

More Details Emerge in Kid Street Charter School Embezzlement Case THE PRESS DEMOCRAT by Julie Johnson

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A Santa Rosa charter school's finance manager had financial control over the school's operations and forged the signature of the school's executive director on perhaps hundreds of checks written to herself that drained nearly \$400,000 from the school's coffers, Sonoma County District Attorney's officials said Friday.

However what remained unclear is how Sheila Accornero, known as a "stellar" employee of the Kid Street Learning Center Charter School up until her Tuesday arrest, allegedly was able to conceal the drained funds from auditors, school staff and district officials.

"Did she falsify reports to auditors? That's still in the investigation stage," Deputy District Attorney Amy Ariyoshi said.

Also unclear was how the school continued its operations as funds disappeared, and how much cash remains in the school's accounts only two days before the school year begins.

Those issues continued to simmer Friday as school supporters learned of the alleged crimes and the investigation into the embezzlement case continued in Santa Rosa.

Kid Street Executive Director Linda Conklin has vowed that the school will open Monday as scheduled and will eventually recover from its losses. Accornero, 42, paid all the bills, handled all the school's donations and other receivables, maintained all financial reports and ran payroll since she was hired in 2005, Ariyoshi said. She's accused of forging Conklin's signature on checks totaling \$396,633.87 that she wrote to herself. Conklin did not respond to phone calls Friday.

Detectives said Accornero used the money to buy large amounts of prescription narcotics. Accornero would produce the checks, none totaling more than \$1,000, manually through her computer's accounting software and cash them at one of two banks, Ariyoshi said.

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“She seemed like a nice person, somebody that Linda could trust,” said former board member Peter Magrini. Magrini, 46, served on the board for nearly four years until February when he moved to Bainbridge Island near Seattle.

He had volunteered with the Kid Street after school program, a precursor to the charter school which was formed in 1999, and asked Conklin if he could join the board. He knew Accornero from board meetings and said she was well liked.

“To do that to an organization like that that promotes the well-being of an underprivileged child and at risk kids ... even to take four dollars is just terrible,” Magrini said. “I’m shocked right now.”

The loss is significant, particularly when compared to the school’s annual budget, which was about \$600,000 during the fiscal year that ended June 30, 2010, according to the school’s federal IRS filing.

A charter school, Kid Street received \$409,000 in government and state education grants and \$206,000 in other donations during the fiscal year that ended June 30, 2010, tax records show.

An annual golf tournament and other fund-raisers have been the school’s primary method of raising funds, said Magrini. Donors include local businesses Exchange Bank and G&G Market, among others, according to the companies’ websites. “It’s heartbreaking,” said Exchange Bank President Bill Schrader, whose bank has given money to the school for several years.

“Every organization is vulnerable to having a breakdown of trust and integrity within their group,” Schrader said. “You do the best you can to maintain the internal controls necessary to detect these issues.”

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"Every organization is vulnerable to having a breakdown of trust and integrity within their group," Schrader said. "You do the best you can to maintain the internal controls necessary to detect these issues." Detectives began their investigation with documents dating back to December 2008, the time frame suggested in a tip from the U.S. Department of Treasury's Financial Crimes Enforcement Network, Ariyoshi said.

However until investigators visited the school on Tuesday, the drained money had not been missed. "It wasn't noticed because there was nobody else looking," Ariyoshi said. "I think she was very trusted. Unfortunately it was a misplacement of trust."

Investigators will also look through all financial reports since Accornero was hired to do the school's books. Accornero faces two charges of felony embezzlement and three counts of forgery, one for each calendar year she forged checks, Ariyoshi said. The charges include enhancements related to the amount of money involved. Accornero is scheduled to enter a plea plea on August 22, 2011.