



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

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CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

**FORMER SCHOOLS TECHNOLOGY DIRECTOR SENTENCED TO OVER 3
YEARS IN PRISON FOR FRAUD AND BRIBERY
INVOLVING FEDERAL E-RATE FUNDS**

His Wife Sentenced To 2 Years In Prison For Her Role In Fraud Scheme

Atlanta, GA - ARTHUR SCOTT, 47, of Tyrone, Georgia, was sentenced today by United States District Judge Clarence Cooper in connection with a bribery scheme involving the federal "E-Rate" program. His wife EVELYN MYERS SCOTT, 42, was also sentenced today for her role in conspiring to commit fraud and deprive the citizens of Atlanta and the Atlanta Public Schools of their honest services.

United States Attorney David E. Nahmias said of the case, "The sentences imposed in this case should serve as another warning that taking payoffs is not the way for government officials to do business on behalf of the public they serve. School system employees must maintain the same high standard of honesty and fair play for themselves as the schools set for their students."

"Today's sentencings demonstrate the Department's resolve to hold accountable individuals who subvert the competitive process and frustrate 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.

ARTHUR SCOTT was sentenced to 3 years, 1 month in federal prison to be followed by 3 years of supervised release, and ordered to pay restitution of \$333,529. MYERS SCOTT was sentenced to 2 years in prison to be followed by 3 years of supervised release, and ordered to pay restitution of \$333,529. SCOTT and MYERS SCOTT pleaded guilty to these charges on May 3, 2007.

According to United States Attorney Nahmias and the information presented in court: 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.

Between May 2001 and February 2003, the SCOTTs received \$333,529 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. APS vendors received millions of dollars for E-Rate work. For example, in August 2002, ARTHUR SCOTT accepted a \$37,917 payment from Multimedia Communication Services Corporation ("MCSC"), 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 sentences 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.