

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF FLORIDA  
TALLAHASSEE DIVISION

UNITED STATES OF AMERICA

INDICTMENT

v.

TYRONE D. PIPKIN

\_\_\_\_\_ /

4:10CR67 SPM/WCS

THE GRAND JURY CHARGES:

COUNT ONE

At all times relevant to this Indictment, unless otherwise stated:

I. INTRODUCTION

1. The E-Rate program ("E-Rate") was created by Congress in the Telecommunications Act of 1996, and operated under the auspices of the Federal Communications Commission ("FCC") to provide funding to connect needy schools and libraries to the Internet and provide telecommunication services. The FCC designated Universal Services Administrative Company ("USAC"), a non-profit corporation, to administer E-Rate. Substantial quantities of money were collected monthly from telecommunications customers across the country to fund the program.

2. E-Rate was designed to ensure that the neediest schools receive the most financial help. All participating schools were required to fund a percentage of the cost of the equipment and services acquired under E-Rate [hereinafter referred to as "co-pay"]. The amount of the co-pay was based on the number of students in the school qualifying for the United States Department of Agriculture's school lunch program, with the neediest schools being eligible for the highest percentage of funding. The neediest schools were required to pay a co-pay of at least 10% for equipment and services acquired under the program.

3. During the relevant period, school applications for E-Rate funding far exceeded the funding available. The following USAC rules and procedures were in place, among others, to ensure that the E-Rate funding was distributed to the widest number of qualifying applicants:

- a. only USAC-approved equipment, services, and supplies were eligible for funding;
- b. schools could seek funding only for projects for which the schools had budgeted funds for their co-pay amount and for the purchase of end-user equipment and services necessary to utilize the applied-for equipment and services;
- c. service providers and their agents could not participate in the vendor selection process and the completion of forms necessary for

the schools to receive E-Rate funding, so as to avoid a conflict of interest and even the appearance of a conflict of interest; and

- d. schools were required to follow local and state law competitive bidding procedures to ensure that the schools received the most cost-effective bids from the responsive bidders.

4. Innovation School of Excellence and Innovation Child Development Center [hereinafter referred to as "Innovation Schools"] were private Christian schools located in Tallahassee, Florida, which were owned and operated by Innovation Baptist Church. During the relevant period, coconspirator A served as the grant administrator/E-Rate coordinator for Innovation Schools to administer, manage, and oversee its E-Rate project. All matters relating to E-Rate at Innovation Schools were delegated to coconspirator A, including, but not limited to, filing all funding applications and related forms with USAC, making vendor selection recommendations, responding to requests for documentation from USAC, and overseeing all E-Rate projects. Innovation Schools received more than \$10,000 in assistance from the United States government in each of the years of 2003, 2004, and 2005.

5. **TYRONE D. PIPKIN** co-owned Global Networking Technologies, Inc. ("GNT") with coconspirator B, and was a partner with coconspirator B in Computer Training & Associates, Inc. ("CTA"). GNT and CTA were headquartered in the Chicago,

Illinois metropolitan area. Both companies operated as service providers for E-Rate in the state of Florida and elsewhere, and TYRONE D. PIPKIN, acted on the behalf of himself, GNT, and CTA when providing goods and services under E-Rate. Both GNT and CTA were dissolved in 2008.

## **II. CHARGE**

Between on or about June 1, 2001, and on or about September 5, 2005, in the Northern District of Florida and elsewhere, the defendant,

### **TYRONE D. PIPKIN,**

and others did knowingly and willfully combine, conspire, confederate, and agree together and with each other, to commit offenses against the United States, to wit: to corruptly give, offer, and agree to give anything of value to any person, with the intent to influence and reward an agent of an organization, which organization received federal assistance in excess of \$10,000 or more in a one-year period, in connection with any business, transaction, and series of transactions of such organization involving anything of value of \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(2).

## **III. MANNER AND MEANS OF THE CONSPIRACY**

1. It was part of the conspiracy that **TYRONE D. PIPKIN** and others would and did corruptly give, and agree to give, to coconspirator A, checks and wire transfers totaling approximately \$79,382.

2. It was further part of the conspiracy that coconspirator A would and did accept checks and wire transfers totaling approximately \$79,382 from **TYRONE D. PIPKIN** and others.

3. It was further part of the conspiracy that coconspirator A would and did provide influence and favorable treatment to **TYRONE D. PIPKIN**, coconspirator B, and their companies, GNT and CTA, in conjunction with awarding E-Rate work at Innovation Schools and other Florida schools in exchange for the payments by **TYRONE D. PIPKIN** and others.

4. It was further part of the conspiracy that coconspirator A did not disclose to USAC her acceptance of approximately \$79,382 in payments from **TYRONE D. PIPKIN**, and others, whose companies, GNT and CTA, were awarded over \$1.4 million in E-Rate work at Innovation Schools and other schools located in the Northern District of Florida and elsewhere.

#### IV. OVERT ACTS

In furtherance of the conspiracy, and in order to effect the purposes and objects thereof, **TYRONE D. PIPKIN** and his coconspirators, committed various overt acts and caused various overt acts to be committed in the Northern District of Florida and elsewhere, including, but not limited to, the following:

1. In or around mid 2001, coconspirator A introduced Innovation Schools to E-Rate and arranged to serve as its E-Rate consultant to oversee, manage, and handle all matters relating to E-Rate it was implementing. As the E-Rate consultant, coconspirator A was responsible for filing all applications and related forms with USAC on behalf of Innovation Schools, assisting with vendor selections, and responding to requests for documentation from USAC.

2. In or around early 2002, coconspirator A caused GNT to be selected as the E-Rate service provider for Innovation Schools without GNT participating in a competitive bidding process held by Innovation Schools in violation of E-Rate rules. During the relevant period, coconspirator A also caused GNT and CTA to be selected as the E-Rate service providers at other schools in the state of Florida where she served as the E-Rate consultant. The selection of GNT and CTA at those schools also violated E-Rate rules concerning the competitive bidding process.

3. On or about January 8, 2002, coconspirator A caused Funding Application Form 471 Number 284518 to be submitted to USAC on behalf of Innovation Schools. Said application requested funding for goods and services under the E-Rate for Funding Year 2002-2003. Coconspirator A caused the application to be certified as being in compliance with E-Rate rules and regulations.

4. On or about January 3, 2003, coconspirator A caused Funding Application Form 471 Number 346243 to be submitted to USAC on behalf of Innovation Schools.

Said application requested funding for goods and services under the E-Rate for Funding Year 2003-2004. Coconspirator A caused the application to be certified as being in compliance with E-Rate rules and regulations.

5. On or about January 7, 2003, coconspirator A caused Funding Application Form 471 Number 348089 to be submitted to USAC on behalf of Innovation Schools. Said application requested funding for goods and services under the E-Rate for Funding Year 2003-2004. Coconspirator A caused the application to be certified as being in compliance with E-Rate rules and regulations.

6. On or about January 7, 2003, the conspirators caused \$5,000 to be wired from the checking account of **TYRONE D. PIPKIN** to coconspirator A.

7. On or about January 21, 2003, the conspirators caused \$2,000 to be wired from the checking account of **TYRONE D. PIPKIN** to coconspirator A.

8. On or about February 5, 2003, coconspirator A caused Funding Application Form 471 Number 377572 to be submitted to USAC on behalf of Innovation Schools. Said application requested funding for goods and services under the E-Rate for

Funding Year 2003-2004. Coconspirator A caused the application to be certified as being in compliance with E-Rate rules and regulations.

9. On or about February 27, 2003, the conspirators caused \$1,500 to be wired from the checking account of **TYRONE D. PIPKIN** to coconspirator A.

10. On or about April 29, 2003, **TYRONE D. PIPKIN** caused USAC to issue Check #130045495 made payable to GNT in the amount of \$142,200, and did cause said check to be delivered to GNT.

11. On or about May 14, 2003, coconspirator A advised USAC that she was the E-Rate consultant for Innovation Schools and other private schools in the state of Florida, and failed to disclose that she was being paid as an agent of GNT and CTA.

12. On or about August 5, 2003, the conspirators caused \$2,000 to be wired from the checking account of **TYRONE D. PIPKIN** to coconspirator A.

13. On or about November 28, 2003, **TYRONE D. PIPKIN** caused CTA to issue a \$5,000 check, signed by **TYRONE D. PIPKIN**, to coconspirator A.

14. On or about January 7, 2004, **TYRONE D. PIPKIN** caused CTA to issue a \$6,000 check, signed by **TYRONE D. PIPKIN**, to coconspirator A.

15. On or about April 13, 2004, **TYRONE D. PIPKIN** caused CTA to issue a \$5,000 check, signed by **TYRONE D. PIPKIN**, to coconspirator A.



16. On or about July 8, 2004, **TYRONE D. PIPKIN** caused CTA to issue a \$5,000 check, signed by **TYRONE D. PIPKIN**, to coconspirator A.

17. On or about August 19, 2004, **TYRONE D. PIPKIN** caused USAC to wire \$71,500 in E-Rate funds to GNT's bank account in Chicago, Illinois.

18. On or about September 3, 2004, **TYRONE D. PIPKIN** caused GNT to issue a \$15,000 check, signed by **TYRONE D. PIPKIN**, to coconspirator A.

19. On or about October 14, 2004, the conspirators caused \$12,450 to be wired from GNT's checking account to coconspirator A.

20. On or about December 9, 2004, **TYRONE D. PIPKIN** caused USAC to wire \$16,500 in E-Rate funds to GNT's bank account in Chicago, Illinois;

21. On or about January 3, 2005, **TYRONE D. PIPKIN** caused USAC to wire \$15,750 in E-Rate funds to GNT's bank account in Chicago, Illinois.

22. On or about February 8, 2005, coconspirator A caused Funding Application Form 471 Numbers 460328 and 460331 to be submitted to USAC on behalf of Innovation Schools.

23. On or about February 15, 2005, coconspirator A caused Funding Application Form 471 Number 473979 to be submitted to USAC on behalf of Innovation Schools.

24. On or about February 22, 2005, the conspirators caused \$5,400 to be wired from GNT's checking account to coconspirator A.

25. On or about April 1, 2005, **TYRONE D. PIPKIN** caused USAC to wire \$49,185 in E-Rate funds to GNT's bank account in Chicago, Illinois.

26. On or about April 6, 2005, **TYRONE D. PIPKIN** caused GNT to issue a \$13,032 check, signed by **TYRONE D. PIPKIN**, to coconspirator A.

27. On or about August 4, 2005, coconspirator B caused BankOne Official Check Number 919555321 in the amount \$2,000 to be made payable to coconspirator A.

In violation of Title 18, United States Code, Section 371.

**COUNT TWO**

The allegations in Count One of this Indictment are re-alleged and incorporated herein.

On or about April 6, 2005, in the Northern District of Florida and elsewhere, the defendant,

**TYRONE D. PIPKIN,**

did corruptly give, offer, and agree to give anything of value to any person, with intent to influence and reward an agent of an organization, which organization received federal assistance in excess of \$10,000 in a one-year period, in connection with any business, transaction, and series of transactions of such organization involving anything of value of

\$5,000 or more, to wit: **TYRONE D. PIPKIN** corruptly gave \$13,032 to coconspirator A, with the intent to influence and reward coconspirator A, an agent of Innovation Schools, so that **TYRONE D. PIPKIN**, coconspirator B, and their companies, GNT and CTA, could be rewarded in connection with the E-Rate at Innovation Schools.

In violation of Title 18, United States Code, Section 666(a)(2).

**COUNT THREE**

The allegations in Count One of this Indictment are re-alleged and incorporated herein.

On or about August 4, 2005, in the Northern District of Florida and elsewhere, the defendant,

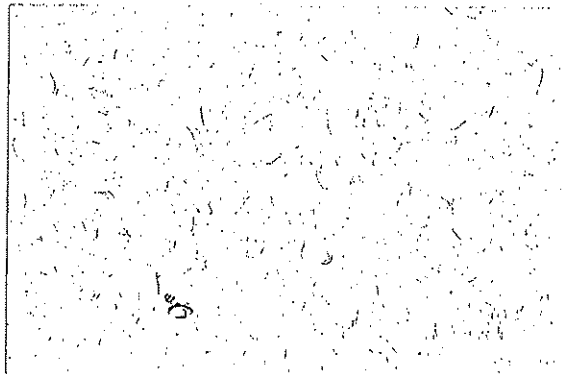
**TYRONE D. PIPKIN,**

corruptly aided, abetted, counseled, induced and procured the corrupt giving, offering, and agreement to give anything of value to any person, with intent to influence and reward an agent of an organization, which organization received federal assistance in excess of \$10,000 in a one-year period, in connection with any business, transaction, and series of transactions of such organization involving anything of value of \$5,000 or more, to wit: **TYRONE D. PIPKIN** corruptly aided, abetted, counseled, induced and procured the corrupt giving of \$2,000 to coconspirator A, with the intent to influence and reward coconspirator A, an agent of Innovation Schools, so that **TYRONE D. PIPKIN**,

coconspirator B, and their companies, GNT and CTA, could be rewarded in connection with the E-Rate at Innovation Schools.

In violation of Title 18, United States Code, Sections 666(a)(2) and 2(a).

A TRUE BILL:



PAMELA C. MARSH

United States Attorney

CHRISTOPHER P. CANOVA

Assistant United States Attorney

CHRISTINE A. VARNEY  
ASSISTANT ATTORNEY GENERAL  
ANTITRUST DIVISION

KAREN E. STEINER

JUSTIN M. NICHOLSON

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