

Holland, Austin

From: Earnest, Joshua R. [REDACTED]
Sent: Monday, June 15, 2009 3:51 PM
To: Schmelzer, Ranit; Tyrangiel, Elana J.; Goren, Nicola; Eisen, Norman L.; Messina, James A.; Terrell, Louisa; Trinity, Frank
Cc: Scott, Sandy
Subject: RE: Press

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From: Schmelzer, Ranit [mailto:[REDACTED]]
Sent: Monday, June 15, 2009 3:38 PM
To: Tyrangiel, Elana J.; Goren, Nicola; Eisen, Norman L.; Messina, James A.; Terrell, Louisa; Earnest, Joshua R.; Trinity, Frank
Cc: Scott, Sandy
Subject: RE: Press

Walpin is going on the Glen Beck show on Fox at 5pm tonight.
The producer says they are going to be following it all week.

From: Tyrangiel, Elana J. [mailto:[REDACTED]]
Sent: Monday, June 15, 2009 2:20 PM
To: Goren, Nicola; Eisen, Norman L.; Messina, James A.; Terrell, Louisa; Earnest, Joshua R.; Trinity, Frank; Schmelzer, Ranit
Subject: Re: Press

Are folks available at 2:30?

From: Goren, Nicola
To: Tyrangiel, Elana J.; Eisen, Norman L.; Messina, James A.; Terrell, Louisa; Earnest, Joshua R.; Trinity, Frank; Schmelzer, Ranit
Sent: Mon Jun 15 14:04:01 2009
Subject: Press

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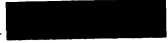
Can we discuss?

Nicky

Nicola Goren
Acting Chief Executive Officer

8/6/2009

Corporation for National and Community Service



Your World. Your Chance to Make it Better.

www.nationalservice.gov

Holland, Austin

From: Schmelzer, Ranit
Sent: Monday, June 15, 2009 4:54 PM
To: 'Earnest, Joshua R.'; Tyrangiel, Elana J.; Goren, Nicola; Eisen, Norman L.; Messina, James A.; Terrell, Louisa; Trinity, Frank
Cc: Scott, Sandy
Subject: RE: Press

Ed O'Keefe, WP, is writing for web and paper. He talked to Walpin earlier today. Josh, give me a buzz if you want more.

From: Earnest, Joshua R. [mailto: [REDACTED]]
Sent: Monday, June 15, 2009 3:51 PM
To: Schmelzer, Ranit; Tyrangiel, Elana J.; Goren, Nicola; Eisen, Norman L.; Messina, James A.; Terrell, Louisa; Trinity, Frank
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Nicky

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

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Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 9:00 AM
To: Holland, Austin
Subject: FW: Walpin - admits never pressured

From: Earnest, Joshua R. [mailto:████████████████████]
Sent: Monday, June 15, 2009 5:26 PM
To: Schmelzer, Ranit; Eisen, Norman L.; Tyrangiel, Elana J.
Subject: Walpin - admits never pressured

Mr. Walpin just had his star turn on Glenn Beck.

Nothing particularly newsworthy EXCEPT he acknowledged that he was never pressured to alter or halt his investigation into St. Hope and Mr. Johnson. I'll have our guys pull the transcript, but that's a pretty useful nugget.

Josh Earnest
Deputy White House Press Secretary
██████████(desk)

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:12 PM
To: Holland, Austin
Subject: FW: some light reading before our call...

From: Earnest, Joshua R. [mailto: [REDACTED]]
Sent: Tuesday, June 16, 2009 8:33 AM
To: Eisen, Norman L.; Tyrangiel, Elana J.; Schmelzer, Ranit
Subject: [REDACTED] before our call...

Grassley wants more details on fired AmeriCorps IG

By ANN SANNER

The Associated Press

Monday, June 15, 2009 9:10 PM

WASHINGTON -- A Senate Republican is asking for information on any role first lady Michelle Obama's office may have played in her husband's decision to fire the watchdog for the federal AmeriCorps program over his investigation of Sacramento Mayor Kevin Johnson.

Sen. Chuck Grassley of Iowa requested that Alan Solomont, chairman of the government-run Corporation for National and Community Service, which runs the AmeriCorps program, provide "any and all records, e-mail, memoranda, documents, communications or other information" related to contacts with officials in the first lady's office.

White House spokesman Josh Earnest said Monday that Mrs. Obama played no role in the president's decision to remove Gerald Walpin, the national service agency's inspector general. Earnest said administration lawyers were reviewing Grassley's request but have not decided how to respond.

Michelle Obama's former chief of staff, Jackie Norris, is expected to join the national service corporation as a senior adviser on June 22. Norris was a senior adviser in Obama's campaign for Iowa's precinct caucuses, and she was state director for his general election campaign in Iowa.

The president on Thursday told Congress he had lost confidence in Walpin. White House counsel Gregory Craig, in a letter to Grassley, cited criticism of Walpin's investigation of Johnson, a former all-star point guard for the Phoenix Suns and a supporter of Obama's presidential campaign.

Walpin said Friday in an interview with The Associated Press that he reported facts and conclusions "in an honest and full way" while at the corporation. "I know that I and my office acted with the highest integrity as an independent inspector general should act," he said.

In September 2008, Walpin's office found misuse of federal grants by Johnson and the St. HOPE Academy, a nonprofit education program he founded. Johnson and St. HOPE ultimately agreed to repay half of \$847,000 in grants they had received from AmeriCorps between 2004 and 2007.

Walpin was criticized by the acting U.S. attorney in Sacramento for the way he handled the investigation of Johnson and the academy. Acting U.S. Attorney Lawrence Brown said in an April 29 letter to the federal counsel of inspectors general that Walpin's conclusions seemed overstated and did not accurately reflect all the information gathered in the investigation.

In his letter Friday to Solomont, Grassley also asked for information related to Walpin's performance and contacts the corporation had with the U.S. attorney's office and officials in Obama's executive office.

"In light of the removal of the inspector general, it is vital that Congress obtain a full understanding of the role that you and your colleagues at CNCS played in these matters," Grassley told Solomont.

At the White House, Earnest called any suggestion that Mrs. Obama had interfered "false and uninformed." "Mrs. Obama is an energetic advocate for the mission of the Corporation for National and Community Service but is not involved in the day-to-day management of the agency," he said.

Walpin was appointed by President George W. Bush and sworn into office in January 2007.

Both Solomont, a Democrat, and Stephen Goldsmith, a Republican and the board's vice chair, have said they backed the president's decision to fire Walpin.

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The White House Fires a Watchdog

The curious case of the inspector general and a Presidential ally.

President Obama swept to office on the promise of a new kind of politics, but then how do you explain last week's dismissal of federal Inspector General Gerald Walpin for the crime of trying to protect taxpayer dollars?

This is a case that smells of political favoritism and Chicago rules.

A George W. Bush appointee, Mr. Walpin has since 2007 been the inspector general for the Corporation for National and Community Service, the federal agency that oversees such subsidized volunteer programs as AmeriCorps. In April 2008 the Corporation asked Mr. Walpin to investigate reports of irregularities at St. HOPE, a California nonprofit run by former NBA star and Obama supporter Kevin Johnson. St. HOPE had received an \$850,000 AmeriCorps grant, which was supposed to go for three purposes: tutoring for Sacramento-area students; the redevelopment of several buildings; and theater and art programs.

Gerald Walpin, Inspector General of the Corporation For National and Community Service, was fired by President Barack Obama.

Mr. Walpin's investigators discovered that the money had been used instead to pad staff salaries, meddle politically in a school-board election, and have AmeriCorps members perform personal services for Mr. Johnson, including washing his car.

At the end of May, Mr. Walpin's office recommended that Mr. Johnson, an assistant and St. HOPE itself be "suspended" from receiving federal funds. The Corporation's official charged with suspensions agreed, and in September the suspension letters went out. Mr. Walpin's office also sent a civil and/or criminal referral to the U.S. Attorney for the Eastern District of California.

So far, so normal. But that all changed last fall, when Mr. Johnson was elected mayor of Sacramento. News of the suspension had become public, and President Obama began to discuss his federal stimulus spending. A city-hired attorney pronounced in March that Sacramento might be barred from receiving stimulus funds because of Mr. Johnson's suspension.

The news caused a public uproar. The U.S. Attorney's office, which since January has been headed by Lawrence Brown -- a career prosecutor who took over when the Bush-appointed Attorney left -- had already decided not to pursue criminal charges. Media and political pressure then mounted for the office to settle the issue and lift Mr. Johnson's suspension. Mr. Walpin agreed Mr. Johnson should pay back money but objected to lifting the suspension. He noted that Mr. Johnson has never officially responded to the Corporation's findings and that the entire point of suspension is to keep federal funds from individuals shown to have misused them.

Mr. Brown's office responded by cutting off contact with Mr. Walpin's office and began working directly with the Corporation, the board of which is now chaired by one of Mr. Obama's top campaign fundraisers, Alan Solomont. A few days later, Mr. Brown's office produced a settlement draft that significantly watered down any financial repayment and cleared Mr. Johnson. Mr. Walpin told us that in all his time working with U.S. Attorneys on cases he'd referred, he'd never been cut out in such fashion.

Mr. Walpin brought his concerns to the Corporation's board, but some board members were angry over a separate Walpin investigation into the wrongful disbursement of \$80 million to the City University of New York. Concerned about the St. HOPE mess, Mr. Walpin wrote a 29-page report, signed by two other senior members of his office, and submitted it in April to Congress. Last Wednesday, he got a phone call from a White House lawyer telling him to resign within an hour or be fired.

We've long disliked the position of inspectors general, on grounds that they are creatures of Congress designed to torment the executive. Yet this case appears to be one in which an IG was fired because he criticized a favorite Congressional and executive project (AmeriCorps), and refused to bend to political pressure to let the Sacramento mayor have his stimulus dollars.

There's also the question of how Mr. Walpin was terminated. He says the phone call came from Norman Eisen, the Special Counsel to the President for Ethics and Government Reform, who said the President felt it was time for Mr. Walpin to "move on," and that it was "pure coincidence" he was asked to leave during the St. HOPE controversy. Yet the Administration has already had to walk back that claim.

That's because last year Congress passed the Inspectors General Reform Act, which requires the President to give Congress 30 days notice, plus a reason, before firing an inspector general. A co-sponsor of that bill was none other than Senator Obama. Having failed to pressure Mr. Walpin into resigning (which in itself might violate the law), the Administration was forced to say he'd be terminated in 30 days, and to tell Congress its reasons.

White House Counsel Gregory Craig cited a complaint that had been lodged against Mr. Walpin by Mr. Brown, the U.S. Attorney, accusing Mr. Walpin of misconduct, and of not really having the goods on Mr. Johnson. But this is curious given that Mr. Brown himself settled with St. HOPE, Mr. Johnson and his assistant, an agreement that required St. HOPE (with a financial assist from Mr. Johnson) to repay approximately half of the grant, and also required Mr. Johnson to take an online course about bookkeeping.

Iowa Republican Chuck Grassley, a co-sponsor of the IG Reform Act, is now demanding that the Corporation hand over its communications on this mess. He also wants to see any contact with the office of First Lady Michelle Obama, who has taken a particular interest in AmeriCorps, and whose former chief of staff, Jackie Norris, recently arrived at the Corporation as a "senior adviser."

If this seems like small beer, keep in mind that Mr. Obama promised to carefully watch how every stimulus dollar is spent. In this case, the evidence suggests that his White House fired a public official who refused to roll over to protect a Presidential crony.

Printed in The Wall Street Journal, page A14

Beltway bloggers abuzz over Johnson, investigator's firing

rlillis@sacbee.com

Published Tuesday, Jun. 16, 2009

Sacramento Mayor Kevin Johnson is a hot topic in the D.C. Beltway blogosphere, with some charging that his perceived ties to the president played a role in the dismissal of a federal investigator.

Gerald Walpin, who as inspector general for the Corporation for National and Community Service investigated misuse of federal aid by Johnson and his nonprofit St. HOPE, was fired last week.

In a letter to Congress, President Barack Obama said he had lost confidence in Walpin. White House press officials would not elaborate, saying it was a personnel issue.

That hasn't stopped Washington, D.C., media outlets and political blogs from jumping in, theorizing that Johnson helped pull the strings in the firing.

Under the headline "Walpin-gate," the conservative Washington Times editorial Monday said "political entanglements" were involved in Walpin's removal. Nearly every blog that tackled the subject pointed out Johnson's celebrity status as a former NBA point guard and many described him as a friend of the president's.

It's a story that has been simmering for weeks.

Walpin, a conservative attorney, blasted Johnson's settlement with federal prosecutors in April that called for the mayor, his St. HOPE organization and its former executive director, Dana Gonzalez, to repay more than \$400,000 in misused grants. Walpin recently asked Congress to review the case.

Federal prosecutors fired back at Walpin, criticizing his handling of the investigation.

Acting U.S. Attorney Lawrence G. Brown wrote a letter in April to a branch of the FBI that polices the integrity of federal inspectors general. It asked for a review of Walpin's performance in the probe.

Brown also criticized Walpin on the day the settlement was reached, saying the inspector general's decision to widely publicize his findings before the U.S. attorney's office had reviewed the case was "a decision not made in consultation with this office, I can assure you." He said Walpin "created a lot of noise that was not helpful" and criticized his decision to publicize the investigation during last year's mayoral campaign.

Reached by telephone Monday, Walpin said the settlement was "not appropriate" and was reached "behind the back" of the inspector general's office.

He would not speculate whether the mayor's perceived connections to the president played a role in his dismissal.

However, Walpin did say he thought it was "no coincidence that our report and investigation of Kevin Johnson, together with the special report to Congress which details what we thought were improprieties of the settlement, excited a great deal of opposition from the (Corporation for National and Community Service)."

Just how much clout Johnson has in D.C. is up for debate.

The mayor has referred to himself as "Baby Barack," but actually has spent little time with the president. He was one of 80 mayors to attend a luncheon at the White House. According to federal campaign documents, Johnson – whose supporters include some of the Sacramento region's staunchest Republicans – donated \$2,300 to the Obama campaign.

Deputy White House press secretary Josh Earnest said any connection Johnson might have to the president did not play a role in Walpin's dismissal.

Chris Young, the mayor's former special assistant, left City Hall last month for a job as an associate under Jeff Bleich, a special counsel to the president. Young said the mayor never asked him to help get Walpin removed and that he was not part of the decision-making process that led to Walpin's dismissal.

The mayor was on his way back to Sacramento from the U.S. Conference of Mayors in Rhode Island on Monday and could not be reached for comment. Joaquín McPeck, a mayoral spokesman, said the office would "at this point have no comment on this issue."

Adding to the speculation was a fax sent Friday from Iowa Republican Sen. Chuck Grassley to Alan D. Solomont, chairman of the Corporation for National and Community Service.

In that letter, Grassley asked for information and correspondence between first lady Michelle Obama's office, Johnson and St. HOPE Academy.

Grassley also wrote that, based on documents he reviewed, "it seems that the facts of this investigation were substantially disregarded and the blatant waste of federal taxpayer dollars were handled with a little more than a slap on the wrist."

Grassley cited the resignation letter of former St. HOPE executive director Rick Maya, which was obtained and published by The Bee through the Public Records Act. Maya outlined a list of legal and ethical concerns about the operation of St. HOPE Public Schools and St. HOPE Academy, including a claim that a St. HOPE Public Schools board member deleted Johnson's e-mails during the federal investigation into the misuse of public funds at St. HOPE Academy.

Maya was paid \$98,916 in a severance package made official Thursday.

Washington, D.C., media outlets and blogs jumped on Walpin's removal over the weekend.

The Washington Examiner, a daily free newspaper, characterized Johnson as a prominent supporter of Obama, and Hot Air, a conservative blog, said that Johnson's settlement with the federal government was "a sweetheart deal with a major Obama backer."

Power Line, a conservative political blog, wrote that Walpin's firing came down to the fact that "Obama supporter Kevin Johnson, the Mayor of Sacramento" wanted his city to get "its hands on millions of dollars in federal 'stimulus' money."

Before Johnson's settlement with the federal government, a Washington, D.C., attorney told city officials the city likely would be ineligible to receive federal aid while the mayor was on a list of individuals banned from those funds. The mayor was taken off the list as part of his settlement.

Seeking Answers on IG Firing, Sen. Grassley Asks About Possible Role of First Lady's Office

June 15, 2009 10:18 AM

In an email and fax sent late Friday, Sen. Chuck Grassley, R-Iowa, demanded that Alan D. Solomont, the chairman of the Corporation for National and Community Service, provide "any and all records, email, memoranda, documents, communications, or other information, whether in draft or final form" related to President Obama's firing of CNCS Inspector General Gerald Walpin.

Walpin had investigated Sacramento Mayor Kevin Johnson's community service organization, St. HOPE Academy, which confessed to misusing AmeriCORPS grants. In April of this year, St. HOPE Academy agreed to pay a \$423,836.50 settlement -- \$72,836.50 of which would be paid personally by Mayor Johnson.

"For reasons that I do not yet understand, the OIG was excluded from this proceeding and the settlement

lifting the suspension, was done in complete disregard of the OIG's findings, as well as the previous determination of wrong doing identified in the Notice of Suspension," Grassley wrote. "Perhaps the settlement agreement was reached without any input from the OIG, because less than half of what was misused by the Corporation grantees is being returned to the taxpayer and the OIG would not have agreed to this arrangement. In fact, an argument can be made that not even half of the misused funds is being returned, because the settlement does not require that payment in full be made. Rather the settlement places the grantees on a type of payment plan that will occur over a decade; to date less than 10% of the misused money has been recovered."

During the course of his investigation, Walpin clashed with the US Attorney's office; eventually Acting US Attorney Lawrence Brown, complaining that Walpin acted "as the investigator, advocate, judge, jury and town crier" in his investigation, wrote to the chair of the Integrity Committee for the Counsel of the Inspectors General on Integrity and Efficiency "to express my Office's concerns about the conduct" of Walpin.

Over the weekend we covered this firing [HERE](#) and [HERE](#).

In his Friday email and fax, Grassley told Solomont, who backed Walpin's termination, that he wanted to see all materials related to Walpin's performance as Inspector General, his removal, any contacts CNCS had with the United States Attorney's Office, St. HOPE Academy, Mayor Johnson, the White House, or the First Lady's office.

This appears to be related to a report in Youth Today, an independent, nationally distributed newspaper for professionals in the youth service field, which reported that "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."

The White House has not yet reacted to this letter; we will add their response when they do so.

- jpt

UPDATE: Josh Earnest, Deputy White House Press Secretary, says: "The anonymous source quoted by Youth Today suggesting that the First Lady was somehow involved in the decision to replace Mr. Walpin is false and uninformed. Mrs. Obama is an energetic advocate for the mission of the Corporation for National and Community Service, but is not involved in the day-to-day management of the agency."

Josh Earnest
Deputy White House Press Secretary



Holland, Austin

From: Schmelzer, Ranit
Sent: Tuesday, June 16, 2009 9:21 AM
To: Goren, Nicola; Trinity, Frank
Subject: Fw: some light reading before our call...

From: Earnest, Joshua R. [REDACTED]
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[REDACTED]; Schmelzer, Ranit
Sent: Tue Jun 16 08:33:29 2009
Subject: some light reading before our call...

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By ANN SANNER
The Associated Press
Monday, June 15, 2009 9:10 PM

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Sen. Chuck Grassley of Iowa requested that Alan Solomont, chairman of the government-run Corporation for National and Community Service, which runs the AmeriCorps program, provide "any and all records, e-mail, memoranda, documents, communications or other information" related to contacts with officials in the first lady's office.

White House spokesman Josh Earnest said Monday that Mrs. Obama played no role in the president's decision to remove Gerald Walpin, the national service agency's inspector general. Earnest said administration lawyers were reviewing Grassley's request but have not decided how to respond. Michelle Obama's former chief of staff, Jackie Norris, is expected to join the national service corporation as a senior adviser on June 22. Norris was a senior adviser in Obama's campaign for Iowa's precinct caucuses, and she was state director for his general election campaign in Iowa.

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"Mrs. Obama is an energetic advocate for the mission of the Corporation for National and Community Service but is not involved in the day-to-day management of the agency," he said.

Walpin was appointed by President George W. Bush and sworn into office in January 2007.

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Printed in The Wall Street Journal, page A14

Beltway bloggers abuzz over Johnson, investigator's firing

rlillis@sacbee.com

Published Tuesday, Jun. 16, 2009

Sacramento Mayor Kevin Johnson is a hot topic in the D.C. Beltway blogosphere, with some charging that his perceived ties to the president played a role in the dismissal of a federal investigator.

Gerald Walpin, who as inspector general for the Corporation for National and Community Service investigated misuse of federal aid by Johnson and his nonprofit St. HOPE, was fired last week.

In a letter to Congress, President Barack Obama said he had lost confidence in Walpin. White House press officials would not elaborate, saying it was a personnel issue.

That hasn't stopped Washington, D.C., media outlets and political blogs from jumping in, theorizing that Johnson helped pull the strings in the firing.

Under the headline "Walpin-gate," the conservative Washington Times editorial Monday said "political entanglements" were involved in Walpin's removal. Nearly every blog that tackled the subject pointed out Johnson's celebrity status as a former NBA point guard and many described him as a friend of the president's.

It's a story that has been simmering for weeks.

Walpin, a conservative attorney, blasted Johnson's settlement with federal prosecutors in April that called for the mayor, his St. HOPE organization and its former executive director, Dana Gonzalez, to repay more than \$400,000 in misused grants. Walpin recently asked Congress to review the case.

Federal prosecutors fired back at Walpin, criticizing his handling of the investigation.

Acting U.S. Attorney Lawrence G. Brown wrote a letter in April to a branch of the FBI that polices the integrity of federal inspectors general. It asked for a review of Walpin's performance in the probe.

Brown also criticized Walpin on the day the settlement was reached, saying the inspector general's decision to widely publicize his findings before the U.S. attorney's office had reviewed the case was "a decision not made in consultation with this office, I can assure you." He said Walpin "created a lot of noise that was not helpful" and criticized his decision to publicize the investigation during last year's mayoral campaign.

Reached by telephone Monday, Walpin said the settlement was "not appropriate" and was reached "behind the back" of the inspector general's office.

He would not speculate whether the mayor's perceived connections to the president played a role in his dismissal.

However, Walpin did say he thought it was "no coincidence that our report and investigation of Kevin Johnson, together with the special report to Congress which details what we thought were improprieties of the settlement, excited a great deal of opposition from the (Corporation for National and Community Service)."

Just how much clout Johnson has in D.C. is up for debate.

The mayor has referred to himself as "Baby Barack," but actually has spent little time with the president. He was one of 80 mayors to attend a luncheon at the White House. According to federal campaign documents, Johnson – whose supporters include some of the Sacramento region's staunchest Republicans – donated \$2,300 to the Obama campaign.

Deputy White House press secretary Josh Earnest said any connection Johnson might have to the president did not play a role in Walpin's dismissal.

Chris Young, the mayor's former special assistant, left City Hall last month for a job as an associate

under Jeff Bleich, a special counsel to the president. Young said the mayor never asked him to help get Walpin removed and that he was not part of the decision-making process that led to Walpin's dismissal.

The mayor was on his way back to Sacramento from the U.S. Conference of Mayors in Rhode Island on Monday and could not be reached for comment. Joaquin McPeck, a mayoral spokesman, said the office would "at this point have no comment on this issue."

Adding to the speculation was a fax sent Friday from Iowa Republican Sen. Chuck Grassley to Alan D. Solomont, chairman of the Corporation for National and Community Service.

In that letter, Grassley asked for information and correspondence between first lady Michelle Obama's office, Johnson and St. HOPE Academy.

Grassley also wrote that, based on documents he reviewed, "it seems that the facts of this investigation were substantially disregarded and the blatant waste of federal taxpayer dollars were handled with a little more than a slap on the wrist."

Grassley cited the resignation letter of former St. HOPE executive director Rick Maya, which was obtained and published by The Bee through the Public Records Act. Maya outlined a list of legal and ethical concerns about the operation of St. HOPE Public Schools and St. HOPE Academy, including a claim that a St. HOPE Public Schools board member deleted Johnson's e-mails during the federal investigation into the misuse of public funds at St. HOPE Academy.

Maya was paid \$98,916 in a severance package made official Thursday.

Washington, D.C., media outlets and blogs jumped on Walpin's removal over the weekend.

The Washington Examiner, a daily free newspaper, characterized Johnson as a prominent supporter of Obama, and Hot Air, a conservative blog, said that Johnson's settlement with the federal government was "a sweetheart deal with a major Obama backer."

Power Line, a conservative political blog, wrote that Walpin's firing came down to the fact that "Obama supporter Kevin Johnson, the Mayor of Sacramento" wanted his city to get "its hands on millions of dollars in federal 'stimulus' money."

Before Johnson's settlement with the federal government, a Washington, D.C., attorney told city officials the city likely would be ineligible to receive federal aid while the mayor was on a list of individuals banned from those funds. The mayor was taken off the list as part of his settlement.

Seeking Answers on IG Firing, Sen. Grassley Asks About Possible Role of First Lady's Office

June 15, 2009 10:18 AM

In an email and fax sent late Friday, Sen. Chuck Grassley, R-Iowa, demanded that Alan D. Solomont, the chairman of the Corporation for National and Community Service, provide "any and all records, email, memoranda, documents, communications, or other information, whether in draft or final form" related to President Obama's firing of CNCS Inspector General Gerald Walpin.

Walpin had investigated Sacramento Mayor Kevin Johnson's community service organization, St. HOPE Academy, which confessed to misusing AmeriCORPS grants. In April of this year, St. HOPE Academy agreed to pay a \$423,836.50 settlement -- \$72,836.50 of which would be paid personally by Mayor Johnson.

"For reasons that I do not yet understand, the OIG was excluded from this proceeding and the settlement lifting the suspension, was done in complete disregard of the OIG's findings, as well as the previous determination of wrong doing identified in the Notice of Suspension," Grassley wrote. "Perhaps the settlement agreement was reached without any input from the OIG, because less than half of what was misused by the Corporation grantees is being returned to the taxpayer and the OIG would not have agreed to this arrangement. In fact, an argument can be made that not even half of the misused funds is being returned, because the settlement does not require that payment in full be made. Rather the settlement places the grantees on a type of payment plan that will occur over a decade; to date less than 10% of the misused money has been recovered."

During the course of his investigation, Walpin clashed with the US Attorney's office; eventually Acting US Attorney Lawrence Brown, complaining that Walpin acted "as the investigator, advocate, judge, jury and town crier" in his investigation, wrote to the chair of the Integrity Committee for the Counsel of the Inspectors General on Integrity and Efficiency "to express my Office's concerns about the conduct" of Walpin.

Over the weekend we covered this firing [HERE](#) and [HERE](#).

In his Friday email and fax, Grassley told Solomont, who backed Walpin's termination, that he wanted to see all materials related to Walpin's performance as Inspector General, his removal, any contacts CNCS had with the United States Attorney's Office, St. HOPE Academy, Mayor Johnson, the White House, or the First Lady's office.

This appears to be related to a report in Youth Today, an independent, nationally distributed newspaper for professionals in the youth service field, which reported that "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."

The White House has not yet reacted to this letter; we will add their response when they do so.

- jpt

UPDATE: Josh Earnest, Deputy White House Press Secretary, says: "The anonymous source quoted by Youth Today suggesting that the First Lady was somehow involved in the decision to replace Mr. Walpin is false and uninformed. Mrs. Obama is an energetic advocate for the mission of the Corporation for National and Community Service, but is not involved in the day-to-day management of the agency."

Josh Earnest
Deputy White House Press Secretary

8/6/2009

Flowe, Meredith

From: Schmelzer, Ranit
Sent: Thursday, July 09, 2009 6:13 PM
To: Holland, Austin
Subject: FW: WPost web story on Walpin

From: Earnest, Joshua R. [mailto: [REDACTED]]
Sent: Tuesday, June 16, 2009 12:13 PM
To: Schmelzer, Ranit; Eisen, Norman L.; Tyrangiel, Elana J.
Subject: WPost web story on Walpin

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All in all, it's not a helpful story – but it's a lot better than others that have been written. I still think we should try and get this letter to the Hill out today, though.

http://voices.washingtonpost.com/federal-eye/2009/06/the_former_inspector_general_f.html

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Walpin, a registered Republican, was appointed to the post in 2007 by President **George W. Bush** after spending more than 30 years as a federal prosecutor and private attorney in New York City. The Corporation's board chairman **Alan Solomont**, a Democrat, and vice chairman **Stephen Goldsmith**, a Republican, strongly endorsed Obama's decision.

"In light of the removal of the Inspector General, it is vital that Congress obtain a full understanding of the role that you and your colleagues at CNCS played in these matters," Grassley wrote in his letter to Solomont, requesting he provide the information by Friday.

The Iowa Republican wants to determine if Corporation officials said anything to White House staffers about Walpin's tenure in an attempt to get him fired, according to a spokeswoman for the senator. Grassley's interest in Mrs. Obama's potential involvement comes as recent reports suggest she is involved in key decisions at the Corporation. The first lady's former chief of staff Jackie Norris was given a position as a senior adviser to the Corporation, which she is scheduled to begin next week.

1-2-09

The White House would not comment yesterday on the specifics of Walpin's departure, but did refute the reports regarding the first lady.

"Mrs. Obama is an energetic advocate for the mission of the Corporation for National and Community Service, but is not involved in the day-to-day management of the agency," White House spokesman **Josh Earnest** said.

"The President will appoint a replacement in whom he has full confidence as the Corporation carries out its important mission," he later said.

In an interview Monday, Walpin defended his office's work and said he fears his dismissal will impact other inspectors general.

"This is an attack upon the independence of inspectors general generally," he said. "The . . . effect of this, if this is allowed to stand, is going to be immense in chilling the responsibility and actions of inspectors general to do their independent investigations," he said.

The controversy surrounding Walpin's dismissal stems from a 2008 investigation into the potential misuse of federal grants provided by AmeriCorps to the St. HOPE Academy of Sacramento, Calif. The group was founded in 1989 by former NBA star **Kevin Johnson**, who is now mayor of Sacramento and also is an Obama supporter.

Walpin's investigation concluded Johnson and a colleague had misused grant funding totaling approximately \$850,000 on six occasions. He referred the findings to the U.S. Attorney's Office in Sacramento and government lawyers later decided not to press criminal charges. In a settlement reached earlier this year, Johnson and St. HOPE officials agreed to repay half of the grants it received from AmeriCorps.

The settlement angered Walpin, who complained that his office was not consulted after referring the case to the U.S. attorney's office. Following the settlement, acting U.S. attorney **Lawrence G. Brown** raised concerns about Walpin's conduct during the Johnson investigation with the Council of the Inspectors General on Integrity and Efficiency, an independent entity charged with investigating complaints against government watchdogs.

Brown alleged in a letter to the council that Walpin selectively withheld key information from the U.S. Attorney's Office and claimed that the IG's comments to the news media hampered his office's investigation.

In a lengthy response, Walpin refuted Brown's charges and urged the council to dismiss them, arguing they had no merit. The panel is expected to decide later this week if he committed any wrongdoing.

"I was basically fired because I was doing my job," Walpin said Monday, claiming President Obama dismissed him without specific cause.

Walpin learned of the president's decision last Wednesday evening in a telephone call from the White House counsel's office. He assumed the call was related to recent conversations with White House staffers about publicly supporting Judge Sonia Sotomayor's nomination to the Supreme Court, he said.

In 1998, Walpin issued a brief to the Senate Judiciary Committee in support of her nomination to the Court of Appeals for the Second Circuit and White House staffers had asked him in recent weeks about

issuing a similar statement again, he said. Walpin said he still supports Sotomayor's nomination and said he still plans to issue a statement of support. The White House was checking Walpin's claims and could not immediately provide a comment.

In his letter to Obama, Grassley suggested the president violated provisions of the Inspector General Act of 2008 that require the president to inform Congressional leaders in writing of any plans to dismiss an IG at least 30 days before doing so.

"I was troubled to learn that...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 in regards to the Wednesday evening phone call. White House officials insist the phone was meant as a courtesy to inform Walpin of the president's final decision. Walpin is on suspension with pay until his termination takes effect in mid-July.

Josh Earnest
Deputy White House Press Secretary
[REDACTED] (desk)

Holland, Austin

From: Schmelzer, Ranit
Sent: Tuesday, June 16, 2009 12:14 PM
To: Goren, Nicola; Trinity, Frank
Subject: Fw: WPost web story on Walpin

From: Earnest, Joshua R. [REDACTED]
To: Schmelzer, Ranit; Eisen, Norman L. [REDACTED]; Tyrangiel, Elana J.
Sent: Tue Jun 16 12:12:56 2009
Subject: WPost web story on Walpin

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8/6/2009

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Subject: FW: WPost web story on Walpin

From: Earnest, Joshua R. [mailto: [REDACTED]]
Sent: Tuesday, June 16, 2009 12:39 PM
To: Schmelzer, Ranit; Eisen, Norman L.; Tyrangiel, Elana J.
Subject: RE: WPost web story on Walpin

O'Keefe has updated his story with my suggestion – as well as with an excerpt from the Issa letter.

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Sent: Tuesday, June 16, 2009 12:13 PM
To: 'Schmelzer, Ranit'; Eisen, Norman L.; Tyrangiel, Elana J.
Subject: WPost web story on Walpin

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Josh Earnest
Deputy White House Press Secretary



Holland, Austin

From: Tyrangiel, Elana J. [REDACTED]
Sent: Tuesday, June 16, 2009 4:53 PM
To: Earnest, Joshua R.; Eisen, Norman L.; Terrell, Louisa; Wilson, Denise R.; Trinity, Frank; Schmelzer, Ranit; Goren, Nicola
Subject: Re:

Are folks going to hop on the 4:45 call? Norm and I are the only ones on . . .

From: Tyrangiel, Elana J.
To: Earnest, Joshua R.; Eisen, Norman L.; Terrell, Louisa; Wilson, Denise R.; 'Trinity, Frank' ; Schmelzer, Ranit ; Goren, Nicola
Sent: Tue Jun 16 14:47:48 2009
Subject:

Attached is a copy of the Issa letter, and below is a copy of a letter from Towns, who asserts that Issa got the law wrong (" . . . I do not agree with the Ranking Member that the President's actions in this case are inconsistent with the law that was enacted last year"). Towns also requests a briefing.

As discussed, we will circle up again at 4:45, same number.

The Honorable Gregory Craig
Counsel to the President
The White House
Washington, D.C. 20500

Dear Mr. Craig:

I am writing regarding the President's removal of Gerald Walpin from the office of Inspector General of the Corporation for National and Community Service. I have reviewed the letter from the President to the Speaker of the House notifying Congress of the removal on June 11, 2009, along with the letter from the Ranking Member of the Committee to you dated June 15, 2009 expressing concerns about the removal.

Ensuring the independence and accountability of Inspectors General is a priority for this Committee and the Congress. Last year, I worked extensively on the Inspector General Reform Act of 2008, which clarified the procedures through which the President may remove an Inspector General. Section 3 of that measure was the result of extensive negotiation. It required that the President provide 30 days notice to Congress before removing an Inspector General from office. However, the bill also expressly permitted the President to suspend an Inspector General from duty during that 30 day period. Therefore, I do not agree with the Ranking Member that the President's actions in this case are inconsistent with the law that was enacted last year.

Nonetheless, I believe a more thorough explanation for this Inspector General's removal is necessary for Congress to exercise its oversight responsibilities over Inspectors General, who by statute report to both the President and the Congress. Regrettably, the lack of information has prompted uninformed speculation in the media and by Members of Congress. Your office has offered to brief the Committee, and I believe such a briefing would be productive. Although I understand your office's desire to avoid an unnecessary invasion of the

8/6/2009

Inspector General's privacy regarding a personnel matter, an important stated goal of last year's reform legislation is that Inspectors General must be held accountable for their actions in office. Therefore, I believe disclosure of the investigations of Mr. Walpin's conduct that prompted his removal is necessary in the interests of transparency and accountability. Accordingly, I request that your office arrange a briefing for the Committee on these investigations.

Sincerely,

Edolphus Towns
Chairman

Cc: Rep. Darrell Issa
Ranking Minority Member

Holland, Austin

From: Trinity, Frank
To: Tuesday, June 16, 2009 9:33 PM
Subject: 'Soloway [REDACTED]
Status

WH is preparing its own communication with more specific information, including May 20 IG presentation that prompted Board request for WH review.

Holland, Austin

From: Trinity, Frank
Sent: Tuesday, June 16, 2009 9:53 PM
To: Soloway [REDACTED]
Subject: Re: Status

You are doing a great job on rudder check/validation; Norm was very appreciative as I conveyed your feedback.
Talk to you tomorrow.

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

From: Stan Soloway [REDACTED]
To: Trinity, Frank
Sent: Tue Jun 16 21:50:35 2009
Subject: RE: Status

Thanks...If you/they want, I can circle back w/my folks tomorrow or thurs and make sure all are satisfied...other than that, I will sit tight...

Stan Z. Soloway
President & CEO
Professional Services Council
4401 Wilson Blvd. Suite 1110 Arlington, VA 22203
P: [REDACTED] F: [REDACTED]
www.pscouncil.org

The Unified Voice of the Government Services Industry

Mark your calendars now for the PSC Annual Conference; Oct.4-6, 2009 Nemaquin
odlands, Farmington, PA

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

From: Trinity, Frank [mailto:[REDACTED]]
Sent: Tuesday, June 16, 2009 9:33 PM
To: Stan Soloway
Subject: Status

WH is preparing its own communication with more specific information, including May 20 IG presentation that prompted Board request for WH review.

Flowe, Meredith

From: Glickman, Rhoda
sent: Wednesday, June 17, 2009 7:07 AM
to: 'terrell [REDACTED]

Emma Vadehra with Kennedy called yesterday to discuss IG issue -- I set up a meeting for 10am today with her (frank and me) and just realized I should have looped you in. Do you want to attend? Any concerns doing it?
R

Holland, Austin

From: Trinity, Frank
Sent: Wednesday, June 17, 2009 8:47 PM
To: 'terrell [REDACTED]
Cc: Glickman, Rhoda
Subject: Seven-day letter supplemental response
Attachments: Vice President Letter with Attachments.pdf

Louisa,

As discussed, attached is our supplemental response to the IG's "seven-day" letter to St. HOPE Academy. This PDF is addressed to Vice-President Biden -- we are correcting to read to Majority Leader Reid, but I didn't want to delay your seeing the list of recipients so you can give us email and contact information.

A question: When does the window close on this for the evening? (We have folks coming back to the office to compress the PDF files and transmit by email.) If we can't make that window, we would have to delay transmittal of the seven-day supplemental until tomorrow.

8/6/2009

6/17/09

Holland, Austin

From: Trinity, Frank
Sent: Wednesday, June 17, 2009 9:03 PM
To: Trinity, Frank; 'Denise_R._Wilson' [REDACTED]
Cc: Glickman, Rhoda
Subject: RE: Contact information for CNCS transmittal of response to 7 day letter from IG
Attachments: Speaker Letter with Attachments.pdf

Frank R. Trinity
General Counsel
Corporation for National and Community Service
[REDACTED] (direct)

From: Trinity, Frank
Sent: Wednesday, June 17, 2009 8:53 PM
To: 'Denise_R._Wilson' [REDACTED]
Cc: Glickman, Rhoda
Subject: Contact information for CNCS transmittal of response to 7 day letter from IG

Denise,

Louisa suggested I contact you. We are preparing to deliver a response to an IG report on St. HOPE Academy that has received a fair amount of attention. I am attaching a PDF of the response.

We would greatly appreciate your providing us with email addresses and names for the best point of contact for us to send an email with the report (Louisa though chief of staff) with a note apologizing for sending cold and promising hand-delivery tomorrow. The list of committees follows the response.

Would that be possible this evening?

Frank R. Trinity
General Counsel
Corporation for National and Community Service
[REDACTED] (direct)

Holland, Austin

From: Terrell, Louisa [REDACTED]
Sent: Wednesday, June 17, 2009 9:15 PM
To: Trinity, Frank
Subject: Re: CNCS Board Letter to Senator Grassley re IG

Ok, good to go to send out. Are you set?

From: Trinity, Frank
To: Terrell, Louisa
Cc: Glickman, Rhoda
Sent: Wed Jun 17 20:42:08 2009
Subject: CNCS Board Letter to Senator Grassley re IG

Louisa,

Attached is a PDF of our Board's letter to Senator Grassley. As discussed, can you send us email and contact information for us to send electronically this evening with hard copies hand-delivered by us tomorrow morning?

I am sending a separate email regarding "seven day letter".

Thanks for your help on this.

Frank

Holland, Austin

From: Trinity, Frank
Sent: Wednesday, June 17, 2009 9:32 PM
To: 'Terrell, Louisa'
Subject: RE: CNCS Board Letter to Senator Grassley re IG

I just want to verify that if our letter says we are sending copies to Chair and ranking members of HELP and Homeland Security/Governmental Affairs that the list below covers it (I can send to Kennedy and Enzi with whom I have staff contacts). Sorry I'm a bit out of my element here this evening.

From: Terrell, Louisa [mailto:████████████████████]
Sent: Wednesday, June 17, 2009 9:02 PM
To: Trinity, Frank; Tyrangiel, Elana J.
Subject: Re: CNCS Board Letter to Senator Grassley re IG

Hi frank.
I just spoke to Elana and we are square to get the Grassley ltr tonight and then do the seven-day tomorrow. Elana will give the final green light. But in the meantime here are the addresses:

Jason_Foster@finance-rep.senate.gov
Stephen_hedger@mccaskill.senate.gov
Brandon_millhorn@hsgac.senate.gov
Michael_alexander@hsgac.senate.gov

From: Trinity, Frank
To: Terrell, Louisa
Cc: Glickman, Rhoda
Sent: Wed Jun 17 20:42:08 2009
Subject: CNCS Board Letter to Senator Grassley re IG
Louisa,

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Thanks for your help on this.

Frank

Holland, Austin

From: Trinity, Frank
Sent: Wednesday, June 17, 2009 9:40 PM
To: 'Tyrangiel, Elana J.'; 'terrell [REDACTED] Eisen, Norman L.
Subject: FW: CNCS Board letter to Senator Grassley dated June 17, 2009 regarding Inspector General
Attachments: CNCS Board letter to Sen. Grassley June 17 2009.pdf

Frank R. Trinity
General Counsel
Corporation for National and Community Service
[REDACTED] (direct)

From: Trinity, Frank
Sent: Wednesday, June 17, 2009 9:39 PM
To: 'Jason_Foster@finance-rep.senate.gov'
Subject: CNCS Board letter to Senator Grassley dated June 17, 2009 regarding Inspector General

Mr. Foster,

Our Board's Chair and Vice-Chair have asked me to convey to Senator Grassley the attached letter on behalf of seven Members of the Board of Directors regarding the Corporation's Inspector General.

We will hand-deliver the letter to your office tomorrow.

Please acknowledge receipt of this communication.

Thank you for your attention to this matter.

Frank R. Trinity
General Counsel
Corporation for National and Community Service
[REDACTED] (direct)

Holland, Austin

From: Trinity, Frank

Sent: Wednesday, June 17, 2009 10:09 PM

To: 'Tyrangiel, Elana J.'; 'Iterrell [REDACTED]'; 'Denise_R._Wilson [REDACTED]'

Cc: Goren, Nicola; Schmelzer, Ranit; Glickman, Rhoda

Subject: update on CNCS transmittals to Congress

1. Board letter to Grassley. We sent by email to Grassley, with copies to McCaskill, Collins, Lieberman, Enzi, and Kennedy. We will hand-deliver tomorrow. Jason Foster acknowledged receipt of the electronic copy.
2. Supplemental response to IG's 7-day letter on St. HOPE Academy. We will transmit our supplemental response to the IG's 7-Day letter tomorrow, both electronically and by hand-delivery.

Frank R. Trinity
General Counsel
Corporation for National and Community Service
[REDACTED] (direct)

Holland, Austin

m: Weideman, Christian [REDACTED]
t: Monday, June 22, 2009 6:33 PM
: Trinity, Frank
Subject: RE: Sen. Enzi staff call to CNCS re IG

Thanks, Frank. We'll be in touch tomorrow.

Best,
Chris

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

From: Trinity, Frank [mailto:[REDACTED]]
Sent: Monday, June 22, 2009 4:07 PM
To: Weideman, Christian
Subject: Sen. Enzi staff call to CNCS re IG

Chris,

Following up our telephone call just now, Amy Shank and 3 other Enzi staff colleagues (Buehlman, Vermeesch, Geale) called to follow up on the letter sent to WH Counsel and our Acting CEO on June 18 regarding the removal of our IG.

Amy asked about our timeline for responding to their letter and said that they had been directed to CNCS, in a meeting with Norm on Friday, for background on conduct issues other than those specifically referenced in Norm's June 16 letter to Senator Grassley.

Amy also asked for contact information for our Board of Directors. I explained that most of them were in California for our annual conference but that I would follow up.

I did not give them a timeline, and left it that I would get back in touch.

Frank R. Trinity
General Counsel
Corporation for National and Community Service
[REDACTED] (direct)

Flowe, Meredith

From: Trinity, Frank
Sent: Tuesday, July 07, 2009 1:23 PM
To: 'Wilson, Denise R.'
Subject: FW: Connecting

Denise,

Mike McCarthy returned my message to Ron Stroman. He wasn't sure about setting up a call with Board members today. I told him that Issa/Grassley had already interviewed 3 Board members (Goldsmith, Tanenblatt, Soloway) and that we thought it was important for Mr. Towns to hear from the Board's leadership. He said he would check and get back to me.

Alan Solomont (D) (Board Chair) and Eric Tanenblatt (R) (Head of Management Committee) can do 5:30 conference call today. We may be able to get Steve Goldsmith via international call at that time.

We're concerned that Chairman Towns isn't getting the benefit of hearing from the bi-partisan Board's leadership.

Frank R. Trinity
General Counsel
Corporation for National and Community Service
██████████(direct)

From: Wilson, Denise R. [mailto:██████████]
Sent: Tuesday, July 07, 2009 11:38 AM
To: Stroman, Ron
Cc: Trinity, Frank
Subject: Connecting

Ron, Frank is looking to loop in with you regarding connecting with the Board. He will be calling you very shortly.

Denise Wilson
Special Assistant to the President
Office of Legislative Affairs
The White House

7/17/2009