary.

St. HOPE board members called the split mutual and amicable. However, the eight-page letter Maya wrote in April when he resigned from the board of directors suggests otherwise.

Maya outlined a list of legal and ethical concerns about the operation of the charter schools. Among the claims was that a board member had deleted Johnson's e-mails during a federal investigation into the misuse of public funds at St. HOPE Academy.

Maya wrote that board members loyal to Johnson had ignored the "highly inappropriate and potentially unlawful incursion into our e-mail system."

Johnson's mayoral spokesman, Steve Maviglio, said the incident involved an information technology person from St. HOPE working to organize Johnson's e-mail to separate his mayoral campaign and St. HOPE communications. E-mails deleted from one account were fully backed up by another, Maviglio said.

However, Maya's claims – which The Bee reported in May – prompted Gerald Walpin, the inspector general of the Corporation for National and Community Service, to call for the U.S. attorney's office to take action.

Walpin's office had conducted the investigation of St. HOPE Academy's use of AmeriCorps funds and alleged that Johnson and officials with St. HOPE Academy improperly used some of the \$847,673 in federal money received between 2004 and 2007.

The U.S. attorney's office later negotiated a settlement that called for Johnson, St. HOPE and its former executive director, Dana Gonzalez, to repay more than \$400,000 in grants.

Walpin opposed the settlement and recently asked Congress to review the case.

Following the initial investigation, U.S. Attorney Larry Brown asked a branch of the FBI that polices the integrity of federal inspectors general to review Walpin's performance. Brown had questioned Walpin's decision to make his investigation public without consulting the U.S. attorney's office.

On Thursday, President Barack Obama's office announced that Walpin will be removed from office. The removal is effective in 30 days.

William O. Hillburg, a spokesman for the inspector general's office, would not comment on Walpin's removal or whether his handling of the St. HOPE investigation played a part.

While not discussing the details behind the decision, deputy White House press secretary Josh Earnest said "the president lost confidence in Mr. Walpin's performance."

Kenneth Bach, an assistant inspector general, was named acting inspector general.

Brown has not commented on whether federal investigators are revisiting the St. HOPE case and looking into the deleted e-mails.

At the time Maya's letter was released, he said, "The deliberate destruction of evidence is a serious allegation and will be treated accordingly."

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"During his stay, Rick provided us with guidance in critical areas, and we appreciate the contributions he made to our organization," said Tracy Stigler, the board's chairman.

St. HOPE will transition from having an executive director to using a superintendent – a position that will be filled at least temporarily by Sacramento High School principal Ed Manansala.

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Obama removes AmeriCorps's IG in spat with friend

By ANN SANNER and PETE YOST – 4 hours ago

WASHINGTON (AP) — President Barack Obama says he has lost confidence in the inspector general who investigates AmeriCorps and other national service programs and has told Congress he is removing him from the position.

Obama's move follows an investigation by IG Gerald Walpin of Sacramento Mayor Kevin Johnson, who is an Obama supporter and former NBA basketball star, into the misuse of federal grants by a nonprofit education group that Johnson headed.

Walpin was criticized by the acting U.S. attorney in Sacramento for the way he handled an investigation of Johnson and St. HOPE Academy, a nonprofit group that received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

"It is vital that I have the fullest confidence in the appointees serving as Inspectors General," Obama said in a letter Thursday to House Speaker Nancy Pelosi and Vice President Joe Biden, who also serves as president of the Senate. "That is no longer the case with regard to this Inspector General."

The president didn't offer any more explanation, but White House Counsel Gregory Craig, in a letter to Sen. Charles Grassley, R-Iowa, cited the U.S. attorney's criticism of Walpin to an integrity committee for inspectors general.

"We are aware of the circumstances leading to that referral and of Mr. Walpin's conduct throughout his tenure and can assure you that the president's decision was carefully considered," Craig wrote.

Grassley had written Obama a letter pointing to a law requiring that Congress be given the reasons an IG is fired. He cited a Senate report saying the requirement is designed to ensure that inspectors general are not removed for political reasons.

Grassley said Walpin had identified millions of dollars in AmeriCorps funds that were wasted or misspent and "it appears he has been doing a good job."

Messages left for Walpin seeking comment were not immediately returned.

The IG found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car.

In August 2008, Walpin referred the matter to the local U.S. attorney's office, which said the IG's conclusions seemed overstated and did not accurately reflect all the information gathered in the investigation.

"We also highlighted numerous questions and further investigation they needed to conduct, including the fact that they had not done an audit to establish how much AmeriCorps money was actually misspent," Acting U.S. Attorney Lawrence Brown said in an April 29 letter to the federal counsel of inspectors general.

Walpin's office made repeated public comments just before the Sacramento mayoral election, prompting the U.S. attorney's office to inform the media that it did not intend to file any criminal charges.

The U.S. attorney's office reached a settlement in the matter. Brown cited press accounts that said Johnson and the nonprofit would repay half of nearly \$850,000 in grants it received.

Kevin Heistand, chairman of the board of St. HOPE Academy, said in a statement it was "about time" Walpin was removed. "Mr. Walpin's allegations were meritless and clearly motivated by matters beyond an honest assessment of our program."

Ken Bach, who works in the inspector general's office at the corporation, will be acting inspector general until Obama appoints someone to the position.

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Obama to fire inspector general of AmeriCorps

By ANN SANNER and PETE YOST

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The IG, Gerald Walpin, was criticized by the U.S. attorney in Sacramento for the way he handled an investigation of Johnson and his nonprofit group, which received hundreds of thousands of dollars in federal grants from the Corporation for National Community Service. The corporation runs the AmeriCorps program.

On Thursday, Obama said in a letter to Congress that he had lost confidence in Walpin. Neither the president nor deputy White House press secretary Josh Earnest would give details.

The president must give Congress 30 days' notice before removing Walpin, who is being suspended with pay for the 30 days.

Sen. Chuck Grassley, R-Iowa, criticized the White House's reluctance to specify why Walpin is being fired. Grassley pointed to a Senate committee report that says the requirement to notify Congress when an IG is removed is designed to ensure that inspectors general are not removed for political reasons.

The report accompanied an IG reform law passed by Congress last year. Grassley said Walpin had identified millions of dollars in AmeriCorps funds that were wasted or misspent.

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By Melody Gutierrez, mgutierrez@sacbee.com

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Walpin's office had conducted the investigation of St. HOPE Academy's use of AmeriCorps funds and alleged that Johnson and officials with St. HOPE Academy improperly used some of the \$847,673 in federal money received between 2004 and 2007.

The U.S. attorney's office later negotiated a settlement that called for Johnson, St. HOPE and its former executive director, Dana Gonzalez, to repay more than \$400,000 in grants.

Walpin opposed the settlement and recently asked Congress to review the case.

Following the initial investigation, U.S. Attorney Larry Brown asked a branch of the FBI that polices the

integrity of federal inspectors general to review Walpin's performance. Brown had questioned Walpin's decision to make his investigation public without consulting the U.S. attorney's office.

On Thursday, President Barack Obama's office announced that Walpin will be removed from office. The removal is effective in 30 days.

William O. Hillburg, a spokesman for the inspector general's office, would not comment on Walpin's removal or whether his handling of the St. HOPE investigation played a part.

While not discussing the details behind the decision, deputy White House press secretary Josh Earnest said "the president lost confidence in Mr. Walpin's performance."

Kenneth Bach, an assistant inspector general, was named acting inspector general.

Brown has not commented on whether federal investigators are revisiting the St. HOPE case and looking into the deleted e-mails.

At the time Maya's letter was released, he said, "The deliberate destruction of evidence is a serious allegation and will be treated accordingly."

Maya's departure was announced Thursday during a St. HOPE board meeting.

"During his stay, Rick provided us with guidance in critical areas, and we appreciate the contributions he made to our organization," said Tracy Stigler, the board's chairman.

St. HOPE will transition from having an executive director to using a superintendent – a position that will be filled at least temporarily by Sacramento High School principal Ed Manansala.

Sacramento City Unified School District Deputy Superintendent Tom Barentson said Maya's departure had been expected. The district authorizes the charter that allows St. HOPE to operate the high school and PS7.

"They make their own personnel decisions and thought they needed to make a change," Barentson said. "We've been working with (other staffers) who have really picked up where Rick left. I've been pleased with how we have been able to move forward."

Washington Examiner, June 11, 2009

<http://www.washingtonexaminer.com/opinion/blogs/beltway-confidential/Whats-behind-Obamas-sudden-firing-of-the-AmeriCorps-inspector-general-47877797.html>

Opinion

What's behind Obama's sudden attempt to fire the AmeriCorps inspector general?

By: Byron York
Chief Political Correspondent

06/11/09 8:14 PM EDT

Some strange and potentially suspicious events tonight concerning the Obama White House and the AmeriCorps program. I've been told that on Wednesday night the AmeriCorps inspector general, Gerald Walpin, received a call from the White House counsel's office telling him that he had one hour to either resign or be fired. The White House did not cite a reason. "The answer that was given was that it's just time to move on," one Senate source told me tonight. "The president would like to have someone else in that position."

Inspectors General are part of every federal department. They are given the responsibility of independently investigating allegations of waste, fraud, and corruption in the government, without fear of interference by political appointees or the White House. Last year Congress passed the Inspectors General Reform Act, which added new protections for IGs, including a measure requiring the president to give Congress 30 days prior notice before dismissing an IG. The president must also give Congress an explanation of why the action is needed. Then-Sen. Barack Obama was one of the co-sponsors of the Act.

Now, there is the hurried attempt to dismiss Walpin, without the required notice or cause. After last night's call, Walpin got in touch with Congress, and it appears the White House has backed off, at least for now. This afternoon, Republican Sen. Charles Grassley, who is something of a guardian angel for inspectors general, fired off a letter to the White House about the affair.

"I was troubled to learn that last night your staff reportedly issued an ultimatum to the AmeriCorps Inspector General Gerald Walpin that he had one hour to resign or be terminated," Grassley wrote. "As you know, Inspectors General were created by Congress as a means to combat waste, fraud, and abuse and to be independent watchdogs ensuring that federal agencies were held accountable for their actions. Inspectors General were designed to have a dual role reporting to both the President and Congress so that they would be free from undue political pressure. This independence is the hallmark of all Inspectors General and is essential so they may operate independently, without political pressure or interference from agencies attempting to keep their failings from public scrutiny."

Grassley said he was "deeply troubled" by the Walpin matter and closed by asking the president "to review the Inspector General Reform Act you cosponsored and to follow the letter of the law should you have cause to remove any Inspector-General."

UPDATE 1: I've been trying to discover the real reason for Obama's move, and it's still not clear. I'm told that it could be a combination of the normal tensions that surround any inspector general's office, or the president's desire to get his own people in IG positions, or a dispute over a particular investigation. "Bottom line," one source wrote, "getting rid of a tough, Republican-appointed IG who has been aggressively going after waste and fraud gives Obama a chance to replace that IG with a more compliant team player."

I'm also told that a number of inspectors general around the government have been expressing concerns to Congress recently about threats to their independence.

UPDATE 2: More information now, from the Associated Press. The White House is going ahead with firing Walpin. The firing apparently stems from Walpin's investigation of a non-profit group, St. HOPE Academy, run by Kevin Johnson, the former NBA star who is now mayor of Sacramento, California (and a big Obama supporter). "[Walpin] found that Johnson, a former all-star point guard for the Phoenix Suns, had used AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car," the AP reports. In April, the U.S. attorney declined to file any criminal charges in the matter and criticized Walpin's investigation. But at the same time Johnson and St. HOPE agreed to repay about half of the \$850,000 it had received from

AmeriCorps.

Bottom line: The AmeriCorps IG accuses prominent Obama supporter of misusing AmeriCorps grant money. Prominent Obama supporter has to pay back more than \$400,000 of that grant money. Obama fires AmeriCorps IG.

KCRA, 4:07 pm PDT June 11, 2009

<http://www.kcra.com/politics/19729290/detail.html>

Inspector General In Mayor's Probe To Lose Job

Use Of Federal Funds At Issue In St. HOPE Investigation

WASHINGTON -- Inspector general Gerald Walpin, who was involved in a probe of Sacramento Mayor Kevin Johnson's use of federal funds, will soon lose his position.

President Barack Obama indicated Thursday that he intends to remove the inspector general from the Corporation for National and Community Service, corporation spokesperson Ranit Schmelzer said in a statement.

Walpin's removal will take effect in 30 days, acting CEO for the Corporation for National and Community Service said in a letter.

The issue with Johnson first surfaced during last year's campaign for mayor after the inspector general accused Johnson and his nonprofit, St. HOPE, of misusing federal funds by having subsidized volunteers wash Johnson's car, run personal errands and campaign for school board candidates.