

RICHARD J. THOMPSON  
Secretary



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
Olympia, Washington 98504-0095

June 5, 1990

*Druid PT + J. Millman  
6-5-90.*

TO: J. Michael Smith, Chief  
Office of Special Investigation  
OB-33A

FROM: Spike Millman, Investigator  
Office of Special Investigation  
Internal Affairs OB-33A

SUBJECT: KIWANIS VOCATIONAL HOME INVESTIGATION

A. Allegations:

1. Two people involved with KVH labeled as pedophiles
  - a. Appears to be more rumor than fact
  - b. Plan - Interview staff, former staff and others with KVH knowledge
2. Misappropriation of state funds
  - a. Unresolved
  - b. Plan - . Interviews of present and former staff
    - . Review 1985 audit and hearing findings
    - . Obtain all financial records for KVH if necessary
3. Destroying records by arson
  - a. Unfounded
4. KVH staff physically abusive with KVH residents
  - a. Unresolved
  - b. Plan - . Interview present and former staff
5. Altered records
  - a. Unresolved
  - b. Plan - . Interviews of present and former staff
    - . Review 1985 audit and hearing findings
    - . Obtain all financial records for KVH if necessary

70030322

J. Michael Smith  
June 5, 1990  
Page 2

6. Donations to KVH which end up at staff homes
  - a. Unresolved
  - b. Plan -
    - . Interviews of present and former staff
    - . Review 1985 audit and hearing findings
    - . Obtain all financial records for KVH if necessary

B. Progress to date:

1. Five persons interviewed including one former member of the advisory board
2. Attorney for Kiwanis has offered assistance and documents

7. McCarthy  
6-11-90 Secreting 2nd set of books at home pertaining to "exceptional cost", - billing for more services that actually rendered to clients. "Lets no one see those books. His wife does them."

NOTE: Related to item 2 & 5

8. alleged rape of child by McCarthy  
- sister of boy makes allegation  
- trying to find the boy.

70030323

PCVA 003506