

INTRODUCTION

We, the members of the 26th Investigating Grand Jury, having received and reviewed evidence regarding allegations of violations of the Pennsylvania Crimes Code and related laws, occurring in Philadelphia County, Pennsylvania, pursuant to Notice of Submission of Investigation No. 3, do hereby make the following findings of fact, conclusions, and recommendation of charges.

FINDINGS OF FACT

This investigation was commenced as the result of a television news story, aired on May 6, 2013, reporting that an employee, named Timothy Duckett, of State Representative Jose P. Miranda was being paid for days that he did not appear to be conducting any work on behalf of the taxpayers. Specifically, the story alleged that journalists had watched Duckett for 10 work days in April 2013 and that during that time he appeared to be working in a private business rather than on behalf of the legislative office that employed him during those same days. It was alleged in the news story that Duckett was a "ghost employee" of State Representative Miranda. The story further alleged that Duckett was being paid \$36,000 a year by the taxpayers after having recently received a \$10,000 raise. The story alleged that Duckett was supposed to be working full time for the taxpayers from 9 a.m. to 5 p.m. on the days he was observed in an auto repair shop during most of those hours. Copies of the legislative office sign-in sheets showing Duckett's absence were also displayed during the story.

The Grand Jury finds that State Representative Jose P. Miranda engaged in a Conflict of Interest, in conspiracy with his sister Michelle Wilson, to direct taxpayer money to Wilson. State Representative Miranda hired Duckett with full time pay and benefits but specifically directed him to ignore his obligation to work 40 hours a week, and directed Duckett to give portions of Duckett's pay to Miranda and Michelle Wilson. The Grand Jury also finds that Rep. Miranda and Michelle Wilson provided false testimony before this grand jury in an effort to hide their conduct.

In 2012, Jose P. Miranda ran for election to the open legislative seat located in the 197th Legislative District. He won that election in November 2012 and, thereafter, set about to establish legislative offices in his district and the staffing of those offices. He would eventually employ, through the House Democratic Caucus and public funds, four full-time individuals for his district legislative offices. He would also employ a fifth individual, his sister, through secret and improper means.

In December 2012, Miranda attempted to hire his sister as the Chief of Staff for his legislative offices. All potential employees go through an application and hiring process administered by the House Democratic Caucus of the Pennsylvania General Assembly. In December 2012, after receiving the employment application of Michelle Wilson, the House Democratic Caucus learned that she was the sister of Representative Miranda. An official from the Democratic Caucus then contacted the Representative to inform him that, pursuant to the rules of the Democratic Caucus and the Pennsylvania Ethics Act, a state representative could not directly employ a relative and the caucus would not approve the employment of Miss Wilson. That official testified before this Grand Jury about the conversation with Representative Miranda.

Timothy Duckett testified before this grand jury, pursuant to a grant of immunity, about these matters. Duckett detailed about how he was hired in December 2012 as a legislative assistant in the 197th District office for Representative Miranda. Duckett had assisted Miranda during Miranda's successful campaign in 2012 to become the state representative for the 197th Legislative District. At the direction of Miranda, Duckett submitted his employment application and other necessary paperwork to the House Democratic Caucus. Duckett was specifically told by Miranda not to inform the Democratic Caucus about any businesses he owned or other employment engaged in by Duckett. Duckett was subsequently hired by the Democratic Caucus as a Legislative Assistant for Representative Miranda at a salary of \$26,000 a year, with benefits. Duckett, and the State Representative, were both informed by letter from the Democratic Caucus of the terms of Duckett's employment. That letter specifically stated that Duckett was to work "a 40 hour work week, eight hours per day." It makes clear that Duckett is an "at will" employee and that his employment can be ended "without reason or notice." The written terms also

specifically designated Representative Miranda as responsible for the supervision and duties of Timothy Duckett.

Miranda told Duckett that Duckett would not have to work 40 hours per week and that Miranda would only call upon his services when he needed them. Miranda informed Duckett that he expected him to drive him to Harrisburg and other places when called upon to do so. It was specifically understood that Duckett would not have to work 9 a.m. to 5 p.m., eight hours a day, five days a week – like the other employees. Duckett testified that from December of 2012 through March of 2013, he regularly drove Miranda in his vehicle, without reimbursement, for a total of several thousand miles. He also testified that Miranda specifically told Duckett that he did not need to sign into and out of the office on the sign-in sheets as required of the other employees.

After learning of the restriction established by the Pennsylvania Ethics Act, Representative Miranda approached Mr. Duckett and told him to turnover portions, as directed by Miranda, of Duckett's public paycheck (the amount he was paid for being a Legislative Assistant) to Michelle Wilson whenever requested by Miranda. Duckett did not receive his first pay, despite working for Miranda since early December, until February 5th, 2013. Thereafter, Duckett was paid by direct deposit every two weeks. Soon after Duckett received his next pay, in the amount of \$745.22 on February 19, 2013, Representative Miranda asked him if he had been paid and Duckett informed him that he had. Miranda then told Duckett to give \$300.00 in cash to his sister - Michelle Wilson. Duckett did so, but later explained to Miranda that he could not afford his own expenses with only a \$26,000.00 salary in this situation. Miranda then obtained a \$10,000.00 raise for Duckett from the Democratic Caucus (the raise was approved on March 7th effective retroactive to February 6th). Duckett was the only employee of Miranda to receive such a raise. Subsequent to his pay on February 19th, on the next three occasions that Duckett was paid by the Caucus, between February 20th, 2013 and April 2nd, 2013, State Representative Miranda directed Duckett to pay cash amounts to himself or his sister, Michelle Wilson.

Duckett paid, or was directed to pay, the following amounts in cash:

- \$300.00 on 2/21/2013 to Michelle Wilson from a pay check of \$745.22 deposited on 2/19/2013;
- \$600.00 on 3/8/2013 to Michelle Wilson from a pay check of \$692.09 deposited on 3/5/2013;
- \$800.00 on 3/22/2013 to Miranda from a pay check of \$1391.17 deposited on 3/19/2013;
- \$900.00 on 4/2/2013 to Miranda from a pay check of \$938.12 deposited on 4/2/2013.

These payments were made personally by Duckett to Wilson or Miranda. Duckett kept a ledger of the dates and amounts paid. That ledger was provided by Duckett to the Grand Jury. Duckett also had Michelle Wilson sign the ledger on the occasions he provided her with the cash. He witnessed those signatures and they appear in the ledger.

Michelle Wilson testified under oath before this Grand Jury. She testified repeatedly that she had only been a part-time volunteer in the legislative office of her brother, Jose P. Miranda. She asserted that she had volunteered starting in December 2012 and ending in March 2013. She detailed that she was only in his office to help out, whenever asked by the full-time employees, and that she eventually stopped volunteering once the office was "developed" and they seemed "to not need as much help." She was emphatic that she did not even know the duties, responsibilities or hours of the paid employees in the office. Throughout her testimony, she continuously and pointedly denied ever supervising or directing any work, responsibilities or duties in the legislative office. She denied having any authority or any control over the work of employees in the office and stated that she "would be the last" person to have such authority. She also repeatedly asserted that employee Dwayne Lilley operated, at all times, as the Chief of Staff for the legislative office work and employees. She insisted that it was Mr. Lilley, on behalf of Representative Miranda, who exercised supervisory authority over the hours, responsibilities and work of the legislative office employees. She testified that she left the office in March and was

not there in April when the media began scrutinizing Duckett's work. Miss Wilson also repeatedly denied ever having been paid any money by Timothy Duckett or any other person or entity for her work in the legislative office of her brother. She also repeatedly denied ever being paid or given any money by Duckett for any reason.

State Representative Miranda also testified before this Grand Jury. Miranda also repeatedly insisted, under oath, that his sister was only a volunteer in his legislative office and never acted in any supervisory capacity over the work or employees of his office. He also denied ever informing any of his employees that his sister had supervisory authority in his office and that the employees had to obey and follow her direction. He testified that he knew it was not appropriate for his sister to supervise the employees of his office and she could only give "advice". Further, he stated that she was never in the office all day and usually only there a couple of hours when "helping". He also was insistent that Dwayne Lilley not only had the title of "Chief of Staff" but operated in that capacity in supervision of the staff and their work. He also testified that he signed a quarterly report for the House Democratic Caucus certifying that Timothy Duckett worked, during January, February, and March 2013, 40 hours a week, Monday through Friday from 9 a.m. to 5 p.m. This report also claimed to state the types of work that Duckett was performing on behalf of the legislative office. Miranda stated that the quarterly report he signed was "true". Miranda also insisted that he was never aware of the existence of employee sign-in sheets in his legislative office. Indeed, he repeatedly asserted that he had never known, or seen, one of the sheets until after the news story appeared about Duckett. Miranda went so far as to state that he had never seen one of the sign-in sheets until the point he was shown copies before the Grand Jury.

Based upon the evidence presented before this Grand Jury, including but not limited to the testimony of Timothy Duckett and documents and emails recovered and provided by the House Democratic Caucus, it concludes that the statements listed above of Michelle Wilson and Jose Miranda were false. Duckett testified that Representative Miranda directly instructed his staff that Michelle Wilson would provide direction and supervision of all work in the district legislative office. Duckett also detailed that Michelle Wilson acted, in all respects, as a supervisor of staff and work of the district legislative office. In addition, this Grand Jury

reviewed numerous emails from December 2012 through April 2013 that clearly demonstrate Michelle Wilson enjoyed a supervisory and controlling position over the work, responsibilities and duties of the staff in Miranda's district legislative office. It is also clear that Dwayne Lilley, despite having the title of "Chief of Staff", did not enjoy the authority of that position. Rather, he was clearly subject to the control and oversight of Miss Wilson. The emails especially demonstrate that all the paid employees of the district legislative office reported to Michelle Wilson and had their work, even at relatively minor levels, supervised and directed by her. It is also clear that Michelle Wilson's supervision and work in the district office did not end in March 2013 as she testified. She continued in a supervisory role until the allegations about Timothy Duckett were exposed by the media. Thereafter, Michelle Wilson suddenly disappeared from her regular correspondence with the staff of Miranda's legislative office. The evidence also shows that the employee sign-in sheets for the district legislative office were well known to Michelle Wilson and her brother. Indeed, the location where those sign-in sheets would be and the employee who was to directly ensure the sheets were renewed each week was specifically determined by the State Representative.

RECOMENDATION OF CHARGES

Based on the evidence we have obtained and considered, which establishes a prima facie case, we, the members of the 26th Investigating Grand Jury recommend that the District Attorney or his designee, institute criminal proceedings against the below listed individuals and charge them with the listed offenses based upon activities described in the presentment:

JOSE P. MIRANDA

- Conflict of Interest, 65 Pa. C.S. § 1103 (a)
- Perjury, 18 Pa. C.S. § 4902
- Criminal Conspiracy, 18 Pa. C.S. §903

MICHELLE WILSON

- Conflict of Interest, 65 Pa. C.S. § 1103 (a)
- Perjury, 18 Pa. C.S. § 4902
- Criminal Conspiracy, 18 Pa. C.S. §903