



# Department of Justice

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## **FORMER TECHNOLOGY DIRECTOR FOR ATLANTA PUBLIC SCHOOLS PLEADS GUILTY IN "E-RATE" CORRUPTION SCHEME**

### ***Wife Also Pleads Guilty: Defendants Received Over \$300,000***

ATLANTA, GA – The former technology director of Atlanta Public Schools, ARTHUR R. SCOTT, 47, and his wife, EVELYN MYERS SCOTT, 42, both of Tyrone, Georgia, today pleaded guilty in federal district court to a Criminal Information. ARTHUR SCOTT pleaded in connection with a scheme involving the federal "E-Rate" program. ARTHUR SCOTT pleaded guilty to bribery in the case, and he and his wife both pleaded guilty to defrauding Atlanta Public Schools of their honest services, in violation of federal law.

"By cheating the competitive process, these criminals frustrated efforts to help our nation's economically disadvantaged school children," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The Antitrust Division will vigorously prosecute those who engage in such illegal behavior."

United States Attorney David E. Nahmias said of the case, "Taking payoffs is not the way to do business on behalf of our school children. School system employees must maintain the same high standard of honesty and fair play for themselves as the schools set for their students. Hopefully, this case will teach more than a lesson; it will underscore the commitment that educational funds must not be squandered through bribery."

The "E-Rate" program was created by Congress in the Telecommunications Act of 1996 and is administered by the Universal Service Company, a non-profit corporation, under the auspices of the Federal Communications Commission. The "E-Rate" program provides funding to economically disadvantaged schools and libraries for telecommunications services, Internet access, and communications network infrastructure.

According to the Criminal Information and plea agreement: Between May 2001 and February 2003, the SCOTTs received \$323,524.50 from various APS vendors who

were seeking to do business with the school district. The defendants deposited nearly \$300,000 of the funds into a joint bank account they owned, and used the funds for their own personal expenses. As technology director, ARTHUR SCOTT had managerial responsibilities relating to APS' E-rate program, including the selection of vendors for APS' E-Rate and other technology related projects, potentially worth millions of dollars. For example, in August 2002, ARTHUR SCOTT accepted a \$37,917 payment from a vendor intending to being influenced and rewarded for supporting the vendor's interests in connection with the school district's E-Rate program. SCOTT, along with his wife EVELYN MYERS SCOTT, who worked in Atlanta Public Schools' Information Services Department, also devised a scheme to defraud Atlanta Public Schools of their honest services and its right to their loyal, faithful, disinterested, and unbiased service.

The maximum penalty for Bribery Concerning Programs Receiving Federal Funds, 18 U.S.C. § 666 (a)(1)(B), is a term of imprisonment of 10 years and a \$250,000 fine. The honest services mail and wire fraud conspiracy charge, 18 U.S.C. § 371 18 U.S.C. §§ 1341, 1343, and 1346, carries a maximum term of imprisonment of 5 years and a maximum fine of \$250,000. SCOTT and his wife are scheduled to be sentenced on July 31, 2007 at 4 p.m., before United States District Judge Clarence Cooper in Atlanta.

The charges announced today resulted from an ongoing federal investigation of fraud and anti-competitive conduct in the E-Rate program. Anyone with information concerning fraud or anti-competitive conduct involving the E-Rate program should contact the Atlanta Field Office of the Antitrust Division at (404) 331-7100.

The investigation is being conducted jointly by the Antitrust Division's Atlanta Field Office and the United States Attorney's Office for the Northern District of Georgia, with the assistance of the Federal Bureau of Investigation and the Federal Communications Commission Office of Inspector General. APS is cooperating in the investigation.

Assistant United States Attorneys Aaron M. Danzig and Glenn D. Baker are prosecuting the case, along with Karen Sampson Jones and Sally B. Molloy, Trial Attorneys with the Antitrust Division's Atlanta Field Office.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).