



Department of Justice

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LOCAL BUSINESSMAN CONVICTED BY FEDERAL JURY ON ALL COUNTS FOR BRIBING ATLANTA PUBLIC SCHOOL OFFICIAL

Bribes Helped Businessman Receive Millions In Federal "E-Rate" Funds

Atlanta, GA - R. CLAY HARRIS, 56, of Peachtree City, Georgia, was found guilty this morning by a federal jury on charges of bribery and conspiring to bribe a former Atlanta Public School (APS) official and to deprive APS and the citizens of Atlanta of that official's honest services.

United States Attorney David E. Nahmias said, "Business people who think they can bribe their way into contracts with school systems and government agencies face the risk of being caught and convicted. Our investigations into public corruption do not end with the conviction of the public officials; we seek to investigate and prosecute the business people who pay bribes and join the corrupt conspiracies. In this case, we have already convicted the recipients of Harris' bribes, and now he too will go to prison."

"Today's guilty verdict demonstrates 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 in Washington D.C.

According to United States Attorney Nahmias, the charges and other information presented in court: HARRIS was the CEO 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. Arthur Scott pleaded guilty to conspiracy and bribery charges in May 2007, and testified at trial against HARRIS.

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.

Evidence at trial showed 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 submitted E-rate funding applications requesting over \$22 million for MCSC to provide equipment and services to APS, without competitive bidding.

The evidence showed that in September 2001, APS learned that E-rate had approved and set aside \$11 million for MCSC projects. Arthur Scott testified at trial that he did virtually no work for HARRIS from that point forward, yet he continued to invoice HARRIS and got over \$200,000 in payments from HARRIS. During that same time period, HARRIS received over \$11 million in E-rate funds for work at APS.

In January 2002, Arthur Scott submitted E-rate funding applications requesting over \$16 million more for MCSC to provide equipment and services to APS, again without competitive bidding. HARRIS' payments to Scott stopped when HARRIS' 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. Evelyn Myers Scott, the partner in M&S Consulting, pleaded guilty to a charge of conspiracy to deprive of honest services in May 2007, and she also testified at trial against HARRIS.

Sentencing for HARRIS is set for October, 22, 2008, at 4 p.m. before United States District Judge Clarence Cooper. HARRIS faces a maximum sentence of 45 years in federal prison. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders. Arthur Scott is serving a sentence of 3 years, 1 month in federal prison. Evelyn Myers Scott is serving a sentence of 2 years in federal prison. They were both sentenced in July 2007.

This case was investigated by the Federal Bureau of Investigation and the Federal Communications Commission Office of the Inspector General. APS cooperated in the investigation.

Assistant United States Attorneys William McKinnon and Sally B. Molloy prosecuted this case, with the assistance of the Atlanta Field Office of the Antitrust Division.

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