

## **Greensboro Global Academy Scandal**

### **Factsheet & Timeline**

**Situation:**

The people of North Carolina are paying the Chinese Communist Party tens of millions of dollars to house Mexican nationals in Greensboro. This situation is a direct byproduct of a series of administrative failures, undisclosed and obfuscated backroom dealings, and influential relationships which all revolve around Rep. Kathy Manning.

**Summary:**

- The Greensboro Global Academy (aka Greensboro Piedmont Academy, AHA International School), formerly the American Hebrew Academy, was founded by Maurice Sabbah in 2001 as an international day-and-boarding school. Sabbah appoints family members to key leadership positions and Schell Bray, a firm with close ties to Rep. Manning's immediate family, provides legal assistance.
- After financial setbacks, Sabbah is forced to acquire more funding partners for the academy. These partners include Rep. Manning's late father-in-law and two of her significant donors.
- Sabbah's daughter, Leeor, and nephew, Glenn Drew, retain principal positions as the school operates for over 17 years at losses of millions-per-year until it closes in June 2019. During this period, the school is kept afloat by financial support from institutions where Rep. Manning and her immediate family hold influential board and trustee positions. Drew hires his own company to consult on the closing for a six-digit fee.
- Puxin LTD, a company valued at \$100-500 million and specializing in school takeovers to further Chinese influence, forces out Sabbah, Drew, and other board members in Oct. 2019. This process involves a \$26 million loan and a title attorney from Schell Bray. The academy receives a further \$15 million loan in Jan. 2021 and draws two Paycheck Protection Plan loans of nearly \$750K without disclosing Chinese ownership interest. In May 2022, Puxin is de-listed from NYSE after an official sanction from the Grand Court of the Cayman Islands citing a pattern of predatory business practices.
- Rep. Manning, Mayor Nancy Vaughn, and Guilford County Chair Skip Alston meet with Health and Human Services (HHS) officials in May 2021 to address turning the academy into Unaccompanied Minor Housing (UMH). Deployed Services, a company involved with UMH in Arizona and Texas, receives single source, no bid contracts worth over \$150 million in May 2022. HHS signs \$50 million/5 year lease in Jun. 2022. DHS/HHS issue statement Jul. 2022 that 800 children in will arrive Jan. 2023. Nine flights with a passenger capacity of over 1,300 arrive at Triad Piedmont Int'l between 2:30-4:00 AM in Aug. 2022.

## **Timeline**

## Academy Establishment:

- Maurice Sabbah donated approximately \$100 million to found academy in 2001
  - \$18 million athletic center (two basketball courts, rock climbing walls, a racquetball court, an exercise gym and an eight-lane pool)
  - soccer stadium, baseball fields, softball fields, multiple all-purpose fields, and a rubberized track constructed of recycled materials
  - 32 buildings, including 16 dorms, made for 400 maximum students
- Appointed Leeor Sabbah (his daughter) as Chair of the Board
  - *NC Dept of State, IRS 990s*
- Appointed Glenn Drew (his nephew) as President and General Counsel
  - *NC Dept of State, IRS 990s*
- Robert Landau as registered agent
  - *NC Dept of State*
- Legal support provided by Schell Bray
  - Title attorneys for the AHA
  - Title attorneys for personal homes of Leonard, Tobee, Randal Kaplan
  - Title attorneys for Randall Kaplan real estate investments
- Sabbah loses the bulk of his fortune in the wake of 11 SEP 2001, including a nine-digit fraud case wherein the school was a contended asset, forcing him to acquire more partners for funding the academy
  - Leonard Kaplan serves on the Board of Trustees from 2008 through 2012
    - Kathy Manning's late father-in-law
      - *IRS 990s*
  - Joel Fleishman (Duke University)
    - Multiple \$1,000 individual contributions to Kathy Manning for Congress (*FEC*)
    - Contributor to Emily's List, DCCC in support of Manning (*FEC*)
  - Michael Steinhardt (billionaire hedge fund manager, WisdomTree Investments)
    - Steinhardt contributes millions to various Democratic PACs, including support to Rep. Manning

## Operation as a school:

- 10 SEP 2001, first students
  - [americanhebrewacademy.org](http://americanhebrewacademy.org)
- Tuition cost:
  - \$22,800 for day students,
  - \$33,800 for boarding students
    - <https://boardingschools.us/north-carolina/american-hebrew-academy/>
- Annual enrollment between 130-150 students
  - *Creates a top yield of approx. \$5 million*
- Continued support funds donated by:
  - Greensboro Jewish Foundation (15K/year by IRS 990s)
    - Kathy Manning, former President of the Board, active Trustee
    - Randall Kaplan, Scott Kaplan Board of Trustees
  - Jewish Foundation of Greensboro
    - Kathy Manning former Trustee
      - <https://web.archive.org/web/20170116151958/http://www.americanhebrewacademy.org/about/partners-and-affiliates>
  - UNC-Greensboro
    - Kathy Manning, Randall Kaplan former Trustees
      - <https://web.archive.org/web/20170116151958/http://www.americanhebrewacademy.org/about/partners-and-affiliates>
  - B’Nai Shalom Day School
    - Kathy Manning founding Board member
      - <https://web.archive.org/web/20170116151958/http://www.americanhebrewacademy.org/about/partners-and-affiliates>
- Leeor Sabbah and Drew maintain principal positions at the school through its operations, with questionable results
  - Despite unsustainable metrics, Drew maintains his position and 300K + salary for over 17 years
  - Disclosed losses were as high as \$18 million yearly
    - *Nancy McLaughlin, News & Record 11 June 2019*

- JUN 2019, school closed citing financial loss
  - Drew hires his own company, JRSM, to consult on the closing for a six-digit fee
    - *2019 IRS 990*

### **Puxin Debt Trap:**

- Puxin LTD
  - Company specializes in takeover of schools to further Chinese influence
    - *Puxin LTD mission statement*
  - Registered F16, Changfu Mansion, Haidan District, Beijing
    - Also Puxin Nova (*SEC filings*)
    - Also Baijing Dragon Century Tech (*SEC filings*)
  - Registered as Long Faith LTD, PO Box 2221, Road Town, Start Chambers (Cayman Islands)
    - Also Long Wit LTD, Virgin Islands
  - Estimate of value ranges between \$100-500 million USD
- 06 SEP 2019, Puxin loans academy \$26,000,000
  - Title attorney Holly Aldermann of Schnell Bray
    - *Guilford County Registrar of Deeds, Book 8193, Page 1173*
- OCT 2019, Board of Directors restructured, Sabbah and Drew are forced out, multiple members resign
  - Puxin installs Ni Zhang, Wei Yang, require 20% of all future student slots reserved for Chinese nationals
    - *IRS 990s*
- 29 JAN 2021, further \$15,000,000 loaned to AHA
  - *Guilford County Registrar of Deeds, Book 8408 Page 1657*
- Academy draws Paycheck Protection Plan loans, without disclosure of Chinese ownership interest
  - MAY 2021 and FEB 2022, each loan for \$743,059
    - *Kenwyn Caranna, News & Record, 13 JUL 2022*

- 25 MAY 2022, Puxin de-listed on New York Stock Exchange pursuant to order from Grand Court of the Cayman Islands citing pattern of predatory business practices
  - *SEC filings*
- 27 JUNE 2022, renamed to Greensboro Global Academy
  - *Guilford County Registrar of Deeds, Book 8632 Page 1319*

### **Re-purposing for Unaccompanied Minor Housing:**

- 6 MAY 2021, Skip Alston, Nancy Vaughn, and Kathy Manning meet with Health and Human Services (HHS) officials to address turning AHA into Unaccompanied Minor Housing (UMH)
  - *Richard Barron, News & Record*
- 12 MAY 2021, DHS Secretary Becerra told Rep Hudson (NC-8) that “there is no plan that we can tell you to shelter children in North Carolina.”
  - *US HoR Clerk of Court, session notes 12 MAY 2021*
- 13 April 2022, Deployed Services incorporates in North Carolina (*NC Dept of State*)
  - Maintains principal address in Tampa, FL
    - *NC Dept of State*
- 15 April 2022, President Biden visits Greensboro for speeches
  - Rep Manning campaign reserves venue for \$30,000 (*FEC*)
- 19 MAY 2022, Deployed Services contracted to manage AHA for Unaccompanied Minor Housing (\$126 million, Dept. of the Interior)
- 27 May 2022, Deployed Resources contracted for Greensboro Influx Care management (Dept. of Homeland Security, \$37 million)
  - Single Source, no-bid contracts (violation USC 41, Section 3304)
    - Both companies managed by Richard Stapleton and Robert Napior
    - [https://www.usaspending.gov/award/CONT\\_AWD\\_140D0422C0013\\_1406\\_-NONE\\_-NONE-](https://www.usaspending.gov/award/CONT_AWD_140D0422C0013_1406_-NONE_-NONE-)
    - [https://www.usaspending.gov/award/CONT\\_AWD\\_75ACF122F59002\\_7590\\_75ACF121A00009\\_7590](https://www.usaspending.gov/award/CONT_AWD_75ACF122F59002_7590_75ACF121A00009_7590)
- 9 JUN 2022, HHS signs approx. \$50 million/5 year lease for Academy grounds
  - *Total cost: \$314 million, or approx. \$392,500 per child*

- <https://www.usaspending.gov/recipient/07033aa9-6de5-69f8-dd84-7bf7a76e598b-C/latest>
- 18 JULY 2022, letter of concern from North Carolina Republicans to Secretary Becerra
  - *Congressional record*
- 18 July 2022, Manning sends separate letter requesting more information on the academy from Secretary Becerra
  - *Congressional record*
- 19 JUL 22, DHHS issues statement in private meeting
  - children will not arrive until 1 JAN 2023
  - total of 800
  - will be co-ed
  - average stay 14 days
  - all will have background checks
    - *Allen Johnson, News & Record*
- 26 AUGUST 2022, HHS puts maintenance contract on hold
  - *Steve Doyle and Tyler Hardin, Fox8*
- 31 AUG 2022, planes fly from Mexico through Laredo to Greensboro for unknown purpose
  - 9 flights the last week of August,
  - Planes listed as MD82, MD83 models
    - capacity 172 passengers—at a 1 to 8 ration of staff to minors (HHS guidelines)—indicates likely over 1,300 passengers total
    - [https://web.archive.org/web/20200419051357/https://registry.faa.gov/aircraftinquiry/AcftRef\\_Results.aspx?Mfrtxt=&Modeltxt=DC-9&PageNo=1](https://web.archive.org/web/20200419051357/https://registry.faa.gov/aircraftinquiry/AcftRef_Results.aspx?Mfrtxt=&Modeltxt=DC-9&PageNo=1)
  - All arrive between 0230 and 0400 AM
    - *Triad Piedmont International Airport*
    - *Michelle Rosenberg, The Floridian Press*



## **Assessment**

The Greensboro Global Academy (GGA) has been caught up in questionable circumstances since its inception. While not definite due to the financial struggles of its founder and the mismanagement of his family and other appointees, the possibility that the academy was designed to rely on charitable donations from the Jewish community must be considered.

Regardless of the academy's designs, Rep. Manning's heavy social and philanthropic involvement with the Jewish community in general and GGA in particular would have exposed her to the school's operations from multiple sources, especially the multiple other board appointments she shared with several members of the academy's board. She is directly related to others and worked on adjacent projects with still more. These relationships go back decades, have multiple points of intersection, and involve multiple millions of dollars. Any notion that Rep. Manning was unaware of the school's fiscal hemorrhaging is highly unlikely. As the timeline suggests, it is far more likely that Rep. Manning's involvement came at the direct request of those connections facing default on the loans Puxin held on their multi-decade investment.

Rep. Manning was involved in showing the school to HHS/DHS personnel in May 2021, mere months after GGA received over \$15 million in additional loans. While the school operated, at peak tuition levels—even with never-attained maximum enrollment—it would have generated perhaps \$12 million a year against operating costs of approximately \$19 million. As an Influx Care Facility, it profits millions per year, effectively relieving the investors of an \$84 million anchor around their necks.

The timeline for the process is also suspicious. Deployed Services/Deployed Resources registered with the North Carolina Secretary of State less than two weeks before their initial contract statements with DoI and DHS were submitted, and the contracts were awarded without a competitive bidding process or the requisite statements/reports to Congress such exemptions require. This is orders of magnitude faster than such contracts are usually developed, indicating that the contract terms and disbursement were likely negotiated prior, outside the normal channels for procurement and without disclosure to state and national level legislators. Further, the contracts were completed before the contract for the lease of grounds was signed, something that could not have happened without significant overriding authority for what likely would be considered fraudulent practice between two non-governmental parties. It is highly doubtful that any level of authority or assurance below that of Congresswoman Manning would convince a Cabinet level department to proceed with an expenditure of over \$175 million without having secured physical access to facilities.

That lack of disclosure has continued through the execution of the contract thus far. Neither residents, nor local leaders, nor local press have been kept informed of events at the academy; indeed, such information as has been given has been later shown to be false. Dates for population, gender composition, duration of stay, and overall numbers have been complete falsities.

Rep. Manning is a highly educated and professionally sophisticated woman with extensive experience in executive positions and immigration and political law, even before her tenure in Congress, and she had direct personal contact with the relevant decision makers responsible for this facility during the period in question. It is exceptionally unlikely that she had no awareness of its progression and her involvement has demonstrably benefitted several of her associates and supporters. This paints a picture of flagrant millionaire welfare, at best, and a blatant abuse of process and disregard for taxpayer interests, at worst.