

8

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

**ORIGINAL**

UNITED STATES OF AMERICA,

Plaintiff,

vs.

D-1 STANLEY JOHNSON,

Defendant.

Case:2:16-cr-20215  
Judge: Steeh, George Caram  
MJ: Whalen, R. Steven  
Filed: 03-29-2016 At 09:28 AM  
INFO USA V STANLEY JOHNSON (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 Information:

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 STANLEY JOHNSON was an employee and agent of

DPS, a government agency, when he was employed as Principal of Hutchinson Elementary (“Hutchinson”) from 1999 through the present.

4. As Principal, JOHNSON had the primary authority for ordering school supplies for Hutchinson. JOHNSON also had the primary authority for selecting vendors from whom he would order supplies for Hutchinson.

5. As Principal, JOHNSON was responsible for certifying that Hutchinson 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 July 2009, JOHNSON chose Norman Shy, doing business as Allstate Sales (“Shy”), as a vendor of school supplies for Hutchinson.

**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 July 2009 through June 2014, in the Eastern District of Michigan, defendant STANLEY JOHNSON and Shy, did knowingly and willfully conspire and agree with each other for JOHNSON, 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. JOHNSON 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 JOHNSON from Shy.

11. At times, Shy did not deliver any of the goods to Hutchinson that were listed on the fraudulent invoices that JOHNSON 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 to keep track of how much money Shy owed JOHNSON in kickback payments as a result of the fraudulently submitted invoices.

14. JOHNSON regularly met and communicated with Shy to discuss how much money Shy owed him as a result of the fraudulent invoices he submitted, and caused to be submitted, to DPS.

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

16. At Shy's direction, JOHNSON provided Shy with fraudulent invoices from "Patrick's Storage" or JOHNSON's sham consulting company, "S.E. Johnson, Educational Enterprises and Consulting" (S.E. Johnson), in order to conceal and make Shy's kickback payments to JOHNSON appear legitimate.

17. To disguise kickback payments to JOHNSON, Shy gave checks to JOHNSON payable to Patrick's Storage or S.E. Johnson. At times, Shy gave JOHNSON checks payable to JOHNSON directly.

**Overt Acts Which Furthered the Conspiracy**

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

19. Sometime prior to July 2009, JOHNSON selected Shy as a vendor to provide school supplies to Hutchinson.

20. Sometime prior to July 2009, Shy described to JOHNSON 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.

21. Beginning in at least July 2009, in exchange for kickback payments

from Shy, JOHNSON agreed to submit and caused to be submitted to DPS fraudulent invoices from Shy for goods that were not delivered to Hutchinson.

22. From in and about July 2009 through June 2014, JOHNSON certified and submitted, and caused to be certified and submitted, fraudulent invoices from Shy on behalf of Hutchinson which caused DPS to issue payments to Shy for goods that were never delivered.

23. On the following approximate dates, among others, JOHNSON sent Shy fraudulent invoices from S.E. Johnson and accepted kickback payments in the form of checks payable to S.E. Johnson from Shy:

	<b>Approximate Date</b>	<b>Amount of Kickback</b>
a.	April 27, 2012	\$4,200
b.	May 2, 2012	\$1,638
c.	May 29, 2012	\$1,170.51
d.	June 8, 2012	\$1,997.50
e.	July 6, 2012	\$1,153.95
f.	July 18, 2012	\$839.25
g.	September 7, 2012	\$500

24. On the following approximate dates, among others, JOHNSON accepted, kickback payments in the form of checks payable to Patrick's Storage from Shy:


	<b>Approximate Date</b>	<b>Amount of Kickback</b>
a.	October 12, 2009	\$700.84
b.	October 23, 2009	\$1,323


c.	November 16, 2009	\$1,000
d.	January 29, 2010	\$1,642
e.	November 11, 2010	\$2,159
f.	March 25, 2011	\$2,521

25. From at least July 2009 through June 2014, JOHNSON accepted kickback payments totaling approximately \$84,170.57 from Shy.

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

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Dated: March 29, 2016

Case 2:16-cr-20215  
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United States District Court Eastern District of Michigan	<b>Criminal Case Cover :</b>
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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 [ ]

<b>Companion Case Information</b>	Companion Case Number: See attached
This may be a companion case based upon LCrR 57.10 (b)(4) <sup>1</sup> :	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 STANLEY JOHNSON

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

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<sup>1</sup> 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. Nina Graves-Hicks**

**U.S. v. James Hearn**

**U.S. v. Gerlma 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**