



**U.S. Department of Justice**

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**For Immediate Release:**

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**EVENT: Guilty Plea**

**Defendant: James Tague**

**FORMER SCHOOL OFFICIAL PLEADS GUILTY  
TO DEFRAUDING A FEDERALLY FUNDED PROGRAM**

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A former Purchasing Agent of the Chippewa Valley School District ("CVSD") pleaded guilty to one count of defrauding a federally funded program, United States Attorney Stephen J. Murphy announced today.

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.

Pleading guilty before U.S. District Judge Paul D. Borman was James Tague.

The fraud from CVSD, a federally funded entity, occurred between 1998 and 2006. During that time, Tague, 59, of Clarkston, worked as the Purchasing Agent for the School District. Tague's duties included obtaining bids from furniture and other school equipment suppliers and awarding contracts to the lowest qualified bidder to supply items to the School District. Unbeknownst to the CVSD, Tague, according to the investigation, 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." Between 1998 and 2006, Tague, through these entities, charged the school district a markup over cost that amounted to over \$2 million.

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. Cases like this help protect the integrity of government services."

According to the plea agreement, the government will ask for a sentence of between 37 and 46 months in federal prison. Tague must also repay the amount obtained by fraud, as determined by the court. The maximum possible sentence is ten years imprisonment and a fine of \$250,000.

The investigation of this case was conducted by the Federal Bureau of Investigation, and the case is being prosecuted by Assistant U.S. Attorney R. Michael Bullotta, both of whom U.S. Attorney Murphy thanked and congratulated.