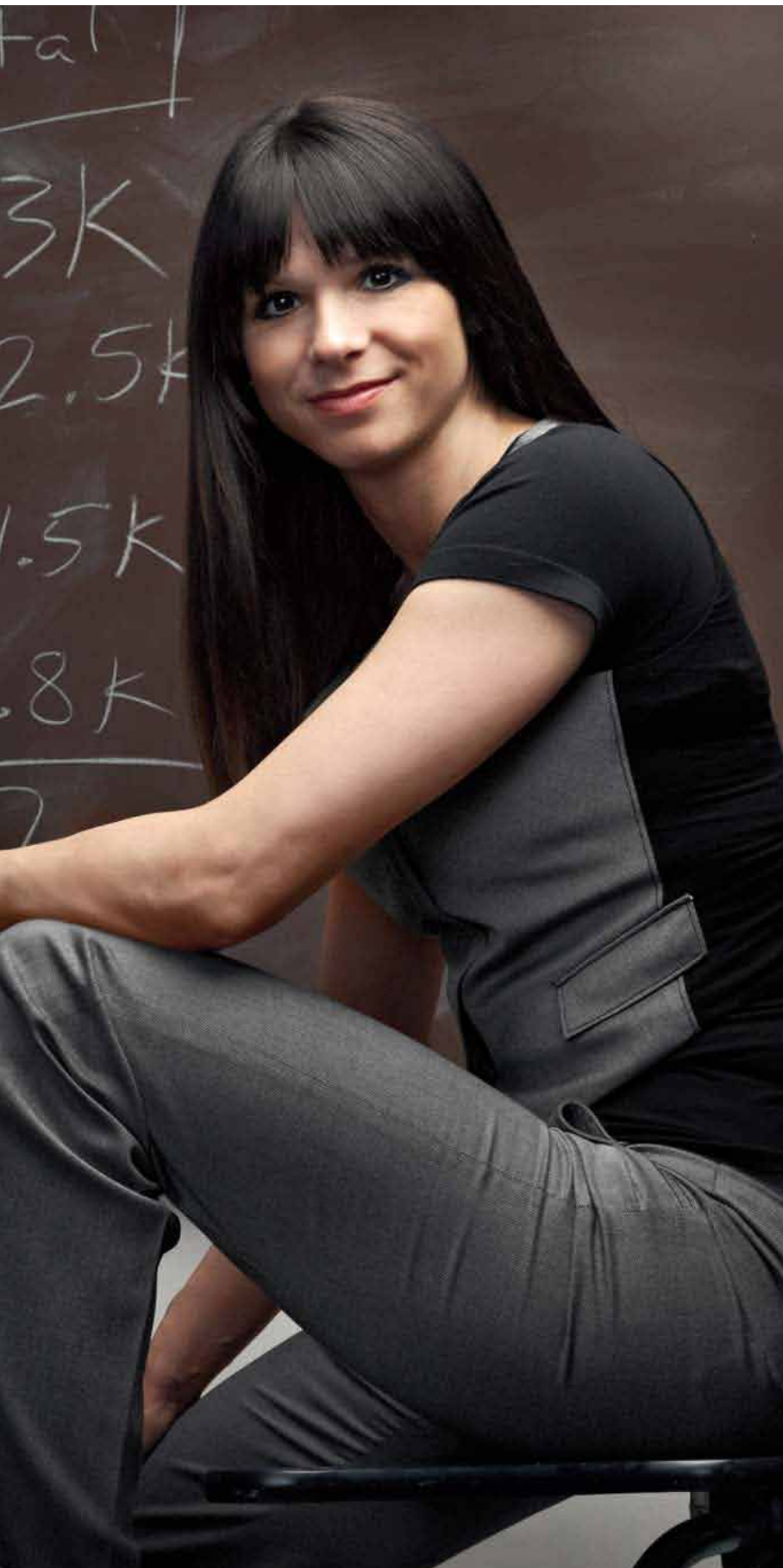


A CLEAN SLATE

Through her M.B.A.-style program, Defy Ventures, Catherine Rohr is helping former prisoners, including Maliki Cottrell (left) and Marlon Llin (center), learn how to launch their own companies.





I Once Was Lost

After a scandal nearly destroyed her, Catherine Rohr is giving former criminals a second chance at life, by teaching them to be entrepreneurs. It's another shot for her, too

BY KRIS FRIESWICK
PHOTOGRAPHS BY MILLER MOBLEY

CATHERINE ROHR stands at the front of a drab, fluorescent-lit classroom in Midtown Manhattan. Her 27 students, who sit crammed into chair-desks, are ex-cons whose crimes include narcotics trafficking and murder. Rohr, 35, is dressed conservatively in long black pants, a button-down white shirt, fitted jacket, and high heels. Beneath her razor-straight bangs, Rohr's

kohl-rimmed eyes zero in on a man in the back of the room, leaning against the wall.

“Are you sleeping back there?” she barks.

“No,” says the man. “I’m just not feeling that well.”

“From now on, no one in the back row can rest their heads against the wall,” she orders. “It looks like you’re not paying attention.”

These men are the inaugural class of Defy Ventures, a yearlong, M.B.A.-style program that Rohr created to teach former inmates how to start their own companies. For months, they have been meeting here for 14 to 16 hours a week to learn about things such as cash flow, balance sheets, intellectual property, accounting, and taxes. There are workshops on how to behave in professional settings, how to speak in public, and how to be a better parent. These men are also learning how to create business plans. In June, they will compete in a business-plan competition. The winners will split \$100,000 in seed funding.

Rohr has an interesting theory about criminals. She says that

Rohr often spoke at churches and conferences. She would always ask the crowd, “What would it be like if you were known for the worst thing that you ever did in your life?”

many of the qualities that made these men good at being bad guys (until they got caught, of course) are the same qualities that make effective entrepreneurs. Some of the men in this class had up to 40 employees under management. Though their merchandise was illegal narcotics and not, say, office supplies, these men developed certain business skills—the ability to motivate a team, identify new markets, manage risk, and inspire loyalty and hard work. Rohr’s goal is to help these students apply their abilities to legal endeavors.

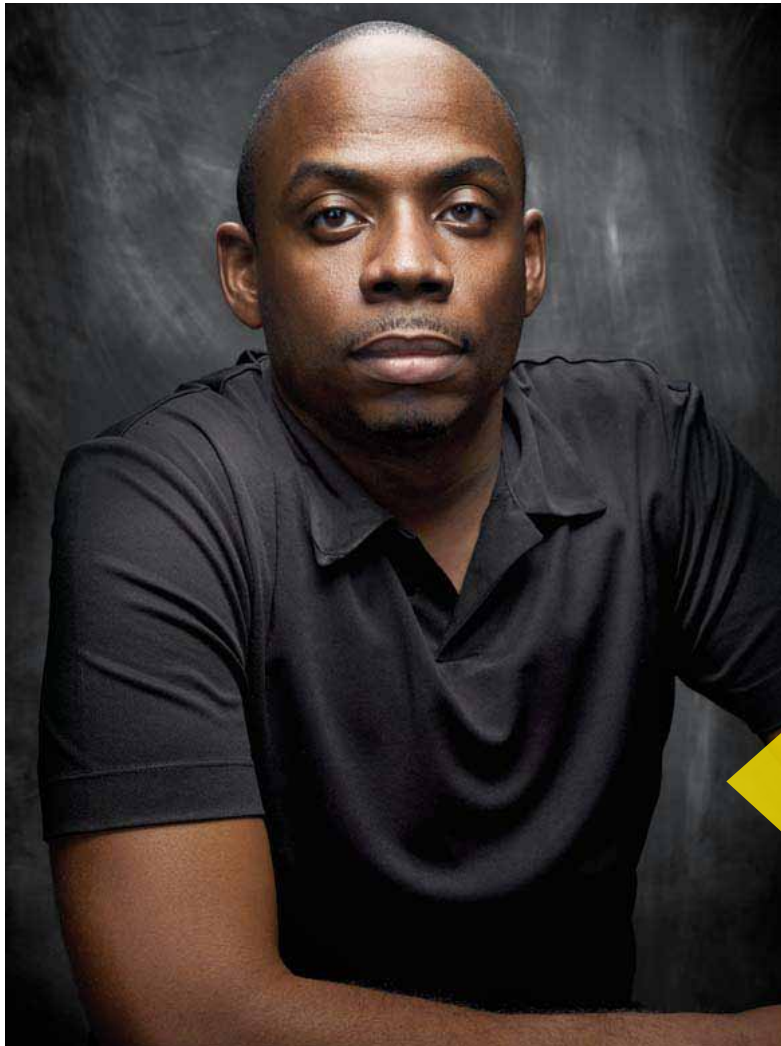
Rohr continues today’s lesson, evaluating the company names proposed by each student. “What’s the name of your business?” she asks, pointing to one of the students.

“Mine’s is...”

“What did you say?” Rohr pounces. She’s a stickler for proper speech. He stops and takes a deep breath.

“Mine is...” he carefully enunciates. Rohr smiles slightly as the man continues.

In this room of former criminals, Rohr may be the most intimidating figure. She runs the show. It’s not just because these men respect her, though they clearly do, but because part of the deal of being in this room is doing what Rohr tells them to do. In exchange, they get a once-in-a-life-



Jeff Ewell, 35

OLD LIFE: Eight months served for conspiracy to sell firearms

NEW LIFE: Founder of Impact Music Group, an online marketplace for musicians

“The biggest motivator for me in starting the business is to make absolutely certain that my kids don’t have the same issues that I faced.”



Fabian Ruiz, 38

OLD LIFE: 21 years served for murder
NEW LIFE: Founder of Infor-Nation, which provides online information to inmates by U.S. mail

“This company is going to help me fulfill a lot of expectations—things I expected for myself and things my family expected from me. And at the same time, I’m giving back to the prison system and everybody in it.”

time opportunity. And for that, they are willing to sit up straight, put their personal lives on hold, and study hard.

This program is the type of second chance that none of these men ever thought they would get. It’s also a second chance for Rohr, who not very long ago had her own—very public—fall from grace.

AT AGE 25, Rohr found God. She and her husband, Steve, a lawyer, began attending a church in the Bay Area. She worked as an associate at Summit Partners, a venture capital firm in Palo Alto. At church, Rohr was introduced to the concept of tithing, giving away 10 percent of her income to the church or charity. Donating felt really good. So good that she resolved to make \$1 million a year by age 30, just so she could give away 95 percent of it.

A couple of years later, after landing a job in New York City at American Securities Capital Partners, a private equity firm, Rohr took a trip to several prisons in Texas as part of a Christian outreach program. It was there that Rohr first made the connection between criminals and entrepreneurs. These men exhibited many of the same qualities she looked for when she met with founders as an investor.

In 2004, Rohr launched the Prison Entrepreneurship Program, or PEP, in Houston to teach inmates basic business skills. After several months of running the program remotely, Rohr left her job and moved to Texas to focus all her efforts on PEP. She and her husband spent nearly every penny they had, including her entire 401(k), on the program. She and volunteer executives taught classes about marketing,

finance, and how to act professionally. And it was all topped with a thick frosting of religion—both because it fueled Rohr’s passion and because religion is an unspoken requirement for any prison rehabilitation program in Texas.

Rohr believed God had called her to this ministry. And what she was able to accomplish in a short time struck many as miraculous. In five years, about 500 students graduated from the program. About 60 of them started businesses when they left prison. More important, the recidivism rate of graduates—at the time, around 10 percent—was much lower than the U.S. average of 40 percent. Rohr and her program received several honors for public service, including awards from Texas Governor Rick Perry and President George W. Bush.

BUT EVERYTHING CAME crashing down in 2009, when Rohr admitted to her staff of volunteers that she had had inappropriate relationships with four graduates of her prison program. “I felt like I’d been punched in the gut,” says Bert Smith, one of those volunteers. After someone sent an anonymous letter to the Texas Department of Criminal Justice, which has strict policies against volunteers becoming person-



Roy Young, 25

OLD LIFE: One year served for sale of a controlled substance

NEW LIFE: Founder of Dog Fit NYC, a full-service dog-walking company

“My company will make me happy to go to work every day. I’ve always had ideas and passion, but Defy has given me motivation, encouragement, and the knowledge to execute. Without Defy, my chances may have been slim of getting a meaningful and fulfilling job.”

that aloneness, I didn’t make the best decisions.” Rohr won’t discuss specifics but claims that not all four relationships were “what people thought.”

The media, which had frequently celebrated Rohr’s efforts to reform prisoners, pounced on the story of her downfall. The scandal became news as far away as China. *Prisons Ban Founder for ‘Improper Relationships,’* read the headline in the *Austin American-Statesman*. That particular story attracted more than 60 online comments, most of them negative. “Let me guess, the greater the crime committed by the ex-convict, the dirtier the sex?”

wrote one commenter. Others claimed to have knowledge of more than four affairs. “I was just bawling my eyes out,” says Rohr. “They wrote untrue things—all sorts of uninformed comments. I didn’t want to live anymore. I thought that I would live my whole life covered in shame.”

Before the scandal, Rohr often spoke at churches and conferences about the prison program. She would always ask the crowd, “What would it be like if you were known for the worst thing that you ever did in your life?” Now, she was in that very situation.

AT THE LOWEST POINT of her life, something unexpected happened that helped Rohr pick herself back up. “I got over a thousand e-mails from people of love and support,” she says, still looking surprised by it nearly three years later. “They were saying, ‘What are you doing next?’ and ‘Thank you for your honesty.’ Some came back with confessions of their own.”

ally involved with inmates, the department launched an investigation. Rohr says that none of the relationships started until after the prisoners were out of jail. But the department barred her from ever entering the Texas prison system again, citing security concerns. It also threatened to kick PEP out of the prison system if Rohr was involved in the program in any way. Devastated, she resigned.

The troubles, says Rohr, started a year earlier, when her husband asked for a divorce after nine years of marriage. In retrospect, the divorce wasn’t so unexpected, she says. As the program grew, Rohr traveled frequently, visiting prisons and raising money for the program. She slept four hours a night and was rarely home. “I didn’t have good boundaries in terms of working a certain number of hours and then I’ll be home and be a wife,” says Rohr. “I wasn’t living sustainably.”

After the divorce, she felt ashamed. “Instead of reaching out for help, I chose to be on my own,” Rohr says. “And in

It was far too soon, the pain still too fresh, for her to realize what these messages were telling her about the way this failure would transform her life. But those notes of encouragement gave her the strength to reach out to friends for support. With their help, she put the contents of her apartment in storage and got out of Texas. She traveled for six months, staying with friends. “I went through a period of questioning my calling, or that I could be worth anything or do anything good for the world ever again,” she says. “But at the same time, I had this sense that I was born to lead. I needed to get my crap together so I could be an effective leader.”

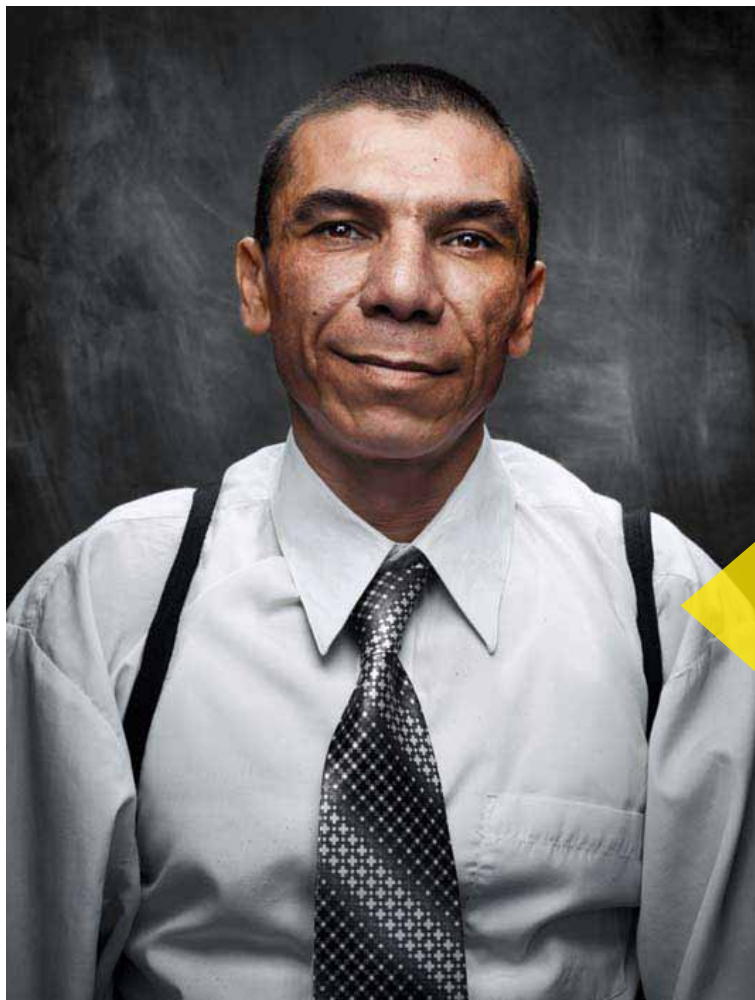
Rohr decided she had had enough sitting around. She dyed her auburn hair back to its naturally darker shade and moved back to New York City, hoping that the city’s energy would help jolt her back to life. She entertained a job offer from a VC firm before finally giving in to what her heart was telling her to create: a new nonprofit. She would create a version of PEP that operated outside the prison system. (PEP is

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still going strong in Texas. “We came very close to having the doors locked,” says Bert Smith, who is now CEO of the program. “There were a number of people who were convinced that without Catherine Rohr, PEP would fail. I’m happy to say that it didn’t.”)

Defy Ventures has raised more than \$1.5 million in donations and pledges from VC firms, hedge funds, businesses, and private foundations. Last fall, Rohr began accepting applications for the first class. After requesting referrals from the New York parole and probation departments and about 25 prisoner rehabilitation programs, Defy received more than 180 applications from former inmates interested in the free classes. Rohr looked for candidates who had high school diplomas or GEDs, who owned up to their crimes, and who were motivated to change their lives.

Today, when Rohr stands before a classroom of ex-cons and future entrepreneurs, everyone understands that the group shares a common story of failure—separated by degrees, of course. A few weeks after the program began, she told them all about what happened in Texas. “I was very hesitant



Jose Santiago, 48

OLD LIFE: 13.5 years served for armed robbery

NEW LIFE: Founder of Shines-R-Us, a window cleaning and power-washing service

“After my father left when I was a kid, my mother used to let me go out and wash cars and windows. I helped her out with the bills. Without Defy, I’d be unemployed, probably collecting welfare and looking for work. I don’t have any family left, but in spirit, I know my family is proud of me.”

to step foot in the classroom again,” says Rohr. “I was concerned about how would these guys look at me. But I’ve never felt that. They are so respectful. I think that I’m able to be a better leader now that, in a way, we have a shared experience. I know what it feels like to let people down.”

HERE IN THE CLASSROOM, student Marlon Llin, who served 10 years for conspiracy to sell narcotics, stands at the blackboard. Llin, 37, is trying to figure out how much he should charge for the various services he provides through his new company, Mylo’s Repairs. Kene Turner, an instructor from the Network for Teaching Entrepreneurship and one of Defy’s course leaders, is teaching the men about pricing. Turner asks Llin what he charges to remodel a bathroom. Llin says \$150 to \$200, and the customer pays for the materials. As the class watches, Turner shows Llin all the things he will have to pay for out of that fee, including insurance, gas for his truck, office supplies, and taxes. As it turns out, Llin isn’t making nearly as much as he thought he was. “You’re undercharging,” says Turner.

Llin—and every other man in the room—has a visible “aha” moment. “I never thought about it that way before,” says Llin. “I get it,” adds another man in the back. They had been used to thinking like men living paycheck to paycheck, worried only about how much they needed to make per hour to survive and feed their families. Now they are seeing what it means to think like entrepreneurs.

At its core, the true purpose of Defy is to change the way these men think about themselves and their lives, says Rohr. One of her techniques is something she calls the Ten Bear Hugs. Every class starts with group hugs. It’s a strange sight, watching these men, many of whom have done decades of hard time, warmly embrace one another and everyone else in the room. “Initially, we didn’t like it,” says Jeff Ewell, who was incarcerated for a little less than a year for conspiracy to sell firearms. He is creating an online music exchange that would let artists buy instrumental tracks directly from producers. “But now we have to get told, ‘Sit down, stop hugging each other; we’ve got to get stuff done.’” Rohr’s goal is to break down the walls these men have had up around themselves for much of their lives.

Fabian Ruiz spent more than half his life with corrections officers who, he says, “don’t even look at inmates as people.” At 16, Ruiz killed the man who shot his older brother. While awaiting trial on Rikers Island in New York City, he attempted to escape and was recaptured. He was tried as an adult and sentenced to 20 years to life. He spent the next 21 years in a series of maximum-security prisons in New York State. He was released about a year ago at the age of 37.

Ruiz learned about Defy from a friend. His brown eyes dance when he talks about his start-up, Infor-Nation. It will sell printouts of webpages to inmates of New York’s prison system, who are blocked from using the Internet. Ruiz thinks his business has huge market potential. He really wants to win the business-plan competition—all the students do. The winners not only get the prize money, but they will also get to participate in Defy’s six-month incubator program, helped by a team of entrepreneurs-in-residence and volunteer accountants, lawyers, and other mentors.

But the benefits of this program go well beyond prize money,

“When Jesus would go up to a leper or a blind person and ask, ‘Do you want to be healed?’ it always seemed to me such an idiotic question. But a leper was taken care of.”

says Ewell. Defy has helped him open up to other people, he says. “I’ve always been the type of person to attack everything alone,” says Ewell. “The one thing we never learned to do was trust in another individual.” But he developed a powerful bond with his fellow classmates. “We kind of became a brotherhood,” he says.

To succeed, these men must learn to reject failure, which isn’t always easy. Failure can have its own comforts, says Rohr. “When Jesus would go up to a leper or a blind person and ask, ‘Do you want to be healed?’ it always seemed to me such an idiotic question,” she says. “Of course you want to be healed. But a leper was taken care of. If you’re not a leper anymore, you have to provide for yourself. You have all these different expectations if you’re no longer the blind man. That’s how it is with our guys, too. And not all of them want to see.”

In fact, almost half the class has quit—Rohr started with 50 students. Some left because they got jobs they couldn’t pass up. Others just couldn’t hack the workload. Those who have stayed hope that maybe they won’t be known for the worst thing they ever did. Maybe they will be known for building something great. The same goes for Rohr, who hopes to eventually expand Defy Ventures to other cities around the country. “I’ve spent my whole life talking about grace and second chances,” she says, “and I have now been the recipient of it.” **1**

Kris Frieswick is a business writer in New York City. This is her first piece for Inc.