

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

ORIGINAL

UNITED STATES OF AMERICA,

Plaintiff,

vs.

D-1 NINA GRAVES-HICKS,

Defendant.

Case:2:16-cr-20210
Judge: Tarnow, Arthur J.
MJ: Stafford, Elizabeth A.
Filed: 03-29-2016 At 09:12 AM
INFO USA V NINA GRAVES-HICKS (BG)

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 2009 through 2014.

3. Defendant NINA GRAVES-HICKS was an employee and agent of DPS, a government agency, when she was employed as Principal of Davis Aerospace Technical High School (“Davis Aerospace”) from 2006 through 2014.

4. As Principal, GRAVES-HICKS had the primary authority for ordering school supplies for Davis Aerospace. GRAVES-HICKS also had the primary authority for selecting vendors from whom she would order supplies for Davis Aerospace.

5. As Principal, GRAVES-HICKS was responsible for certifying that Davis Aerospace received the goods listed on a vendor’s invoice, and then submitting the invoice to DPS for payment to the vendor.

6. Sometime prior to February 2009, GRAVES-HICKS chose Norman Shy, doing business as Allstate Sales (“Shy”), as a vendor of school supplies for Davis Aerospace.

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 February 2009 through approximately August 2014, in the Eastern District of Michigan, defendant NINA GRAVES-HICKS and Shy, did knowingly and willfully conspire and agree with each other for GRAVES-HICKS,

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. GRAVES-HICKS promised to and did take official action, including ordering school supplies from Shy, and certifying and submitting fraudulent invoices to DPS for payment to Shy for goods that were not delivered, in exchange for kickback payments to GRAVES-HICKS from Shy.

11. At times, Shy did not deliver any of the goods to Davis Aerospace that were listed on the fraudulent invoices that GRAVES-HICKS 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 GRAVES-HICKS in kickback payments as a result of the fraudulently submitted invoices.

14. GRAVES-HICKS regularly communicated and met 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. GRAVES-HICKS 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 GRAVES-HICKS submitted and caused to be submitted.

16. At Shy's direction, GRAVES-HICKS 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 February 2009, GRAVES-HICKS selected Shy as the vendor to provide school supplies to Davis Aerospace.

19. Sometime prior to February 2009, Shy described to GRAVES-HICKS how they could "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 February 2009, Shy further described that he could provide GRAVES-HICKS prepaid gift cards which would represent her portion of the encumbered funds Shy fraudulently received from DPS for the undelivered goods.

21. Beginning in at least February 2009, in exchange for kickback payments from Shy, GRAVES-HICKS agreed to submit and cause to be submitted to DPS fraudulent invoices from Shy for goods that were not delivered to Davis Aerospace.

22. From at least February 2009 through in and around August 2014, GRAVES-HICKS certified and submitted, and caused to be certified and submitted, fraudulent invoices from Shy on behalf of Davis Aerospace which caused DPS to issue payments to Shy for goods that were never delivered.

23. On February 5, 2012, at Shy's direction, GRAVES-HICKS provided Shy with a letter on Davis Aerospace letterhead requesting gift cards in order to make the kickback payment from Shy appear legitimate.

24. On June 19, 2012, at Shy's direction, GRAVES-HICKS provided Shy with a letter on Davis Aerospace letterhead requesting gift cards in order to make the kickback payment from Shy appear legitimate.

25. On the following approximate dates, among others, GRAVES-HICKS falsely certified and submitted, and caused to be certified and submitted, invoices to DPS for payment to Shy for goods that were not delivered to Davis Aerospace:

	Approximate Date	Invoice Number	Amount of Invoice
a.	February 7, 2014	848922	\$1,347
b.	February 7, 2014	848924	\$1,423.75
c.	May 5, 2014	855332	\$2,540
d.	May 6, 2014	855356	\$2,700
e.	May 6, 2014	857258	\$2,247.50

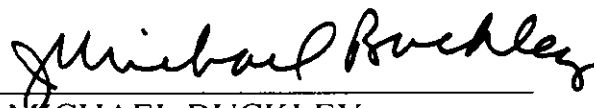
26. On the following approximate dates, among others, GRAVES-HICKS accepted kickback payments in the form of prepaid gift cards from Shy:

	Approximate Date	Amount of Kickback
a.	February 5, 2012	\$1,000
b.	June 19, 2012	\$1,000
d.	February 6, 2014	\$2,500
d.	May 7, 2014	\$1,500
e.	May 20, 2014	\$2,000

27. From February 2009 through August 2014, GRAVES-HICKS accepted kickback payments from Shy totaling approximately \$27,385.

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



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Dated: March 29, 2016

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United States District Court Eastern District of Michigan	Criminal Case Cove
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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

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 NINA GRAVES-HICKS

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>
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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

J. Michael Buckley
 J. MICHAEL BUCKLEY
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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. 04/13

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. Josette Buendia

U.S. v. Beverly Campbell

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