



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF HEARINGS AND APPEALS

October 4, 2010

CERTIFIED MAIL R. R.

Alexander Lebed
c/o Elliott Goldberg, Esq.
Gore, Bell & Goldberg

7009 0820 0002 0033 4949

Re: Docket No. 10-12-DA

**NOTICE OF GOVERNMENT-WIDE DEBARMENT FROM FEDERAL
PROCUREMENT AND NON-PROCUREMENT TRANSACTIONS**

This notice is issued by the United States Department of Education (Department) pursuant to 34 C.F.R. § 85.870 to inform you that you are **DEBARRED EFFECTIVE THE DATE OF THIS LETTER** from participating in any covered transactions under federal procurement and non-procurement programs and activities of any federal agency. As a consequence of being debarred, you are not eligible to receive federal financial and non-financial assistance or benefits from any federal agency under procurement or non-procurement programs and activities. Also, you may not act as a principal on behalf of any person in connection with a covered transaction. A principal is defined in 34 C.F.R. § 85.995 and includes any key employee or other person who has a critical influence on or substantive control over a covered transaction. This debarment is effective for all covered transactions unless an agency head or authorized designee grants an exception for a particular transaction in accordance with 34 C.F.R. § 85.120.

On March 26, 2010, the Department issued to you a Notice of Proposed Government-Wide Debarment from Federal Procurement and Non-Procurement Transactions (Notice). The Notice was mailed to you at your last known address of record via U.S.P.S., Certified Mail, Return Receipt Requested. You received the Notice on April 9, 2010, in Coleman, FL.

Under the applicable regulations, one subject to a proposed debarment is given 30 days from receipt of the Notice to oppose the proposed action. Your response to the Notice was due to this office no later than May 10, 2010. However, this office did not receive any written response from you until May 27, 2010, by way of your counsel. Then on June 22, 2010, we received a letter from you disputing the proposed debarment.

You were co-owner, Chief Financial Officer and President of CSC Institute, Inc. (CSC), and in September 1998, you personally promised to honestly administer Pell Grant funds when you submitted a Pell Grant application to the Department. In November 1998, you signed a Program Participation Agreement, in which you represented that CSC would comply with Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. From on or about

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September 1998 through February 2005, you and your wife, Larisa Lebed, devised and conducted a scheme to defraud the Department of money and property. You made fraudulent representations and false promises to the Department. You directed and caused employees of CSC to falsify answers on a student's Title IV applications and then you directed CSC employees to create fraudulent supporting documents regarding a student's false Title IV Application. CSC employees altered applicants' academic status, income information, attendance records and test scores. Pell Grants were given to students attending ineligible programs and CSC employees fraudulently calculated Pell Grant refunds, all through the use of illegal incentives to CSC employees.

You were formally charged in a 129 Count Indictment with, among other things, Wire Fraud, Mail Fraud, and Laundering Monetary Instruments over \$10,000, in violation of 18 U.S.C. §§ 1343, 1341, and 1957. You plead guilty to counts 1, 3, 5, 6, 8, 12, 22, 24, 26, 28, 31, 34, 36, 40, 53, 104, 114, 116, 117, 119, 121 and 125 of your Indictment, which is evidenced in a Judgment in the United States District Court, District of Pennsylvania, *United States v. Alexander Lebed*, Criminal Case No. 05-CR-362-1. The court accepted your plea of guilty and convicted you of counts 1, 3, 5, 6, 8, 12, 22, 24, 26, 28, 31, 34, 36, 40, 53, 104, 114, 116, 117, 119, 121, and 125 of your Indictment for violating 18 U.S.C. §§ 1343, 1341, and 1957.

Based upon your plea and your conviction in the United States District Court, District of Pennsylvania, **I FIND** that debarment is warranted. Pursuant to 34 C.F.R. § 85.830(a)(1), you are not entitled to an additional opportunity to challenge the facts contained in the Notice on which your proposed debarment is based. Therefore, the timeliness issue regarding your May 27, 2010, filing is moot.

The facts contained in your criminal proceedings in the United States District Court, District of Pennsylvania record and the Notice, demonstrate that debarment should be imposed inasmuch as these violations constitute serious charges and cause for debarment under 34 C.F.R. §§ 85.800 (a)(3).

Under 34.C.F.R. § 85.865, the period of debarment is to be commensurate with the seriousness of the cause for debarment. The charges levied against you in the Notice and your conviction in United States District Court, District of Pennsylvania, constitute a very serious threat to governmental programs. Accordingly, I have determined that the period of debarment will be **Five** years, effective the date of this letter. The regulations contained in 34 C.F.R. Part 85, and the Non-Procurement Debarment and Suspension Procedures mailed with the Notice of March 26, 2010, govern this debarment.

SO ORDERED,

(b) (6)

Frank J. Furey,
Deciding Debarment
and Suspension Official