

The New York Times

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers here or use the "Reprints" tool that appears next to any article. Visit www.nytreprints.com for samples and additional information. Order a reprint of this article now.

PRINTER-FRIENDLY FORMAT
SPONSORED BY

(500) DAYS OF
SUMMER

April 8, 2009

A Mayor Tries to Undo a Potential Hurdle to U.S. Aid

By JESSE MCKINLEY

SACRAMENTO — Kevin Johnson has been a name around town since his days as a high school basketball standout, through his years as an N.B.A. All-Star and now as this city's first black mayor.

But just a few months into his new job at City Hall, Mr. Johnson's past leadership of a local nonprofit group has become an unexpected distraction. Some fear that problems with the group could cost the city millions of dollars in federal stimulus money.

On Tuesday, Mr. Johnson and his lawyer were trying to persuade federal authorities to reverse a sanction against the mayor by the Corporation for National and Community Service, which oversees nearly \$1 billion in federal grants to service and volunteer groups.

In September, before Mr. Johnson took office, the corporation put him on an "excluded parties list," barring him from receiving federal money. An investigation by the corporation's inspector general had uncovered a variety of violations, including improper use of money and personnel, stemming from Mr. Johnson's work as the founder and chief executive of St. HOPE, which focuses on community redevelopment and received more than \$800,000 in federal AmeriCorps grants from 2004 to 2007.

At a news conference here on Tuesday, Mr. Johnson said the investigation had not cost the city "one cent" of federal money.

He added, "I would never do anything to put this city in jeopardy."

A mayoral spokesman, Steven Maviglio, said Mr. Johnson had not had an official role with St. HOPE since stepping down last summer to concentrate on his campaign for mayor.

The investigation by the inspector general, Gerald Walpin, found that as director of St. HOPE, Mr. Johnson had used AmeriCorps members to perform personal errands, including

driving him and washing his car. Mr. Johnson also used AmeriCorps money to pad the salaries of two St. HOPE employees, according to a letter to Mr. Johnson outlining the sanctions against him.

The investigation also revealed that the St. HOPE organization had used AmeriCorps members to campaign for Sacramento school board candidates, the letter said.

“This improper conduct is indicative of either a fundamental lack of understanding of how to administer federal grant funds and policy or the inability to do so,” the letter read.

In November, the United States attorney’s office here cleared Mr. Johnson of any criminal charges, although a spokeswoman, Lauren Horwood, said a civil case was still a possibility.

But the city attorney, Eileen M. Teichert, has asked that the impact of Mr. Johnson’s suspension be reviewed for fear that it could hold up millions of dollars in potential stimulus money for Sacramento.

The city is struggling with a surge in unemployment and a high-profile homeless problem. Citing attorney-client privilege, Ms. Teichert would not comment on the review’s findings.

In a letter to the corporation last week, Mr. Johnson’s lawyer, Matthew G. Jacobs, asked that the suspension be lifted.

“The idea that somehow these regulations were supposed to apply to a private individual or bar an entire public entity or the Sacramento region on the basis of the private activities of an individual who just happened to become mayor strains credulity,” Mr. Jacobs said.

Although Mr. Johnson had admitted that he and St. HOPE had made mistakes, Mr. Jacobs said, the facts did not support some of the accusations.

“I think Kevin has admitted that St. HOPE, as far as the record-keeping went, could have done it a little better,” Mr. Jacobs said. “But that’s really all we’re talking about. It’s not unusual for a small nonprofit not to spend all their time working on documenting every single move they make.”

Mr. Johnson said Tuesday that he was cooperating with the inspector general in the continuing investigation.

In 1989, shortly after he turned pro, Mr. Johnson, now 43, founded St. HOPE in his old neighborhood, Oak Park, a blue-collar district just southeast of the Capitol. St. HOPE’s stated mission is to “revitalize inner-city communities through public education, civic leadership, economic development and the arts.”

It has been praised for its work at Mr. Johnson's long-suffering alma mater, Sacramento High School, which the group effectively took over as a charter school in 2003.

Since then, the school's college acceptance rates and test scores have improved. Mr. Johnson opened a St. HOPE charter school in Harlem last year.

Copyright 2009 The New York Times Company

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)
