

SEEWORTH ACADEMY
SPECIAL AUDIT
Interview with Judge Barbara Swinton, Board Member

On February 25, 2021, Brenda Holt spoke with Judge Barbara Swinton, Seeworth board member, on a telephone interview.

The purpose of the call was to schedule an in-person interview of Swinton to discuss her term on the Seeworth board and all related Seeworth issues.

Swinton initially seemed agreeable to scheduling an in-person interview, but then hesitated stating “the U.S. Attorney’s office was probing the practices of Janet Grigg” and because of that she would probably need to contact “our attorney” to see if she should speak with anyone on the subject.

Holt inquired as to what U.S. Attorney was working the case and if this was the Western District of Oklahoma, she said “yes”. Swinton did not provide any U.S. Attorney name but stated that Sean Querry was the investigator.

Swinton said she would check in on the situation and call me back next week to schedule an interview.

NOTE: After speaking with Swinton it was determined that Sean Querry was an Oklahoma City Police Department Detective and not with the U.S. Attorney’s office. We will follow-up as to whether there is an investigation occurring involving Janet Grigg with the U.S. Attorney’s office or the OSBI before an interview with Swinton is conducted.

Commented [BH1]: See the Sean Querry interview conducted by R. Stachowitz at LF 2.013

On March 16, 2021, Brenda Holt, Director Forensic Audit Division and Rainer Stachowitz, Senior Investigative Audit Supervisor, conducted an interview with Judge Swinton at 630 NE 63rd St., Oklahoma City, the office of her attorney Joe White. White was also present during the interview.

The main purpose of this interview was to ascertain the level of oversight provided by the board and to determine when, in the opinion of the board, they became aware of major issues.

Prior to the interview, White asked us to provide some information without his client being present. White asked what phase of the audit we were currently in (almost completed fieldwork). White asked about the individuals we had interviewed (Kuykendall, Guthrie’s, Grigg). He described himself more as a facilitator of these interviews than an attorney, but he agreed that Swinton would say that he was their attorney. When asked why he had asked about Kuykendall and the Guthrie’s White stated that “if” Grigg took money, how could this occur without being picked up by the bookkeeper, the CPA, the Guthrie’s, or during the annual audits (Kuykendall). He anticipates that the board will state that they relied on those individuals. The board specifically asked the Guthrie’s and Kuykendall after the accusations were made against Grigg and they were told that there was nothing to be concerned about. We concluded the “pre-interview” with a discussion of the Yukon, which was driven by Grigg and repossessed by OKCPS.

Commented [BH2]: See related support of this process at F 100.03

Brenda began the interview by providing background information on how this audit occurred and the current status of the audit. Brenda also stated that we would ask for certain items and that we could provide a subpoena if desired.

SEEWORTH ACADEMY
SPECIAL AUDIT

Interview with Judge Barbara Swinton, Board Member

Swinton stated that the board was very shocked when they received the letter from the state department (SDE). Rainer provided a background of what work had been conducted and began with specific questions.

Swinton came on the board around 2002 through her relationship with Wilson (Lee Anne). She has served as President, Vice-President, and Treasurer. There were no standing board committees. Swinton stated that the board felt that the oversight provided by SDE was sufficient, that an annual audit was being conducted, and that they saw financials at every board meeting. Swinton mentioned that there were some issues with the financials with the Guthrie's (getting them to sign them (approve them). The board was not happy with the services provided by the Guthrie's and explored hiring someone else. Swinton stated that it was difficult to find someone that was state approved and had the required software and that because of that there were no other options than to retain the Guthrie's, so they were retained. Rainer commented that this couldn't be the case because otherwise the Guthrie's would be doing the work for every school in the state. Swinton stated she went to a general accounting firm and that they were not able to help her. Swinton felt that the Guthrie's were not as knowledgeable as they should have been.

Note: The Guthrie's took over after someone using their software left because of criminal charges and they were the only ones that knew their software.

Board information was provided via e-mail (agenda, minutes, some specific items such as a policy or calendar {not sure about financials}) from Grigg. Financials were provided at the board meeting. Rainer stated that he was unable to find a single package. Swinton stated that she knew that a company had been hired to shred Seeworth records right before they removed Grigg.

Back in the early 2000's the board had a policy to return financials to Grigg after the meeting because a board member was sharing the financials in such a manner that it was hurting the school (apparently salary information). It was pointed out that this information was available to the public under open records anyway. Swinton agreed to look for financials and provide them if available. Meetings were typically attended by the board members, Grigg, and sometimes the Guthrie's. Sometimes students or teachers would come to discuss/request something.

At the beginning of the school year the board approved a list of POs for the year (encumbering funds). They saw monthly line-item reports (expenditures) showing the OCAS code and the vendor, item, and cost. A discussion of what could be provided by Guthrie's followed and Swinton commented that beginning "in 2016 going forward it looked like they were covering for her (Grigg) or she was covering for them (the Guthrie's)." She based this statement on the bank statement review she and Lee Anne (Wilson) conducted in the summer (2019) of both the General Fund and the Corporate Account.

According to Swinton the Guthrie's knew about the Corporate Account and she was told (by Guthrie's?) that their auditor audited the Corporate Account. Swinton stated that the auditor told them at a board meeting that he audited the Corporate Account, "not every year" but that he had done it.

A discussion of the Corporate Account ensued, and Swinton stated that she had documentation showing that the Grigg's seeded the account with \$50K. We requested that she provide that information. (Note: this information was never provided)

SEEWORTH ACADEMY
SPECIAL AUDIT

Interview with Judge Barbara Swinton, Board Member

A discussion of staff bonuses and director bonuses followed. When asked whether the board saw a list of individuals receiving bonuses, Swinton stated “no,” that they approved a process that bonuses were based on longevity, how many workdays the employee missed, and employee performance. So the board approved a policy and Grigg would inform them that she was paying bonuses. Swinton said that bonuses were typically provided around Christmas and during the spring. **When Rainer stated that staff bonuses were for the staff and not for Grigg, Swinton stated “correct.”**

Swinton added that Grigg’s bonuses were voted on separately. Swinton believed that the most Grigg might have ever received in a single year was \$20K. Staff bonuses were discussed in Grigg’s presence and Grigg’s bonuses were discussed in executive session (without Grigg’s presence). Swinton mentioned that one-year Grigg requested a vehicle instead of a bonus (the Yukon). Rainer provided a recap of the Yukon situation.

A conversation of the purpose of the Corporate Account followed. The account was referred to by different names over the years, but the purpose of the account was **for donations** that they did not want to place in the General Fund because of the spending limitations. This account was to be used for special situations such as when a student had an emergency such as paying for the funeral of a family member or for paying for thanksgiving dinner. It was to pay for school related items that could not be paid for using the General Fund.

Rainer discussed the inflow of funds into the Corporate Account (\$57K from Leon Grigg). The board never saw bank statements, invoices, PO’s... for the Corporate Account (the Guthrie’s claimed that they had nothing to do with that account.) Swinton wondered how they could be an accountant for a school and not look at one of the accounts. Out of the \$205K deposited into the account between 2012-2019, \$94K came from the General Fund. Swinton agreed that if payments were legitimate General Fund expenditures, then they should have been paid directly out of the General Fund. Swinton stated because they were under the impression that this account was funded by donations and that they were being informed about sizeable expenditures, they were just not concerned because she thought that essentially the Grigg’s were spending their own money.

A discussion of payments made out of the account followed. Rainer stated that a number of payments were made to employees and contractors (legitimate expenses) that should have been paid out of the General Fund. Rainer presumed (but was not 100% certain) that most if not all of the payments made out of the Corporate Account were not reported on a W-2 or 1099 because the Guthrie’s (who reported this information) did not have access to the Corporate Account information. At this point White requested a break.

Rainer asked why this account was not included in the yearly financial annual audit and Swinton replied that “our understanding was that it was included in the audit.” She based this statement on the fact that after they received the e-mail from Shari Rodgers with her concerns about the money (alleging improper behavior by Grigg) they met with their accountants and their auditor at the next board meeting. They both told the board that they had reviewed the accounts and that there was no money missing. It was her understanding that the auditor stated “yes, I audit both accounts.” That’s what the board relied on. Brenda asked whether they believed that this occurred, and Swinton replied in the affirmative. Rainer relayed the information about the anonymous letter forwarded by SA&I to Kuykendall and the subsequent actions taken by him (discussion with Grigg and

Commented [RS3]: See interview memo at [LF 2.002](#)

SEEWORTH ACADEMY
SPECIAL AUDIT

Interview with Judge Barbara Swinton, Board Member

review of a couple of bank statements). Swinton stated that the boards understanding was that they were being charged for both accounts and being told that they were both audited. According to Swinton, Kuykendall never informed the board about the alleged complaint.

A review of Corporate account expenditures followed. Expenditures ranged from food inside the Newcastle casino and ATM withdrawals in the casino to an Apple watch. Swinton stated that they brought this information to the attention of the police department and the U.S. Attorney's office. That is why Swinton was hesitant to comment on this. A brief discussion of Grigg's gambling habits, her lack of the use of a player's card and her shopping addiction ensued. Swinton stated that the board heard about the gambling issue but laughed it off because they found it so far-fetched.

After Grigg's departure they also found evidence of the QVC/HSN purchases (items in storage). Some of these items were for school usage, some items could be for personal or school usage, and some items were clearly for personal usage.

Swinton reiterated how they could not understand how this occurred with supervision by their accountants and their auditors. She also didn't understand how she could have done such a great job for so long and all of a sudden have it go south (apparently starting in 2016 in Swinton's opinion).

We discussed the June 26, 2019 board vote to audit the corporate account. Swinton stated that up until then the board thought the account was being reviewed and when they realized that this was not the case, they decided it needed to be looked at.

The board thought the Guthrie's were contractors. They subsequently discovered that one of them was being paid as an employee and receiving benefits. Swinton could not understand how that could happen. White opined that they thought they had checks and balances with the Guthrie's and Kuykendall. Swinton stated that SDE said that these were the proper people to use and therefore they thought they had legit folks doing legit reviews.

The Patten audit with numerous findings, the management letter, and the affidavit from Patten were discussed next. White commented about the fact that Patten's statement about thanking the school administrators and employees was totally contradictory to the affidavit. Rainer stated that this was boilerplate language (the report was also written before the confrontational meeting with the board that caused the affidavit to be written).

It was discussed there was no deputy superintendent, no CFO, and the encumbrance clerk was not allowed to encumber funds (done by Guthrie's). Replying to the affidavit, Swinton stated that she did not recall anything like a board member saying something like do we have to listen to this; we were very respectful and understood the importance... When Rainer asked whether she remembered the meeting she stated "no."

Swinton stated that there were several years where Grigg stated that there were items that needed to be fixed. There was one year (possibly but not necessarily as a result of the Patten audit) where, as a result of the audit, they decided that they needed an encumbrance clerk and that a bookkeeper should do the checks, Grigg should not be involved in that.

Commented [BH4]: Doesn't this conflict with what was actually reported to the police department?

Commented [RS5R4]: Best I recall they reported one expenditure at a casino, and it was supposedly for a coach clinic. See page 4 of the police report ([LF 1.506](#)) the last item talks about one suspicious item (but this was an add-on/ made on 8/14/19 (after the school ceased to exist). The rest of the report from 4/10/19 speaks generically about embezzlement.

SEEWORTH ACADEMY
SPECIAL AUDIT

Interview with Judge Barbara Swinton, Board Member

We specifically discussed the management letter and Brenda stated that Patten attested to the board seeing it and Rainer mentioned that Grigg sent an e-mail to the board in response to the items listed in the management letter. Of particular concern was a payment made to Grigg that was not reported on her W-2 and Grigg's excuse to the board (in the e-mail) did not even address this point (which was the crux of the issue).

The board was not aware of the anonymous complaint sent to SA&I and forwarded to Kuykendall in February of 2018. Kuykendall's actions as a result of the e-mail consisted of a discussion with Grigg and a review of a couple of bank statements. The discussion reverted back to the board meeting that occurred after Shari's allegations (made in March 2019) where they met with the Guthrie's and Kuykendall. Supposedly Kuykendall stated that he didn't audit it this year but audited it in the last cycle.

Brenda asked whether the fact that the complaints came from Shari and Tarrence Rodgers put the board on guard and whether there was a rift between Grigg and the Rodgers. Swinton stated that there was a rift between the Rodgers and Grigg. However, it had not been that long since they received a substantial SIG grant (2012-2013) and met the stringent record keeping requirements for that grant.

The Board thought that 75% of the money flowing through the Corporate Account came from the Grigg's and that they were spending their own money. They did not think that other donations were substantial, and they certainly were not aware that operating funds were being paid to the corporate account. They would have expected the auditor to question those General Fund payments. Rainer stated that it may be that the receipts for payments made to the Corporate Account (out of General Fund) were likely supported by adequate documentation.

After Shari Rodgers sent her letter to Swinton expressing the mishandling of funds by Grigg, Swinton replied in an e-mail that the board had looked at this and that funds were not being mishandled. The board came to the conclusion after having the board meeting where this was discussed with the Guthrie's and Kuykendall that there were no problems. Because of their historical perspective of being adequately funded, they did not think that this much money could be missing. They thought that the complaint originated because Grigg did not want to provide Shari with school financials that Shari wanted for her master's degree project. Swinton did not provide Grigg with Shari's letter.

The board had given Grigg permission to fire the Rodgers months before it occurred if the work environment became unhealthy because of the rift between them and Grigg. The board thought that Shari was doing a good job but after the SDE letter they changed their opinion. Tarrence was not released until after the last day of school because they did not want to impact the students. Swinton stated that neither release was perceived to be retaliatory by the board. This had been in the works for about a year (problems started when the board would not give Tarrence the summer off).

After Shari's complaint the board had a lot of discussions with their attorney regarding having a forensic audit performed. In the end, the discussion was made to not have the audit. Swinton stated that this was a money saving measure. Originally, they were trying to do this to save the charter. When it became clear that this was not going to occur (SDE letter) because of reporting issues they

Commented [RS6]: I am not sure this is a factual statement. As per the April invoice, discussions about a forensic audit occurred between 5 and 16 April. Eight other billing items occurred prior to the end of the month (last on 26th) without mentioning the forensic audit. The SDE letter did not occur until May so it does **not** appear that the decision to cancel the forensic audit was based on their knowledge of the school closing down.
Note: we do not have legal's May invoice.

SEEWORTH ACADEMY
SPECIAL AUDIT
Interview with Judge Barbara Swinton, Board Member

realized that spending this money would not be cost efficient and OKCPS was going to conduct an audit anyway.

They met with Hofmeister and left with a plan that OKCPS would supervise them for a year to get them back on track. OKCPS was not in agreement; they had a different plan that did not include a continuation of SWA in its present location.

Grigg's contracts were board approved. Grigg's vacations were not specifically approved by the board but it was understood that they would be taken when school was not in session (Christmas and summer). Swinton did not know how many hours per week Grigg was at school but stated that she was president of the Charter School Association for a while and that this involved a lot of meetings and legislative time. Swinton was not aware of any non-cash perks for Grigg other than the Yukon.

Grigg was loved by the students, she called her "Mama J." She had a real heart for the students. The contract called for a \$25K counseling payment. Swinton believed that this was justified by the amount of time Grigg spent with kids and parents.

Brenda inquired about the actual decision to release Grigg and Swinton stated that "it was a process." There were no discussions until after the May 3rd letter. This led to Grigg's suspension shortly thereafter. Once they found out about one of the Guthrie's being an employee, which they did not know about, and allegations about one being a ghost employee, they realized that the problem was much larger than the reporting issues identified by SDE. Grigg put people in charge of the federal reporting process that didn't know how to report and wouldn't let the people that did know how to report do it, the (board) didn't understand why. They discussed this with Grigg, but she would not explain her decisions, nor did she ever admit to taking any money. The decision to fire Grigg was related to federal reporting (they had no knowledge of any embezzlement at this time).

Grigg did provide Christmas presents to board members. Some members voiced concern and Grigg assured them that these gifts were from her (not from school funds) to them.

The next major topic discussed was the Richison \$1M offer to Seeworth that was turned down. White asked to talk to Swinton in private prior to discussing this topic. Swinton stated Richison agreed to provide \$1M subject to his auditing team coming in and auditing the SWA books and he wanted a seat on the board. She inquired how Richison responds to hearing "no" and was told "not well" because she was going to have to tell him no on some of his requests.

Swinton and Wilson met with Richison and his wife and offered to have his people (accountants) meet with the SWA accountants and auditors. She did not feel that it was appropriate, given state and federal regulations, for an outside auditing team to come in and look at SWA books. Richison was very insistent on the audit but relinquished his request for a seat on the board. Swinton and Wilson would not consent to his audit request. Brenda asked how the relationship between Tarrence and Richison affected their decision. She stated that she was not even certain that the board was aware of this relationship at this time, and she confirmed that the decision to turn down the \$1M offer had nothing to do with Rodgers, it was purely based on not wishing to comply with the audit request. Brenda asked how they came to the conclusion that it would not be wise or would possibly be illegal to have another firm conduct an audit of SWA books. Swinton stated that she

Commented [BH7]: Do we have proof that Hofmeister or SDE agreed to this?

Commented [RS8R7]: No, OKCPS stated that they did not agree to anything like this. See page 2 of e-mail from Jessica Sherrill to Matt Cyran at [LF 1.236](#). Not sure why they were under that impression.

Commented [BH9]: The email from Richison says he wanted representation on the board not necessarily a seat for him personally.

Commented [RS10R9]: That is correct. On page 6 at ([LF 1.502](#)) he states, "we would ask that we have the ability to appoint one board member who would have a financial background."

SEEWORTH ACADEMY
SPECIAL AUDIT

Interview with Judge Barbara Swinton, Board Member

talked to another CPA where she found out that school accounting was different and the fact that SWA was using an approved auditor and that someone from private industry would not understand how school finances work. They did not want to tie a gift to an audit when schools were already so closely regulated.

Rainer mentioned that any private citizen could ask for these records and White interjected that there is a big difference between a private citizen receiving records through an open records request and a private company auditing the school's records and a private individual enforcing their will. Swinton stated that they had significant donors that provided cash without conditions and that the school was in good financial ways.

White inquired as to whether we had interviewed Richison. It was relayed that an interview was conducted early in the investigation prior to having any actual knowledge about the case. A follow-up interview may or may not occur.

Per Swinton, Greg Dewey (SWA board member) was removed because the board felt that he was sharing confidential information with Richison.

School assets were not turned over immediately to OKCPS after June 30th when the charter ended. Swinton stated that the reason for the delay was due to the fact that they spent the summer negotiating with them (OKCPS) and had discussions with two of their board members, Mark Mann, and Paula Lewis, and they negotiated buses, non-certified teachers (job transfers) and other issues thinking that the SWA would remain at its current location. This plan was disallowed by Superintendent McDaniel, but Swinton does not remember the timeline. Then they tried to lease the property from the McLaughlin's so they could open an enterprise school for a year. They were still trying to keep the school open under different sponsorship.

The final topic of discussion was Shari Rodgers (Carter). Swinton knew that Shari had embezzled funds prior to coming to Seeworth. They investigated whether she could be a contractor that had no interactions with funds. Because she came with such great credentials, they felt that they should hire her as long as she was not involved with funds. Rainer mentioned that the year prior she taught at SWA as a substitute. The Board did not deal with hiring/firing staff so they may not have known about the substitute teaching. White interjected that it is a real pain in the rear when board members get involved below the policy level. The fax supposedly sent to the board in 2008 informing them that Rodgers was a felon was discussed. However, there is no proof that the fax (as it stated) was sent to Seeworth. Swinton did not recall ever seeing the contents of the fax. The board felt that as long as Shari was not involved with funds, they would hire her as a contractor.

White stated that if we talk to the auditors or accountants/bookkeepers he would like to come along to get some answers to questions he had. He added that he can understand why Swinton would not be aware of some of the issues we discussed today but he does not understand why people that are getting paid that are certified, that we ought to be able to trust, state that there is nothing to be concerned about. White stated that the appropriate individuals should be held accountable (accountant/bookkeeper, auditor) but that the board members asked the hard questions and were misinformed. (SA&I saw no evidence that the board asked the hard questions. There was also no evidence as to how White would have known the hard questions were asked.)

Commented [BH11]: Again, outside of payroll/personnel/student records there would be no confidential information.

SEEWORTH ACADEMY
SPECIAL AUDIT

Interview with Judge Barbara Swinton, Board Member

Swinton closed by stating how frustrating it was for the board to not have had the information that in hindsight they would give anything to have had so they would have known when Grigg ceased being a responsible employee. It still bothers her that they didn't see it happening until the perfect storm occurred. White asked how the accountant/bookkeeper could have missed this and Brenda stated that the Corporate Account was never audited and that they never even saw this, and that the CPA firm also never audited the account.

In closing, White listed the items for Swinton to provide (if available):

- Board packages (financials)
- Bank account statements prior to February 2012
- Evidence of the \$50K seed money provided by the Griggs for the Corporate Account
Note: SA&I received a few board minutes, nothing concerning the \$50K and no additional bank account statements.