



Department of Justice

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LOCAL BUSINESSMAN INDICTED
FOR BRIBING ATLANTA PUBLIC SCHOOL OFFICIAL

Clay Harris Is Third Defendant Charged in E-rate Investigation

Atlanta, GA - R. CLAY HARRIS, 55, of Fairburn, Georgia has been indicted by a federal grand jury on charges of conspiring to bribe a former Atlanta Public School (APS) official and to deprive APS of that official's honest services. HARRIS was also indicted on four charges of bribing the school official. HARRIS is scheduled for an initial appearance/bond hearing/arraignment on Friday, August 31, 2007.

United States Attorney David E. Nahmias said, "In May, APS's former technology director pleaded guilty to receiving bribes in exchange for providing favorable treatment to a company doing business with the school system. Today, the grand jury has charged the owner of that company with paying those bribes. Our investigations into public corruption do not end with the conviction of the public officials; we seek to investigate and prosecute the businesspeople who pay bribes and join the corrupt conspiracies."

According to United States Attorney Nahmias, the charges and other information presented in court: HARRIS was the president and majority owner of Multimedia Communications Services Corporation (MCSC), while co-conspirator Arthur Scott was the Director of APS's Operational Technology/Telecommunications Division, with responsibility for APS's technology infrastructure and for managing and overseeing APS's E-rate program. The E-rate program was created by Congress in 1996 to provide funding to connect needy schools to the Internet and was authorized to provide billions of dollars of funding to such schools. In 1998, Arthur Scott and other APS Information Services employees recommended that MCSC (and related companies) be awarded contracts to do E-rate work for APS.

The indictment alleges that starting in late 2000 and continuing until late 2002, HARRIS paid M&S Consulting, a business partnership between Arthur Scott and his wife, Evelyn Myers Scott, over \$230,000 for favorable treatment in receiving E-rate and other APS business. In January 2001, shortly after the corrupt payments began, Arthur Scott, assisted by other APS Information Services employees, submitted E-rate funding applications requesting over \$20 million for MCSC to provide equipment and services to APS, without competitive bidding. From December 2001 to July 2002, HARRIS allegedly received and deposited over \$11 million in E-rate funds for work at APS. In January 2002, Arthur Scott, assisted by other APS Information Services employees, submitted E-rate funding applications requesting over \$16 million for MCSC to provide equipment and services to APS, again without competitive bidding. The indictment alleges that HARRIS's payments to Scott stopped when HARRIS's company, MCSC, was forced to competitively bid for additional E-rate work in December 2002 and was not selected by APS to conduct further work under the E-rate program.

Arthur Scott and his wife, Evelyn Myers Scott, pleaded guilty in May 2007 to a criminal information charging them both with conspiring to deprive APS of their honest and faithful services relating to a payment to M&S Consulting procured by Arthur Scott in return for contracting with another company to provide a software license to APS. Arthur Scott also pleaded guilty at that time to receiving bribes from MCSC in return for providing MCSC favorable treatment in E-rate contracting.

The indictment charges one count of conspiracy to bribe and to commit honest services fraud, which carries a maximum term of imprisonment of 5 years and a fine of up to \$250,000. The indictment also charges four counts of bribery concerning programs receiving federal funds. Each bribery count carries a maximum sentence of 10 years in prison and a fine of up to \$250,000.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

This case is being prosecuted jointly by the United States Attorney's Office for the Northern District of Georgia, and the Antitrust Division's Atlanta Field Office, with the assistance of the Federal Bureau of Investigation and the Federal Communications Commission Office of the 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