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**FORMER CO-OWNER OF ILLINOIS TECHNOLOGY COMPANY SENTENCED TO SERVE ONE YEAR AND A DAY IN PRISON FOR ROLE IN CONSPIRACY TO DEFRAUD THE FEDERAL E-RATE PROGRAM**

***Schools in Arkansas, Florida, Illinois and Louisiana Affected by Scheme***

WASHINGTON — A former co-owner of an Illinois-based technology company, Global Networking Technologies Inc. (GNT), was sentenced today to serve one year and a day in prison for his participation in a conspiracy to defraud the federal E-Rate program, the Department of Justice announced.

Tyrone Pipkin was also sentenced by U.S. District Court Judge Jay C. Zainey to pay a $6,000 criminal fine for conspiring to defraud the E-Rate program by providing bribes and kickbacks to school officials in multiple states. Pipkin was charged with the conspiracy in U.S. District Court in New Orleans on Nov. 18, 2010, and pleaded guilty on March 28, 2011.

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 24 individuals have pleaded guilty, been convicted at trial or entered civil settlements. Those companies and individuals have been sentenced to pay criminal fines and restitution totaling more than $40 million. Seventeen individuals, including Pipkin, have been sentenced to serve prison time. On June 9, 2011, Barrett C. White, Pipkin’s co-conspirator, was sentenced to one year and one day in prison for his role in the conspiracy. On June 2, 2011, Gloria F. Harper, a second conspirator, pleaded guilty to the conspiracy in a separate charge and awaits sentencing set for Sept. 8, 2011

According to court documents, Pipkin, who acted on his own behalf and on behalf of Computer Training Associates and GNT, participated in the conspiracy beginning on or about December 2001 through September 2005. The department said that Pipkin participated in the conspiracy to provide bribes and kickbacks to school officials and employees responsible for the procurement of Internet access services at certain schools in Arkansas, Florida, Illinois and Louisiana. In return, those individuals ceded control of the E-Rate competitive bidding process to Pipkin and his co-conspirators, ultimately allowing them to ensure E-Rate contracts at these schools were awarded to their companies.

The E-Rate program was created by Congress in the Telecommunications Act of 1996 and is administered by the Universal Service Administrative Company, under the oversight of the Federal Communications Commission (FCC). The program provides subsidies to economically disadvantaged schools and libraries. Depending on the financial needs of the applicant schools, the program pays 20 to 90 percent of the cost for Internet access and telecommunications services, as well as internal computer and communications networks.

Today’s sentencing resulted from an investigation by the Department of Justice Antitrust Division’s Dallas Field Office, the FBI’s Dallas Field Office and the FCC’s Office of Inspector General, with assistance from the U.S. Attorney’s Office for the Eastern District of Louisiana. Anyone with information concerning violations of the E-Rate program is urged to call the Antitrust Division’s Dallas Field Office at 214-661-8600 or visit <http://www.justice.gov/atr/contact/newcase.html>.

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