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Catherine Rohr helps ex-cons return to society by learning to start businesses

Former venture capitalist Catherine Rohr founded the nonprofit Defy Ventures to train ex-prisoners in the ethical and other demands of becoming legitimate entrepreneurs.



Catherine Rohr 'interviews' a competitor in business-pitch competition for ex-cons held earlier this year by Defy Ventures. The nonprofit Defy Ventures brings criminals and business executives together to help ex-cons reenter society by putting them through a yearlong entrepreneurship training program.

(Ann Hermes/Staff)

By Stephen Kurczy, Contributor
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New York

It's an early Saturday morning, and 31 business executives and money managers are mingling in a New York City classroom with 31 ex-convicts who have served time for burglary, drug dealing, and attempted homicide.

Catherine Rohr is thrilled.

The former venture capitalist has brought the criminals and executives together as part of her new nonprofit group Defy Ventures, aimed at helping prisoners reenter society by putting them through a yearlong

entrepreneurship training program and "Survivor"-like competition for \$100,000 in seed money to launch their own businesses.

IN PICTURES: Alabama Prison Arts + Education Project

"I have these moments of thinking, 'Is this really happening?' " Ms. Rohr says. "I love business, I love doing deals, but I know why I'm here on Earth."

At a time when bankers and private-equity managers are often vilified as "vulture capitalists," Rohr and her cohort in the top percent are helping the bottom percent. In addition to raising \$800,000 in grants and private donations, Rohr has taken out \$60,000 in personal loans to fund the program and pay the \$15,000 annual tuition for Defy participants – an education that's pricier than a year at a community college but half the average cost of a year's imprisonment in the United States, according to the Pew Research Center.

Defy's premise is that many of the skills needed on Wall Street – calculated risk-taking, creating an intelligence network, money management – overlap with the Mean Street of drugs and gangs. By bringing together people from both walks of life, Defy aims to provide former criminals with the education, encouragement, and character development to put their skills to positive use.

In 2004, after an introduction to Charles Colson's Prison Fellowship organization, Rohr was inspired to leave the private-equity field to start the Prison Entrepreneurship Program, which provides business management education within Texas prisons. Today, PEP boasts more than 800 graduates, 100 percent employment within 90 days, and a recidivism rate of less than 5 percent, compared with the 40 percent average nationwide. PEP grads have launched some 85 businesses, from carpet cleaning and car detailing.

"Catherine has proven herself with PEP," says Jamyn Edis, a volunteer at Defy and a vice president at HBO. He learned about PEP nearly a decade ago while studying at Harvard Business School, which Rohr had asked for help in vetting prisoners' business ideas. "She's this whirlwind of energy and terrific focus."

Tall and slender, Rohr easily commands a room of tattooed, tough-talking ex-cons. She's used to being surrounded by men, having been the sole girl on her high school wrestling team in California and one of the few women at the private-equity firms where she worked after graduating from business school at the University of California, Berkeley.

During an initial Defy class, Rohr had the men laughing as she instructed them how to hold a microphone ("not sideways like you're a rapper") and on the importance of smiling in public speaking (she'll poke their cheeks with a pen to remind them to grin).

Aside from Rohr's infectious enthusiasm, a key to the success of Defy is finding ex-convicts who truly want to stay out of trouble. During the recent business pitch competition, Juan Vasquez didn't make it past the first round with his idea for an eco-friendly floor-cleaning business. But the middle-aged Mr. Vasquez, who has spent half his life in jail for conspiracy to sell drugs, was among many there moved to tears by the support of the 31 volunteers, the Defy staff, and his classmates who, like him, seek to overcome their circumstances.

"I've been out of jail for two years," he said, standing before the group, his eyes watering. "I'm on federal parole. To be around ex-convicts who are striving for a better life, it's overwhelming."

Defy participants say they turned to illegal activities for lack of alternatives. It was the only option, says Michael Phillips, who was released in September after serving 12 years for drug crimes. As a child he ran away from foster care and lived on New York's streets, working his way up the drug ladder to a point where he oversaw 12 employees and pocketed \$60,000 a week, he says.

Now he works for \$12 an hour.

"You're taking quite the financial hit," Rohr said to him after one class.

"It's a huge hit! It's a scalping!" he replied with a laugh. But he quickly added that his wife and two children are too important to him to risk losing them again.

Defy seeks to capitalize on that earnest and genuine desire for self-improvement.

The impact from two months of business training with Rohr and her staff, along with weekend-long life-coaching sessions is already noticeable, says donor and volunteer Bill Hwang, chief executive of the private equity firm Tiger Asia Management.

"The first day, they didn't talk, they didn't smile. There was a lot of initial skepticism," Mr. Hwang says. "I see a huge change. They're trusting other people for the first time; they're giving other people a chance to help them."

Some ex-cons have quit, however, under the weight of 15 to 20 hours of weekly classes and dozens more hours of homework assignments – in addition to a full-time job and college course work for some. The group nearly halved since the three-phase program started in late December.

The two-month entrepreneurship and life transformation session ended in late February with the business pitch competition. A four-month entrepreneurship fellowship concludes in June with a final business plan competition for the \$100,000 in seed money.

Starting this month, all of the men will launch businesses, and some will begin hiring staff. Those who don't generate enough profits to sustain themselves as entrepreneurs will receive assistance in finding careers..

While Defy is not the only prisoner re-entry program in New York – the Doe Fund and Osborne Association are among the more prominent – Defy may be the sole program in the US that connects ex-convicts with top business leaders in classes and through one-on-one mentorships, according to Michael Caslin, a professor of entrepreneurship at Baruch College in New York.

"Defy has the potential to be the most effective and largest in America over time, given the [New York State] prison population and its ability to replicate," he says.

If the pilot program is successful, Rohr aims to take Defy nationwide. She already has a network of supporters across the US.

"As soon as she feels New York is under control, I'm on board with Chicago," says Seth Kravitz, the founder of several start-up companies in Chicago, who flew to New York recently to volunteer with Defy.

Ultimately, however, the program will be judged on the ability of ex-convicts to turn their lives around. "The success of Defy depends on you guys," Amy Kleine, program director with the Weinberg Foundation, which has funded PEP in Texas, told the group at the end of that Saturday competition.

"I tried to talk Catherine out of this," she told the inmates. "But it's working. Catherine has put more work into this than you would believe. Make her proud."

- *For more information, visit <http://defyventures.org>.*
- *To read more stories about people making a difference, visit [here](#).*

How to find out more on job training for ex-cons:

More than 650,000 inmates are released from US prisons each year. Ex-cons find that getting a job isn't easy. But jobs are key to keeping them from committing new crimes and returning to prison.

- Defy Ventures (defyventures.org) uses an intensive internship program to offer ex-convicts a chance to succeed as entrepreneurs and as income earners, fathers, and role models in their communities (see accompanying story).
- The Delancey Street Foundation (delanceystreetfoundation.org, 415-512-5104), based in San Francisco with five locations nationwide, has a 40-year record of helping ex-convicts through its residency program and job-skills training.

- The Safer Foundation (saferfoundation.org, 312-922-2200) is a Chicago-based nonprofit group that supports the efforts of people with criminal records to become employed, law-abiding members of the community.

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