



Department of Justice

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**BUSINESSMAN CONVICTED IN DALLAS INDEPENDENT SCHOOL DISTRICT (DISD) CORRUPTION CASE
SENTENCED TO 10 YEARS IN FEDERAL PRISON**

DALLAS — Frankie Logyang Wong, 46, a businessman from Houston, Texas, was sentenced today by U.S. District Judge Sam A. Lindsay to 10 years in federal prison, announced U.S. Attorney Richard B. Roper of the Northern District of Texas. Wong and Ruben B. Bohuchot, the former Chief Technology Officer at the Dallas Independent School District (DISD), were convicted in July following a three-week trial on all counts of a federal indictment involving offenses related to their operation of a bribery and money laundering scheme involving DISD technology contracts .

Bohuchot, 59, of Dallas, was sentenced yesterday by Judge Lindsay to 11 years in federal prison. Judge Lindsay ordered both Bohuchot and Wong to surrender to the Bureau of Prisons by January 20, 2009.

Wong co-owned and was the president of Micro Systems Engineering, Inc., (MSE), a computer reseller that provided computer products and services to large corporations and school districts. MSE was headquartered in Houston, with an office in Dallas.

Wong and Bohuchot were each convicted of one count of conspiracy to commit bribery concerning a program receiving federal funds and one count of conspiracy to launder monetary instruments. In addition, both Wong and Bohuchot were convicted of eight counts of bribery concerning programs receiving federal funds, and aiding and abetting. In addition, Bohuchot was convicted on one count of obstruction of justice and two counts of making false statements on tax returns. They will have to forfeit \$1,192,263.90, which represents the proceeds of the conspiracy to commit bribery and money laundering.

In his position as Chief Technology Officer at DISD, Bohuchot was in charge of procuring technology contracts for DISD. Bohuchot provided Wong and his company, MSE, with inside information thus enabling MSE to obtain two lucrative contracts with DISD. The two contracts involved a "Seat Management" and an "E-Rate 6" program; these two contracts were worth approximately \$120 million.

William Frederick Coleman, III, a friend of Bohuchot's, was hired by Wong as a consultant to assist MSE, who partnered with Hewlett Packard (HP), in obtaining the seat management computer contract at DISD. The "Seat Management" contract was an agreement in which the school district leased desktop computers, while the vendor

continued to own and be responsible for the computers' upkeep. At the end of three years, the school district would have the option of purchasing the computers. By DISD policies, Coleman was not eligible to assist MSE as a consultant because he had worked for DISD within the previous five years and because he was paid on a contingency fee basis.

Coleman, 52, formerly of Dallas, but currently residing in Detroit, Michigan, was Deputy Superintendent and Chief Operating Officer at DISD from August 30, 1999 through September 15, 2000. While at DISD, Coleman's responsibilities included managing the purchasing department. DISD's Purchasing Department worked with all other departments in procuring items, including computers. According to news articles in the Detroit Free Press, Mr. Coleman also recently served as the Detroit Public Schools Superintendent. Coleman pled guilty in May to one count of attempting to influence a grand jury and testified for the government at this trial. He was sentenced in September to pay a \$5000 fine and serve a one-year term of probation and perform community service.

In May 2002, Bohuchot, Wong, and Coleman, along with their wives, traveled to Key West, Florida at MSE's expense. During that trip, Bohuchot brought a copy of the specifications for the upcoming "Seat Management" contract at DISD, even before DISD had issued a public Request for Proposal (RFP). Providing information relating to the upcoming contract, before the information was provided to other vendors, assisted MSE and HP in submitting a winning bid proposal to DISD. From January 27, 2003, through July 11, 2005, MSE received at least \$4.4 million as a result of its participation in the DISD "Seat Management" contract.

The "E-Rate program was administered by the Federal Communications Commission to provide affordable telecommunications and internet services to eligible schools and libraries. "E-Rate" is funded through taxes charged to all telephone consumers. DISD was eligible to apply for "E-Rate" funds in the sixth year of this program. Ultimately, the contract that DISD obtained for "E-Rate 6," under Bohuchot's direction, was worth \$120 million.

Beginning in November 2002, MSE and other companies formed a consortium for the purpose of submitting a bid proposal relating to the "E-Rate 6" program at DISD. On December 17, 2002, DISD published the "E-Rate 6" RFP, giving public notice to all vendors. On January 20, 2003, the Consortium submitted a bid proposal which DISD ultimately approved. Funds paid to the Consortium under the "E-Rate 6" contract were received by MSE and then forwarded to Acclaim Professional Services, Inc. Wong and others formed Acclaim in late November 2002, prior to the "E-Rate 6" RFP being made public, to distribute "E-Rate 6" contract funds to other Consortium members. As a result of the "E-Rate 6" contract awarded to the Consortium, Wong personally received millions of dollars. He was an owner of MSE and Acclaim, as well as having interests in at least two other companies that were part of the Consortium.

Bribes to Bohuchot by Wong and MSE included access to a sport-fishing vessel, named "Sir Veza." "Sir Veza" was a 46' Post motor sport fishing yacht that was purchased for approximately \$305,000. This expensive yacht was named and controlled by Bohuchot. To conceal Bohuchot's use of this yacht, Wong created and became president of Statewide Marketing, LLC in October 2002. Testimony revealed that Wong told the full-time "Sir Veza" boat captain to keep Bohuchot happy and that if Bohuchot did not use the boat, then Wong had no use for it.

After the second contract ("E-Rate 6") was obtained, MSE, through Statewide Marketing, purchased a second, larger yacht. The evidence showed that Bohuchot named this yacht "Sir Veza II." "Sir Veza II" was a 58' Viking and purchased for almost \$800,000. Evidence was presented that Bohuchot used "Sir Veza" 90% of the time the boat was in use and that Bohuchot used "Sir Veza II" 80% of the time the boat was in use. All of the expenses and operating costs of these two yachts, including the boat captain's salary, were paid by Statewide Marketing and MSE at Wong's direction.

In addition, Wong used MSE's credit card to pay for Bohuchot's excessive entertainment expenses. The evidence showed that from May 2002 to July 2005, Wong paid for trips to Key West, Florida, on at least five occasions for Bohuchot, Bohuchot's family, and Bohuchot's friends. These expenses included airline tickets, hotels, meals, boating, and other entertainment.

Wong also gave cash to Bohuchot, disguising the true nature of these cash payments. Bohuchot arranged for Wong to hire Bohuchot's son-in-law at MSE. Bohuchot then told his son-in-law that he would be receiving a second paycheck from Acclaim (for no additional work) and that some of this money would be given to Bohuchot in cash. Bohuchot's son-in-law agreed to this arrangement, saved 40% of the money for taxes as directed by Bohuchot, and acted as a conduit to conceal regular cash payments from Wong to Bohuchot.

Bohuchot failed to report the income he received from this bribery scheme on his 2004 and 2005 federal income tax returns.

Bohuchot also attempted to persuade his son-in-law to testify falsely in front of the grand jury during the federal investigation of this case. Bohuchot told his son-in-law to testify that the cash payments were repayments for living expenses. Bohuchot's son-in-law testified in the trial that he did not testify as Bohuchot requested and that the true nature of the cash payments Bohuchot received were from Wong, not any repayment by the son-in-law.

In addition to concealing payments to Bohuchot, Wong also used his administrative assistant as a conduit to conceal cash to himself. Wong's assistant testified that Wong directed approximately \$1 million to her over three years. She testified that she saved 40% for taxes, at Wong's direction, and then split the remainder of the money with Wong, which she gave to Wong in cash. Both defendants concealed payments to themselves by diverting payments through others.

U.S. Attorney Roper praised the investigative efforts of the FBI, the Department of Education, the Internal Revenue Service - Criminal Investigation and the Anti-Trust Division of the Department of Justice. Assistant U.S. Attorneys Dayle Elieson and Linda Groves, and Special Assistant U.S. Attorney Jennifer Bray prosecuted the case

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