



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

February 29, 2008

EVENT: Sentenced

Defendant: James Tague

**FORMER SCHOOL OFFICIAL IMPRISONED FOR
DEFRAUDING SCHOOL DISTRICT**

A former purchasing agent of the Chippewa Valley School District ("CVSD"), was sentenced to 42 months in prison for defrauding the CVSD, a federally funded program, United States Attorney Stephen J. Murphy announced today.

James Tague, 60, of Clarkston was sentenced by United States District Judge Paul D. Borman. Tague was also ordered to repay the School District \$2,380,585, which included the cost of the School District's internal investigation. Judge Borman further ordered Tague to pay a fine of \$75,000 and to serve three years of supervised release upon leaving federal prison.

United States Attorney Murphy was joined in the announcement by Andrew G. Arena, Special Agent in Charge of the Detroit Field Office of the Federal Bureau of Investigation.

At the time of sentencing, Tague forfeited two real properties (one in Florida and one in Nevada) and \$100,000 cash to the United States. The United States Attorney's Office for the Eastern District of Michigan will request that the Attorney General apply any proceeds from the sale of the properties and the \$100,000 in cash to the restitution that Tague owes the

Chippewa Valley School District.

The fraud from CVSD occurred between 1998 and 2006 while Tague worked as its purchasing agent. Tague's duties at the CVSD included obtaining bids from furniture and other school equipment suppliers and awarding contracts to the lowest qualified bidder. Unbeknownst to the CVSD, Tague rigged bids and awarded contracts to Megasource, Inc., a company Tague owned and operated under that name and the assumed names "DSC Office Products and Supplies," "Design Seating" and "Mid American School Supply."

United States Attorney Stephen Murphy said, "When a school official steals from a federally funded educational institution, it's a fraud on the taxpaying public. I commend the work of the FBI in this investigation. Results like the one in this case help protect the integrity of government services. The restitution and fines will ensure that the defendant will not benefit from his crimes once he is released from prison."

The investigation was conducted by the Federal Bureau of Investigation and prosecuted by Assistant U.S. Attorneys R. Michael Bullotta and Philip Ross, whom U.S. Attorney Murphy thanked and congratulated.