

8

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

ORIGINAL

UNITED STATES OF AMERICA,

Plaintiff,

vs.

D-1 JOSETTE BUENDIA,

Defendant.

Case:2:16-cr-20211
Judge: Steeh, George Caram
MJ: Stafford, Elizabeth A.
Filed: 03-29-2016 At 09:19 AM
INFO USA V JOSETTE BUENDIA (LG)

VIOLATIONS:
18 U.S.C. § 371 (Conspiracy)
18 U.S.C. § 666 (Bribery)

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. Detroit Public Schools (“DPS”) was a government agency operating within Wayne County, Michigan, in the Eastern District of Michigan.

2. DPS was a government agency that received in excess of \$10,000.00 under one or more federal programs involving grants, contracts, subsidies, loans, guarantees, insurance and other forms of federal assistance in each one-year period for fiscal years 2011 through 2014.

3. Defendant JOSETTE BUENDIA was an employee and agent of DPS, a government agency, when she was employed as Principal of Bennett Elementary (“Bennett”) from 2010 through the present.

4. As Principal, BUENDIA had the primary authority for ordering school supplies for Bennett. BUENDIA also had the primary authority for selecting vendors from whom she would order supplies for Bennett.

5. As Principal, BUENDIA was responsible for certifying that Bennett received the goods listed on a vendor’s invoice, and then submitting, or causing to be submitted, the invoice to DPS for payment to the vendor.

6. Sometime prior to November 2011, BUENDIA chose Norman Shy, doing business as Allstate Sales (“Shy”), as a vendor of school supplies for Bennett.

COUNT ONE

(18 U.S.C. §§ 371, 666(a)(1)(B) –
Conspiracy to Commit Federal Program Bribery)

7. Paragraphs 1 through 6 of the General Allegations are hereby incorporated in this Count.

8. From in or about November 2011 through January 2015, in the Eastern District of Michigan, defendant JOSETTE BUENDIA and Shy, did knowingly and willfully conspire and agree with each other for BUENDIA, an agent of DPS, to corruptly accept things of value, to wit: kickback payments, intending to be influenced and rewarded in connection with a series of payments from DPS to Shy’s

business, which payments were valued at more than \$5,000, in violation of Title 18, United States Code, Section 666(a)(1)(B).

Manner and Means of the Conspiracy

9. The conspiracy was carried out through the following manner and means:

10. BUENDIA promised to and did take official action, including ordering school supplies from Shy, and certifying and submitting, and causing to be certified and submitted, fraudulent invoices to DPS for payment to Shy for goods that were not delivered, in exchange for kickback payments to BUENDIA from Shy.

11. At times, Shy did not deliver any of the goods to Bennett that were listed on the fraudulent invoices that BUENDIA certified and submitted, and caused to be certified and submitted, to DPS for payment.

12. At other times, Shy delivered only a portion of the goods specified on an invoice for the purpose of making the transaction appear legitimate.

13. Shy maintained a ledger that kept track of how much money Shy owed BUENDIA in kickback payments as a result of the fraudulently submitted invoices.

14. BUENDIA regularly met and communicated with Shy to discuss how much money Shy owed her, and to request and receive kickback payments in connection with the fraudulent invoices she submitted, and caused to be submitted, to DPS.

15. BUENDIA corruptly received things of value, i.e., prepaid gift cards, from Shy, which represented a portion of the payments Shy received from DPS as a result of the fraudulent invoices BUENDIA submitted and caused to be submitted.

16. At Shy's direction, BUENDIA provided Shy with written requests for gift cards on school letterhead, which falsely stated that the gift cards were for school purposes, for the purpose of making the illicit payments appear legitimate.

Overt Acts Which Furthered the Conspiracy

17. In order to further the unlawful conspiracy, one or more of the conspirators committed the following acts, among others:

18. Sometime prior to November 2011, BUENDIA selected Shy as a vendor to provide school supplies to Bennett.

19. Sometime prior to November 2011, Shy described to BUENDIA how they could fraudulently "encumber" DPS funds by certifying and submitting, and causing to be certified and submitted, to DPS invoices from Shy for goods that were not delivered.

20. Sometime prior to November 2011, Shy further described that he could provide BUENDIA prepaid gift cards which would represent her portion of the encumbered funds which Shy fraudulently received from DPS for the undelivered goods.

21. Beginning in at least November 2011, in exchange for kickback payments from Shy, BUENDIA agreed to submit and cause to be submitted to DPS fraudulent invoices from Shy for goods that were not delivered to Bennett.

22. From at least November 2011 through in and around January 2015, BUENDIA certified and submitted, and caused to be certified and submitted, fraudulent invoices from Shy on behalf of Bennett which caused DPS to issue payments to Shy for goods that were never delivered.

23. On approximately February 4, 2014, BUENDIA and Shy met in order to discuss kickback payments Shy owed BUENDIA.

24. On approximately March 7, 2014, BUENDIA and Shy met in order to discuss kickback payments Shy owed BUENDIA.

25. On the following approximate dates, among others, BUENDIA provided Shy a letter on Bennett letterhead requesting prepaid gift cards, and accepted kickback payments in the form of prepaid gift cards from Shy:

	Approximate Date	Amount of Kickback
a.	November 16, 2011	\$4,000
b.	December 3, 2011	\$2,000
c.	May 5, 2012	\$5,000
d.	July 9, 2012	\$3,000
e.	November 8, 2012	\$1,000
f.	November 28, 2012	\$1,000
g.	November 28, 2012	\$2,000
h.	January 20, 2013	\$1,000

i.	February 10, 2013	\$3,000
j.	April 10, 2013	\$775
k.	December 1, 2013	\$3,500
l.	March 1, 2014	\$5,000
m.	March 15, 2014	\$5,000

26. From November 2011 through January 2015, BUENDIA accepted kickback payments from Shy totaling approximately \$45,775.

All in violation of Title 18, United States Code, Sections 371 and 666.

BARBARA L. McQUADE
United States Attorney



J. MICHAEL BUCKLEY
Assistant United States Attorney
Deputy Chief, Public Corruption Unit



FRANCES LEE CARLSON
Assistant United States Attorney
Public Corruption Unit
211 W. Fort St., Ste. 2001
Detroit, MI 48226
313-226-9100

Dated: March 29, 2016

Case:2:16-cr-20211
 Judge: Steeh, George Caram
 MJ: Stafford, Elizabeth A.
 Filed: 03-29-2016 At 09:19 AM
 INFO USA V JOSETTE BUENDIA (LG)

United States District Court
 Eastern District of Michigan

Criminal Case Co

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to cor

Reassignment/Recusal Information This matter was opened in the USAO prior to August 15, 2008 []

Companion Case Information	Companion Case Number: See attached
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned: See attached
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	AUSA's Initials: <i>JMB</i>

Case Title: USA v. D-1 JOSETTE BUENDIA

County where offense occurred : Wayne

Check One: Felony Misdemeanor Petty

____ Indictment/ Information --- no prior complaint.
 ____ Indictment/ ____ Information --- based upon prior complaint [Case number: _____]
 ____ Indictment/ ____ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ Judge: _____

- Original case was terminated; no additional charges or defendants.
- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
-----------------------	----------------	----------------------------------------

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

March 29, 2016

 Date

Michael Buckley

 J. MICHAEL BUCKLEY
 Assistant United States Attorney
 211 W. Fort Street, Suite 2001
 Detroit, MI 48226-3277
 Phone: 313-226-9581
 Fax: 313-226-3413
 E-Mail address: Michael.Buckley@usdoj.gov
 Attorney Bar #: P36167

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.

Companion Case Information

Companion Case Number and Judge Unknown; all cases filed simultaneously on March 29, 2016:

U.S. v. Ronald Alexander

U.S. v. Tanya Bowman

U.S. v. Beverly Campbell

U.S. v. Nina Graves-Hicks

U.S. v. James Hearn

U.S. v. Gerlma Johnson

U.S. v. Stanley Johnson

U.S. v. Tia'Von Moore-Patton

U.S. v. Willye Pearsall

U.S. v. Norman Shy and Clara Flowers

U.S. v. Ronnie Sims

U.S. v. Clara Smith