

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

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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.