



Department of Justice

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FORMER MICHIGAN SCHOOL SUPERINTENDENT INDICTED IN BRIBERY CONSPIRACY

WASHINGTON – A Grand Rapids, Mich., grand jury returned a two-count indictment charging a former school superintendent with engaging in a conspiracy to accept a bribe from a vendor and to deprive his former employer and the citizens of Michigan of his honest services in connection with the Federal Communications Commission’s (FCC) E-Rate Program. The former superintendent was also charged with obstructing justice in relation to the Department of Justice’s investigation into potential fraud and competitive bidding violations relating to E-Rate Program funding applications in Michigan.

According to the indictment filed today in the U.S. District Court in Grand Rapids, Mich., Bradley J. Hansen, who served as the superintendent of the Montcalm Area Intermediate School District (MAISD) from October 1993 to Jan. 1, 2003, was charged with conspiring with the owner of an Internet Service Provider (ISP) to sign a three-year Internet service contract with the ISP in exchange for receipt of \$60,000 in free goods and services. Hansen deprived MAISD and the citizens of Michigan of his honest services. The three-year contract was valued at a total of approximately \$1.6 million. The conspiratorial conduct began in 2001 and ran at least until June 14, 2004, affecting needy schools throughout western Michigan. Hansen is also charged with obstructing justice in September 2007 when he was interviewed regarding E-Rate Program fraud in Michigan.

“Today’s indictment demonstrates the Department’s resolve to hold accountable individuals who frustrate efforts to help our nation’s school children,” said Christine A. Varney, Assistant Attorney General in charge of the Department’s Antitrust Division. “The Department has charged the former school superintendent with selling his office for personal gain.”

The Schools and Libraries Universal Service Fund, a federally-funded program known as E-Rate, was created by the Telecommunications Act of 1996. E-Rate is a program through which the Universal Services Administrative Company, a not-for-profit corporation, acting under oversight of the FCC, subsidizes the provision of Internet access and telecommunications services, as well as internal computer and communications networks to economically disadvantaged schools and libraries.

As a result of the Antitrust Division’s investigation into fraud and anticompetitive conduct in the E-Rate program, a total of seven companies and 18 individuals have pleaded guilty or have been convicted and found guilty or entered civil settlements. Those companies

and individuals have paid, agreed to pay, or been sentenced to pay criminal fines and restitution totaling more than \$40 million. Thirteen individuals have been sentenced to serve jail time.

The conspiracy charge carries a maximum penalty of five years in prison and a \$250,000 fine. The obstruction of justice charge carries a maximum penalty of 20 years in jail and a \$250,000 fine. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either amount is greater than the statutory maximum fine.

“The FBI remains committed to ensuring a fair and honest procurement process,” said Special Agent in Charge Andrew G. Arena. “Working with our partners, we will continue to pursue all individuals who engage in bribery or other criminal conduct that impacts our nation’s schools and children.”

“I congratulate the extraordinary dedication and professionalism shown by members of the Department of Justice not only in this cooperative interagency prosecution, but in all other cases where we fight against fraud, waste, and abuse in the federal E-Rate program,” said Kent Nilsson, the Inspector General of the FCC. “The success of this prosecution helps to protect the integrity of the E-Rate Program, insures that its benefits flow to schools and students across the country, and deters all those who would otherwise attempt to defraud this vital national program.”

The charges announced today resulted from an ongoing investigation by the Department’s Antitrust Division, with the assistance of the U.S. Attorney’s Office in Grand Rapids, Mich., the FBI and the FCC Office of Inspector General. Anyone with information concerning violations of the E-Rate Program or other anticompetitive conduct is urged to call the Chicago Field Office of the Antitrust Division at 312-353-7530.

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