

TERRY GODDARD
Attorney General
Firm Bar No. 14000

E. G. NOYES, JR., #003676
Assistant Attorney General
1275 West Washington Street
Phoenix, Arizona 85007-2926
Telephone: 602-542-8075
Attorneys for Plaintiff

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA**

STATE OF ARIZONA,

Plaintiff,

v.

SANDRA E. DOWLING (001)
(Counts 1-23, 26, and 27),

MARC R. FRAZIER (002)
(Counts 22-25 and 27-29),

JOSEPH M. LOPEZ (003)
(Counts 22-24),

DENNIS S. DOWLING (004)
(Counts 22, 23, and 25), and

REXANNE K. MEREDITH (005)
(Counts 27 and 28)

Defendants.

No.

INDICTMENT

59 SGJ 06

CHARGING VIOLATIONS OF:

COUNTS 1, 27 and 28: THEFT
Class 2 Felonies, A.R.S. § 13-1802

COUNTS 2-10 and 26:
MISUSE OF PUBLIC MONIES,
Class 4 Felonies, A.R.S. § 35-301

COUNTS 11, 19, 22, 23, and 24:
PROCUREMENT CODE FRAUD,
Class 4 Felonies, A.R.S. § 41-2616

COUNTS 12 and 13:
CONFLICT OF INTEREST,
Class 6 Felonies, A.R.S. § 38-504

COUNTS 14, 15, and 20:
CONFLICT OF INTEREST,
Class 6 Felonies, A.R.S. § 38-503

COUNTS 16, 17, 18 and 21: VIOLATION
OF PROHIBITION AGAINST
ACQUISITION OF CERTAIN
INTERESTS BY PUBLIC OFFICERS,
Class 5 Felonies, A.R.S. § 38-447

COUNT 25: THEFT,
a Class 3 Felony, A.R.S. § 13-1802

The Arizona State Grand Jury accuses Defendants SANDRA E. DOWLING, MARC R. FRAZIER, JOSEPH M. LOPEZ, DENNIS S. DOWLING, and REXANNE K. MEREDITH, charging on this 15th day of November, 2006, that:

PREAMBLE

At all times relevant to this Indictment:

1. Defendant SANDRA E. DOWLING was an elected public official; namely, the Superintendent of Schools for Maricopa County.
2. One of the 58 school districts in Maricopa County was a special district, called an “accommodation district,” which State law allows a County School Superintendent to establish and maintain for homeless children and certain other children who reside outside of public school district boundaries.
3. The accommodation district established and maintained by Defendant SANDRA E. DOWLING was called the Maricopa County Regional School District (“MCRSD”); it was also sometimes referred to as “District 509.”
4. In FY 2005, MCRSD had about twelve schools and about 1600 students; approximately 800 of those students were homeless children who attended one of the three MCRSD schools that were named “Thomas J. Pappas.”
5. By State law, the County Superintendent of Schools is also the one-person Governing Board of an accommodation school district such as MCRSD.
6. By State law, a school district shall not award a contract or incur an obligation if sufficient funds are not available for budgeting.
7. Beginning no later than FY2000, Defendant SANDRA E. DOWLING awarded contracts and incurred obligations for MCRSD that resulted in an ever-increasing accumulated cash deficit in the MCRSD Maintenance and

Operations Fund; this deficit amounted to about \$607,000 in FY2002, \$1,500,000 in FY2003, \$2,400,000 in FY2004, and \$3,750,000 in FY2005.

COUNT 1 (THEFT)

Between about October 2001 and June 2005, Defendant SANDRA E. DOWLING knowingly and without lawful authority converted for an unauthorized term or use property of another that was entrusted to said Defendant or placed in her possession for a limited, authorized term or use, and the value of the property so converted exceeded \$25,000, in violation of A.R.S. §§ 13-1802, 13-1801, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct concerns unlawful transfers by Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, of funds totalling \$1,859,000 from the Maricopa County Superintendent of Schools "Indirect Cost Fund." The money in this Fund was to be used as authorized by the Maricopa County Board of Supervisors, generally for payment of administrative costs incurred in connection with federal programs in the various school districts of the County. Instead of using this money as authorized for the benefit of all school districts in the County, Defendant SANDRA E. DOWLING, with no notice to or authorization by the County, transferred this money to MCRSD and used it for whatever proper or improper purpose she chose.

COUNTS 2-10 (MISUSE OF PUBLIC MONIES)

On or about the dates set forth below, Defendant SANDRA E. DOWLING, a person charged with the receipt, safekeeping, transfer or disbursement of public money in the amounts set forth below, knowingly and without authority of law appropriated that public money or any portion of it to her own use or to the use of another, or knowingly transferred that money when not authorized or directed by law, in violation of A.R.S. §§ 35-301, 35-302,

13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01 and 13-801.

COUNT	DATE	AMOUNT
2	October 2001	\$87,000
3	March 2002	\$175,000
4	June 2002	\$85,000
5	November 2002	\$212,000
6	May 2003	\$210,000
7	October 2003	\$50,000
8	January 2004	\$225,000
9	April 2004	\$475,000
10	June 2005	\$340,000

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, knowingly and without authority of law appropriated public money, or any portion of it, in the Maricopa County Superintendent of School's Indirect Cost Fund to her own use or to the use of another at times and in amounts set forth above, or transferred that money when not authorized or directed by law so that said money, instead of being used only for authorized purposes, was used by Defendant SANDRA E. DOWLING for whatever proper or improper purpose she chose.

COUNT 11 (PROCUREMENT CODE FRAUD)

On or about March 28, 2003, Defendant SANDRA E. DOWLING intentionally or knowingly contracted for services pursuant to a scheme or artifice to avoid the requirements of the Arizona Procurement Code, in violation of A.R.S. §§ 41-2616, 15-213, 15-101, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, caused MCRSD to award a \$9,000 per month contract to Strategic Impact, Inc., a Washington, D. C. lobbying firm, pursuant to the following scheme or artifice by Defendant SANDRA E. DOWLING to avoid the requirements of the Arizona Procurement Code: After she decided to have MCRSD hire a federal lobbyist, she had a committee appointed to request and review proposals from applicants. On about February 26, 2003, the committee, after reviewing the proposals using objectively measurable criteria as required by the Arizona Procurement Code, recommended that the contract be awarded to Sagamore Associates, Inc., the qualified applicant with the highest score. However, because Defendant SANDRA E. DOWLING wanted to award the contract to Strategic Impact, Inc., she indicated displeasure with the recommendation, she “tabled” the matter, she devised reasons to ask applicants for more information and, with that artifice, she avoided the requirements of the Arizona Procurement Code and allowed her favored applicant to submit a revised bid and receive the contract.

COUNT 12 (CONFLICT OF INTEREST)

From about February 2003 to March 2004, Defendant SANDRA E. DOWLING, a public officer, used or attempted to use her official position to secure a valuable benefit for herself that would not ordinarily accrue to her in the performance of her official duties, and the benefit was of such character as to manifest a substantial and improper influence on her with respect to her duties, in violation of A.R.S. §§ 38-504(C), 38-502, 38-510, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, caused MCRSD to award a contract for \$9,000 per month (for a total of \$108,000) to Strategic Impact, Inc., a Washington, D. C. lobbying firm, for the purpose of serving the interest of MCRSD in obtaining federal grant funds and also for the purpose of serving the interest of Defendant SANDRA E. DOWLING in obtaining an appointment for herself in the Bush Administration.

The valuable benefit that Defendant SANDRA E. DOWLING conferred upon herself by causing MCRSD to hire this lobbying firm in part to serve her own interests manifested a substantial and improper influence on her with respect to her duties because a School Superintendent and Governing Board has a duty to act only in the interests of the District, the students of the District, and the citizens and the taxpayers of the State, free from personal considerations and favoritism, and a School Superintendent and Governing Board acting only in that public interest would not have caused MCRSD to spend \$9,000 per month (for a total of \$108,000) on a lobbying firm, especially when she was operating

MCRSD at an ever-increasing accumulated cash deficit.

COUNT 13 (CONFLICT OF INTEREST)

From about April 2004 through February 2005, Defendant SANDRA E. DOWLING, a public officer, used or attempted to use her official position to secure a valuable benefit for herself that would not ordinarily accrue to her in the performance of her duties, and the benefit was of such character as to manifest a substantial and improper influence on her with respect to her duties, in violation of A.R.S. §§ 38-504(C), 38-502, 38-510, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, caused MCRSD to extend for a second year the \$9,000 per month (for a total of \$99,000) contract awarded to Strategic Impact, Inc., a Washington D. C. lobbying firm, for the purpose of serving the interest of MCRSD in obtaining federal grant funds and also for the purpose of serving the interest of Defendant SANDRA E. DOWLING in obtaining an appointment for herself in the Administration of whomever won the 2004 Presidential election.

The valuable benefit that Defendant SANDRA E. DOWLING conferred upon herself by causing MCRSD to retain this lobbying firm through the 2004 Presidential Election, in part to serve her own interests, manifested a substantial and improper influence on her with respect to her duties. A School Superintendent and Governing Board has a duty to act only in the interests of the District, the students of the District, and the citizens and the taxpayers of the State, free from personal considerations and favoritism. A School Superintendent and Governing Board acting only in that public interest would not have caused MCRSD to spend \$9,000 per month (for a total of \$99,000) on a federal lobbying firm for a second year, especially when she was operating MCRSD at an ever-increasing accumulated cash deficit and when it was at best debatable whether MCRSD obtained any funds as a result of this lobbying firm's efforts.

COUNT 14 (CONFLICT OF INTEREST)

On or about March 28, 2003, Defendant SANDRA E. DOWLING, a public officer or employee of a public agency, had a substantial interest in a contract, sale, purchase or service to that agency and knowingly failed to make known that interest in the official records of that agency, in violation of A.R.S. §§ 38-503(A), 38-502, 38-508, 38-510, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, caused MCRSD to award a contract for \$9,000 per month to Strategic Impact, Inc., a Washington, D. C. lobbying firm, and she failed to make known in the official records of MCRSD that she had a substantial interest in that contract; namely, that she would also use those lobbying resources to further her own interest in obtaining an appointment for herself in the Bush Administration.

COUNT 15 (CONFLICT OF INTEREST)

On or about April 1, 2004, Defendant SANDRA E. DOWLING, a public officer or employee of a public agency, had a substantial interest in a contract, sale, purchase or service to that agency and knowingly failed to make known that interest in the official records of that agency, in violation of A.R.S. §§ 38-503(A), 38-502, 38-508, 38-510, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, caused MCRSD to extend for a second year the \$9,000 per month contract awarded to a Washington D. C. lobbying firm and failed to make known in the official records of MCRSD that she had a substantial interest in that contract; namely, that she would also use those lobbying resources to further her own interest in obtaining an appointment in the Administration of whomever won the 2004 Presidential election.

**COUNT 16
(VIOLATION OF PROHIBITION AGAINST ACQUISITION
OF CERTAIN INTERESTS BY PUBLIC OFFICERS)**

In about March 2003, Defendant SANDRA E. DOWLING, a public officer prohibited by the laws of this state from making or being interested in certain contracts, knowingly violated any provision of such laws, in violation of A.R.S. §§ 38-447, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING who, as the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, was prohibited by the Arizona Procurement Code (A.R.S. § 41-2616) from making or being interested in the contract described in Count 11 of this Indictment, engaged in that conduct, was interested in that contract, and made that contract.

COUNT 17
(VIOLATION OF PROHIBITION AGAINST ACQUISITION
OF CERTAIN INTERESTS BY PUBLIC OFFICERS)

From about April 2003 through March 2004, Defendant SANDRA E. DOWLING, a public officer prohibited by the laws of this state from making or being interested in certain contracts, knowingly violated any provision of such laws, in violation of A.R.S. §§ 38-447, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING who, as the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, was prohibited by the Arizona Procurement Code (A.R.S. § 38-504) from making or being interested in the contract described in Count 12 of this Indictment, engaged in that conduct, was interested in that contract, and made that contract.

COUNT 18
(VIOLATION OF PROHIBITION AGAINST ACQUISITION
OF CERTAIN INTERESTS BY PUBLIC OFFICERS)

From about April 2004 through February 2005, Defendant SANDRA E. DOWLING, a public officer prohibited by the laws of this state from making or being interested in certain contracts, knowingly violated any provision of such laws, in violation of A.R.S. §§ 38-447, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING who, as the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, was prohibited by the Arizona Conflict of Interest laws (A.R.S. § 38-504) from making or being interested in the contract described in Count 13 of this Indictment, engaged in that

conduct, was interested in that contract, and made that contract.

COUNT 19 (PROCUREMENT CODE FRAUD)

On about January 18, 2006, Defendant SANDRA E. DOWLING intentionally or knowingly contracted for services pursuant to a scheme or artifice to avoid the requirements of the Arizona Procurement Code, in violation of A.R.S. §§ 41-2616, 15-213, 15-101, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, who was also a licensed real estate salesperson whose employing broker was Dan Schwartz Realty, Inc., and whose supervising brokers included John R. Dyer, decided to have MCRSD award a real estate sales contract to Dan Schwartz Realty, Inc. and John R. Dyer, authorizing them to sell for \$2,000,000 a parcel of vacant land owned by MCRSD at 6550 W. Orangewood Avenue in Glendale, Arizona, and when she then influenced the selection process so that the contract was awarded to that firm and broker despite the fact that their bid price (a 10% commission) was not fair and reasonable to MCRSD (nor was the 8% they ultimately agreed to accept), and despite the fact that their bid quality was at best marginal and was the only bid received -- and adequate time existed to resolicit bids.

COUNT 20 (CONFLICT OF INTEREST)

On or about January 18, 2006, Defendant SANDRA E. DOWLING, a public officer or employee of a public agency, had a substantial interest in a contract, sale, purchase or service to that agency and knowingly failed to make known that interest in the official records of that agency, in violation of A.R.S. §§ 38-503(A), 38-502, 38-508, 38-510, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, awarded a real estate sales contract to Dan Schwartz Realty, Inc. and John R. Dyer, authorizing them to sell for \$2,000,000 (and to receive a 10% commission on the sale of) a parcel of vacant land owned by MCRSD at 6550 W. Orangewood Avenue in Glendale, Arizona, and Defendant SANDRA E. DOWLING knowingly failed to make known in the official records of MCRSD that she had a substantial interest in that contract; namely, that she was awarding that contract to one of her own employers and supervisors in that she was a licensed real estate salesperson whose employing broker was Dan Schwartz Realty, Inc., and whose supervising brokers included John R. Dyer.

**COUNT 21
(VIOLATION OF PROHIBITION AGAINST ACQUISITION
OF CERTAIN INTERESTS BY PUBLIC OFFICERS)**

In about January 2006, Defendant SANDRA E. DOWLING, a public officer prohibited by the laws of this state from making or being interested in certain contracts, knowingly violated any provision of such laws, in violation of A.R.S. §§ 38-447, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING who, as the Superintendent of Schools for Maricopa County sitting as the MCRSD Governing Board, was prohibited by the Arizona Procurement Code (A.R.S. § 41-2616) and the Arizona Conflict of Interest laws (A.R.S. § 38-504) from making or being interested in the contract described in Counts 19 and 20 of this Indictment, engaged in that conduct, was interested in that contract, and made that contract.

COUNT 22 (PROCUREMENT CODE FRAUD)

In about November 2002, Defendants SANDRA E. DOWLING, MARC R.

FRAZIER, JOSEPH M. LOPEZ and DENNIS S. DOWLING intentionally or knowingly contracted for services pursuant to a scheme or artifice to avoid the requirements of the Arizona Procurement Code, in violation of A.R.S. §§ 41-2616, 15-213, 15-101, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred in connection with the decision of Defendant SANDRA E. DOWLING to have MCRSD award a landscape maintenance contract for Williams Community School to her son, Defendant DENNIS S. DOWLING, and when Defendant MARC R. FRAZIER, the MCRSD Director of Administrative Services, and Defendant JOSEPH M. LOPEZ, the MCRSD Director of Facilities and Security, in part because of fear of reprisals from Defendant SANDRA E. DOWLING if they did not do so, rigged the bid process to ensure that Defendant DENNIS S. DOWLING would be and was awarded this contract (for which he was paid about \$39,000 from November 2002 through December 2004). The bid-rigging scheme included sending a copy of a competitor's bid to Defendant DENNIS S. DOWLING to assist him in making his own bid, having Defendant DENNIS S. DOWLING'S bid brought to Defendant MARC R. FRAZIER as soon as it was received, and awarding the contract to Defendant DENNIS S. DOWLING (dba "GrassRoots Outdoor Solutions") despite the fact that he was not the lowest responsible and responsive bidder.

COUNT 23 (PROCUREMENT CODE FRAUD)

In about June 2003, Defendants SANDRA E. DOWLING, MARC R. FRAZIER, JOSEPH M. LOPEZ and DENNIS S. DOWLING intentionally or knowingly contracted for services pursuant to a scheme or artifice to avoid the requirements of the Arizona Procurement Code, in violation of A.R.S. §§ 41-2616, 15-213, 15-101, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred in connection with the decision of Defendant SANDRA E. DOWLING to have MCRSD award a landscape maintenance contract for the Thomas J. Pappas Phoenix and District Campus to her son, Defendant DENNIS S. DOWLING, and when Defendants MARC R. FRAZIER, the MCRSD Director of Administrative Services, and JOSEPH M. LOPEZ, the MCRSD Director of Facilities and Security, in

part because of fear of reprisals from Defendant SANDRA E. DOWLING if they did not do so, rigged the bid process to ensure that Defendant DENNIS S. DOWLING would be and was awarded this contract (for which he was paid a total of about \$42,000 from June 2003 through October 2005). This bid-rigging scheme included sending a copy of a competitor's bid to Defendant DENNIS S. DOWLING (dba "GrassRoots Outdoor Solutions") to assist him in making his own bid, giving Defendant DENNIS S. DOWLING advice on what price to bid for the contract after his first bid was too high, and not asking for bids from other providers.

COUNT 24 (PROCUREMENT CODE FRAUD)

In about January 2005, Defendants MARC R. FRAZIER and JOSEPH M. LOPEZ intentionally or knowingly contracted for services pursuant to a scheme or artifice to avoid the requirements of the Arizona Procurement Code, in violation of A.R.S. §§ 41-2616, 15-213, 15-101, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendants MARC R. FRAZIER and JOSEPH M. LOPEZ caused MCRSD to award a landscape maintenance contract to Defendant Dennis S. Dowling (doing business as "Grassroots Outdoor Solutions, Inc.") for the Guadalupe High School, the Lone Cactus High School and the Thomas J. Pappas Middle School (for

which Defendant Dennis S. Dowling was paid by MCRSD a total of about \$12,500 from January 2005 through October 2005), pursuant to a scheme and artifice to avoid the requirements of the procurement code with conduct that included awarding this contract to Defendant Dennis S. Dowling without obtaining other bids.

COUNT 25 (THEFT)

In about January 2005 through May 2006, Defendant DENNIS S. DOWLING, aided and abetted by Defendant MARC R. FRAZIER, knowingly and without lawful authority controlled property of another with the intent to deprive them of such property, or obtained property of another by means of any material misrepresentation with intent to deprive them of such property, and the value of the property was \$3,000 or more but less than \$25,000, in violation of A.R.S. §§ 13-1802, 13-1801, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant MARC R. FRAZIER caused MCRSD to award a contract to Defendant DENNIS S. DOWLING (doing business as “Grassroots Outdoor Solutions, Inc.”) for landscape maintenance service at Guadalupe High School, knowing that MCRSD had no obligation to provide such service to that school, and when Defendant DENNIS S. DOWLING performed no such service at that school but submitted invoices to and received payments from MCRSD totalling about \$4,000 for the non-existent landscape maintenance services that Defendant DENNIS S. DOWLING claimed to have provided at Guadalupe High School.

COUNT 26 (MISUSE OF PUBLIC MONIES)

From about July 2005 through March 2006, Defendant SANDRA E. DOWLING, a person charged with the receipt, safekeeping, transfer or disbursement of public money, knowingly and without lawful authority appropriated public money to her own use, or

transferred the money when not authorized or directed by law, in violation of A.R.S. §§ 35-301, 35-302, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01 and 13-801.

This conduct occurred when Defendant SANDRA E. DOWLING, the Superintendent of Schools for Maricopa County sitting as the Governing Board of MCRSD and a person charged with the receipt, safekeeping, transfer or disbursement of MCRSD money, appropriated about \$74,300 of that public money to her own use in the following manner: Because Defendant SANDRA E. DOWLING wanted to avoid oversight and accountability for her use of funds that were donated to MCRSD, she decided to direct such donated funds into the Maricopa County Schoolhouse Foundation, a private entity that was independent of MCRSD, unaccountable to any State or County agency, and controlled by Defendant SANDRA E. DOWLING, who was President of the Board and the Chief Executive Officer of this private entity. In furtherance of her effort to build up the endowment of this private entity, Defendant SANDRA E. DOWLING did then, without lawful authorization, cause MCRSD to pay \$74,300 in public funds to or for Defendant MARC R. FRAZIER, as salary and benefits for his employment as "Fund Raiser Liaison" for this private entity, the Maricopa County Schoolhouse Foundation.

COUNT 27 (THEFT)

In about September and October 2005, Defendants SANDRA E. DOWLING, MARC R. FRAZIER, and REXANNE K. MEREDITH knowingly and without lawful authority converted for an unauthorized use property of another that was entrusted to said Defendants or placed in their possession for a limited, authorized use, and the value of the property so converted exceeded \$25,000, in violation of A.R.S. §§ 13-1802, 13-1801, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred as follows: In September 2005, the Estate of Vivian Craig, as

instructed by her Last Will and Testament, donated \$89,000 to a specific MCRSD school, namely, the Pappas School at 1938 E. Apache Boulevard, Tempe, Arizona. Defendants MARC R. FRAZIER and REXANNE K. MEREDITH caused this \$89,000 donation to be transferred from MCRSD to the Maricopa County Schoolhouse Foundation, a private entity that was unrelated to MCRSD or any Pappas School. Defendant MARC R. FRAZIER was the Fund Raiser Liaison of this foundation and Defendant REXANNE K. MEREDITH was its Vice President, Secretary, Treasurer, and a member of the Board of Directors, but she was also employed by MCRSD as its Executive Director of Community Services.

On about September 27, 2005, Defendant SANDRA E. DOWLING, acting as the Governing Board of MCRSD, signed a voucher authorizing transfer of this \$89,000 from MCRSD to the Maricopa County Schoolhouse Foundation, after being advised that the donor's check was made out to "Pappas." Defendants knew they had no authority to convert this \$89,000 donation to a specific MCRSD school into an endowment for the Maricopa County Schoolhouse Foundation, a private entity that was unrelated to MCRSD, unaccountable to any State or County agency, and controlled by Defendant SANDRA E. DOWLING, the President of the Board and the Chief Executive Officer of this private entity.

COUNT 28 (THEFT)

In about November and December 2005, Defendants MARC R. FRAZIER, and REXANNE K. MEREDITH knowingly and without lawful authority converted for an unauthorized use property of another that was entrusted to said Defendants or placed in their possession for a limited, authorized use, and the value of the property so converted exceeded \$25,000, in violation of A.R.S. §§ 13-1802, 13-1801, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendants MARC R. FRAZIER, and REXANNE K.

MEREDITH diverted to the Maricopa County Schoolhouse Foundation the proceeds of 25 checks in various amounts totalling \$32,500 that had been donated to MCRSD or to a specific MCRSD School. Defendants MARC R. FRAZIER and REXANNE K. MEREDITH knew they had no authority to divert these donations from MCRSD to the Maricopa County Schoolhouse Foundation, a private entity that was unrelated to MCRSD, unaccountable to any State or County agency, and controlled by Defendant SANDRA E. DOWLING, the President of the Board and the Chief Executive Officer of this private entity.

COUNT 29 (FORGERY)

On or about September 22, 2005, Defendant MARC R. FRAZIER, with intent to defraud, falsely made, completed or altered a written instrument, or offered or presented a forged instrument or one that contains false information, in violation of A.R.S. §§ 13-2002, 13-2001, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant MARC R. FRAZIER made and presented a “thank you” letter to the Estate of Vivian Craig, after falsifying the letter to make it appear that the Estate’s \$89,000 donation to the Tempe Pappas School was received by that school and to conceal the fact that he and Defendants Sandra E. Dowling and Rexanne K. Meredith had, without authorization, converted this bequest to a specific MCRSD school into an endowment for the Maricopa County Schoolhouse Foundation, a private entity that was unrelated to MCRSD, unaccountable to any State or County agency, and controlled by Defendant SANDRA E. DOWLING, the President of the Board and the Chief Executive Officer of this private entity.

Pursuant to A.R.S. § 21-425, the State Grand Jurors find that all offenses described above were committed in Maricopa County, Arizona.

(A "True Bill")

TERRY GODDARD
ATTORNEY GENERAL
STATE OF ARIZONA

Dated: _____

E. G. NOYES, JR.
Assistant Attorney General

Foreperson of the State Grand Jury