



**JOSEPHSON  
INSTITUTE**  
**CHARACTER COUNTS!**

**MICHAEL JOSEPHSON**  
PRESIDENT

**PRESS RELEASE**

**For immediate release: 13 February 2019**

To set up an interview with Mr. Josephson contact Amy Cornwell at 310 846-4800 or [acornwell@charactercounts.org](mailto:acornwell@charactercounts.org).

**Puerto Rico Department of Education Stiffs Ethics Institute**

In a letter (attached) sent to Secretary of Education, Julie Keleher, Michael Josephson, president and founder of the Joseph & Edna Josephson institute of Ethics, a 501c3 charitable nonprofit organization, charging Ms. Keleher and Department of Education staffer Yanin Dieppa of unethical and, possibly, illegal conduct in refusing to authorize release of specifically allocated funds for over \$8 million dollars of services rendered in connection with the !Desarrollando Carácter! program initiated by the Secretary, Mr. Josephson, an eminent former law professor recently named a **Trust Across America 2019 Trust Lifetime Achievement Award**, stated:

"In my 76 years, I have never experienced the amount of unethical conduct you have inflicted on the Institute, our vendors, more than 100 Puerto Rican employees, thousands of teachers and hundreds of thousands of students. It is unlikely that we are the only contractor to be so mistreated. I've been warned that seeking outside help may only spawn new excuses to delay payment. I am, however, deeply committed to the values we teach, and I believe seeking to hold you and the Department of Education (DOE) accountable is the right thing to do despite the risk."

Within hours of receiving this letter the Secretary broke her long silence by sending an email to Mr. Josephson indicating that she received a report from internal auditors of the department of Education on October 31, 2108 which "raised serious issues about the process used to develop and award the contract. Accordingly, PRDE has referred the report's findings to the Office of the Inspector General and the Risk Management Service for the U.S. Department of Education (USDE) for any appropriate action. Due to the irregularities identified in the internal auditor's investigation we do not believe it would be prudent to issue payments for related invoices with federal funds allocated to PRDE, until such time as USDE addresses the various concerns and authorizes disbursement."

This is precisely the sort of response predicted by the cynics.

According to Mr. Josephson: "This attempt to punish and intimidate a faithful contractor for demanding payment and protesting lying and other misconduct shows that the secretary has no shame. We were specifically informed that the internal investigation, itself a stalling technique, gave the Institute a clean bill of health by Eric Huertas, then the chief legal counsel assigned to the project. We have never seen the report nor have we seen any specification of the irregularities allegedly found by internal investigators. We have requested and are now demanding that we receive a copy of the report and be given an opportunity to respond if there are any allegations that justify a refusal to pay the more than

\$8 million of allocated federal funds for services rendered. We would also like an explanation of why the Secretary chose to inform us of this report 3.5 months after it was issued and only a few hours after she received our letter specifying misconduct of the Secretary herself and Ms. Yanin Dieppa”

The Institute will issue further responses as it studies further Secretary Keleher’s response.

Additional documentation will be made available in the near future.

**Michael Josephson** Founder, Josephson Institute of Ethics

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