



**United States Attorney's Office
Eastern District of Michigan**

**Barbara L. McQuade
United States Attorney**

PRESS RELEASE

**FOR IMMEDIATE RELEASE
March 29, 2016**

**Contact: Gina Balaya - (313) 226-9758
www.justice.gov/usao/mie/index.html
Jill Washburn – FBI (313)965-1712
Jeffrey Himburg – IRS (313) 234-2448**

**Twelve Detroit Public Schools Principals,
Assistant Superintendent and Vendor Charged with Bribery**

Criminal charges were filed today against 12 current or former Detroit Public Schools principals, an assistant superintendent and a vendor in an illegal bribery and kickback scheme, announced U.S. Attorney Barbara L. McQuade.

Joining McQuade in the announcement were David P. Gelios, Special Agent in Charge of the Detroit Field Office of the Federal Bureau of Investigation, and Jarod J. Koopman, Special Agent in Charge of the Internal Revenue Service-Criminal Investigation.

At the center of the scheme was Norman Shy, 74, of Franklin, owner of Allstate Sales, a DPS vendor of school supplies. The charges allege that each of the school officials conspired with Shy to knowingly certify and submit fraudulent invoices to DPS, causing DPS to pay Shy for goods that were never delivered. Invoiced supplies included auditorium chairs, supplemental teaching materials and raised line paper. In exchange, Shy paid bribes and kickbacks, using a portion of the payments he received from DPS from the fraudulent invoices. The scheme began in 2002 and continued until January 2015.

DPS principals had the primary authority for selecting vendors from a list approved by DPS and for certifying that invoiced goods were received. The principals accepted bribes and kickbacks in various forms, including prepaid gift cards, cash and checks payable directly to them or to third parties or companies for their benefit. The total amount of bribes and kickbacks that Shy paid to the 13 school officials was

approximately \$908,518. In exchange, Shy and his company received approximately \$2.7 million dollars from DPS based on payments for fraudulent invoices.

The 13 charging documents, known as criminal informations, charge each defendant with one count of Conspiracy to Commit Federal Program Bribery as follows:

1. Norman Shy (vendor), 74, of Franklin, and Clara Flowers, 61, of Detroit (\$324,785); Flowers is the former principal of Henderson Academy and current Assistant Superintendent of DPS' Office of Specialized Student Services. Additionally, Shy and Flowers were each charged with one count of Tax Evasion for failing to report income.
2. Beverly Campbell, 66, of Southfield (\$50,000), former principal of Rosa Parks School and Greenfield Union Elementary-Middle School;
3. Clara Smith, 67, of Southfield (\$194,000), current principal of Thirkell Elementary-Middle School;
4. Germla Johnson, 56, of Detroit (\$22,884), former principal of Charles R. Drew Academy and current principal of Earhart Elementary-Middle School;
5. James Hearn, 50, of West Bloomfield (\$11,500), current principal of Marcus Garvey Academy;
6. Josette Buendia, 50, of Garden City (\$45,775), current principal of Bennett Elementary School;
7. Nina Graves-Hicks, 52, of Detroit (\$27,385), former principal of Davis Aerospace Technical High School;
8. Ronald Alexander, 60, of Detroit (\$23,000), current principal of Charles L. Spain Elementary-Middle School;
9. Ronnie Sims, 55, of Albion (\$58,519), former principal of Fleming Elementary and Brenda Scott Middle School;
10. Stanley Johnson, 62, of Southfield (\$84,170), current principal of Hutchinson Elementary;
11. Tanya Bowman, 48, of Novi (\$12,500), former principal of Osborn Collegiate Academy of Mathematics, Science and Technology;
12. Tia'von Moore-Patton, 46, of Farmington Hills (\$4,000), current principal of Jerry L. White Center High School;

13. Willye Pearsall, 65, of Warren (\$50,000), former principal of Thurgood Marshall Elementary School.

"It is a heavy blow to public confidence when so many school principals are charged with bribery," McQuade said. "Public officials should take note that while it may seem easy to take bribes when they are offered, officials who betray their public trust will eventually get caught and will face the consequences."

As a former educator, this case strikes to my very core," said David P. Gelios, Special Agent in Charge, FBI Detroit Division. "To enrich oneself at the expense of school children is bad enough, but to misapply public funds intended to educate kids in a district where overall needs are so deep, funding sources are so strained, and the need for better education is so crucial, is reprehensible and an insult to those educators working every day to make a better future for our children."

IRS-CI Special Agent in Charge Koopman stated, "Principals are in positions of public trust and have an obligation to act in the best interest of their schools and the children for which they represent. Those principals, who line their own pockets through fraudulent means, violate this trust by making the conscious decision to deprive teachers of the very resources necessary to provide quality education. It is extremely disappointing when greed and selfishness deteriorate the communities and future possibilities of our youth."

Each of the 14 defendants face up to five years in prison and fines of up to \$250,000 on the charge of Conspiracy to Commit Federal Program Bribery. In addition, Shy and Flowers each face up to five years in prison and fines up to \$100,000, together with the costs of prosecution on the Tax Evasion charge.

This case was investigated by agents of the FBI and IRS-CI. This case is being prosecuted by Assistant United States Attorneys J. Michael Buckley and Frances Carlson.

The FBI Detroit Area Corruption Task Force (DACTF) is led by the FBI Detroit Field Office, and consists of Special Agents and law enforcement officers with the FBI Detroit; the Detroit Police Department; the Michigan State Police; the Michigan Attorney General's Office; the Internal Revenue Service – Criminal Investigation Division; the U.S. Department of Housing and Urban Development–Office of Inspector General; the U.S. Environmental Protection Agency–Office of Inspector General; the U.S. Department of Transportation–Office of Inspector General; the U.S. Department of Homeland Security–Office of Inspector General; the U.S. Department of Education–Office of Inspector General; and the U.S. Department of Labor–Office of Inspector General, Office of Labor Racketeering and Fraud Investigations.

A Criminal Information is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.