

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA            )  
  ) No.  
  )  
  ) Violations: Title 18, United States  
  ) Code, Sections 1341 and 1343  
DEBRA M. BANNACK                    )

**COUNT ONE**

The SPECIAL NOVEMBER 2020 GRAND JURY charges:

1. At times material to this indictment:

**Relevant Entities and Individuals**

a. Chicago Public Schools (“CPS”) was an independent school district and unit of local government governed by the Chicago Board of Education (“CBOE”).

b. Company A was a certified CPS vendor of school supplies. Company A also did business under the name of Company B. Company C was affiliated with Company A.

c. Defendant DEBRA M. BANNACK was an Account Executive for Company A and a sales representative to CPS for Company A. As sales representative for Company A, BANNACK contacted CPS and other educational institutions to sell them school and office supplies including paper, toner, and printer supplies, and oversaw the fulfillment of purchase orders for school and office supplies submitted by customers.

d. Individual A was a Customer Support Associate for Company A and was assigned to work with BANNACK. As a Customer Support Associate, Individual A assisted BANNACK in fulfilling purchase orders, by ordering supplies from other vendors if Company A did not have the item a school ordered, preparing invoices and packing slips, and debiting and crediting the accounts of customers.

e. Sarah Jackson Abedelal was the principal of Brennemann Elementary School, a CPS Elementary School located at 4251 North Clarendon Avenue, Chicago, Illinois. As principal, Abedelal managed and supervised the day-to-day operations of Brennemann School and oversaw the procurement of school supplies, services and equipment.

f. William Jackson was employed as business manager at Brennemann Elementary School. As business manager, Jackson was responsible for the procurement of school supplies for Brennemann School including ink, paper, and printer supplies. Jackson's duties included requisitioning school supplies through the CPS Oracle system, preparing purchase orders for school supplies after the requisition had been approved by CPS, receipting the items from purchase orders when they arrived from vendors using the CPS Oracle system, and processing school supplies invoiced for payment.

### **The Scheme**

2. Beginning in or around 2015, and continuing to approximately in and around June 2017, at Chicago, Des Plaines, and Schaumburg, in the Northern District of Illinois, Eastern Division, and elsewhere,

DEBRA M. BANNACK,

defendant herein, together with Individual A, Sarah Jackson Abedelal, William Jackson, and others known and unknown to the Grand Jury, knowingly devised, intended to devise, and participated in a scheme to defraud CPS and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, as further described below.

3. It was part of the scheme that BANNACK, Individual A, Abedelal, Jackson, and others carried out a scheme to defraud the CPS by submitting, and causing to be submitted, false purchase orders and invoices for paper, printer, and school supplies to CPS, knowing that the purchase orders and invoices were false and were intended to conceal the receipt of personal, non-school items for the benefit of Abedelal and other CPS employees.

4. It was further part of the scheme that BANNACK and Individual A agreed with Abedelal, Jackson, and other CPS employees that: (i) Abedelal, Jackson, and other CPS employees would order non-school items for their personal use from BANNACK and Company A; (ii) Company A would supply the non-school, personal items ordered by Abedelal, Jackson, and other CPS employees; (iii) Abedelal, Jackson, and other CPS employees would submit, and cause to be submitted, false purchase orders to CPS to make it appear that their schools had submitted orders for legitimate school supplies such as paper, ink, and toner which were never delivered; and (iv) Abedelal, Jackson and other CPS employees would submit, and cause to be submitted to CPS for payment, false invoices generated by BANNACK and Individual

A, on behalf of Company A, which purported to be requests for payment for legitimate school supplies, but which were, in truth, meant to conceal and facilitate payment for non-school, personal items ordered by Abedelal, Jackson, and other CPS employees.

5. It was further part of the scheme that BANNACK and Individual A purchased and delivered to Abedelal and other CPS employees non-school items that Abedelal and other CPS employees had ordered for their personal use including: (a) iPhones, iPads and other personal items; and (b) more than \$40,000 in prepaid gift cards.

6. It was further part of the scheme that BANNACK submitted requests to Company A for cash advances of thousands of dollars, listing the prepaid gift cards she wished to purchase for Abedelal and other CPS employees, and personnel at Company A caused the money requested by BANNACK to be directly deposited into her bank account so she could purchase the prepaid gift cards.

7. It was further part of the scheme that Abedelal, Jackson, and other CPS employees who received non-school, personal items from Company A prepared and caused to be prepared, and submitted and caused to be submitted to CPS, fraudulent purchase orders that purported to be requests for payment for legitimate school supplies such as paper, ink, and toner that matched the costs of the non-school, personal items ordered by Abedelal, Jackson, and other CPS employees.

8. It was further part of the scheme that Individual A, at the direction of BANNACK, prepared fraudulent invoices on behalf of Company A that falsely stated that the invoices were for school supplies, when BANNACK and Individual A knew

the invoices were meant to cover payment for the non-school, personal items that Abedelal and other CPS employees had ordered.

9. It was further part of the scheme that BANNACK and Individual A, on behalf of Company A, provided and caused to be provided to Abedelal, Jackson, and other CPS employees, the fraudulent invoices in order to induce CPS to pay Company A the costs of the non-school, personal items that Abedelal, Jackson, and other CPS employees had ordered.

10. It was further part of the scheme that Abedelal, Jackson, and other CPS employees who received non-school, personal items submitted and caused to be submitted to CPS for payment the fraudulent invoices provided by BANNACK and Individual A.

11. It was further part of the scheme that Abedelal, Jackson and other CPS employees falsely represented, through the CPS Oracle system, that their schools had received the school supplies listed on the fraudulent invoices provided by BANNACK and Individual A, knowing that these items had not been delivered to the schools.

12. It was further part of the scheme that BANNACK and Individual A used the names of Company B and Company C on some of the purchase orders and invoices in order to conceal the fraudulent transactions and the amount of money CPS was sending to Company A.

13. It was further part of the scheme that Abedelal and other CPS employees converted the non-school items that they obtained from Company A to their own personal use and benefit.

14. It was further part of the scheme that BANNACK, Individual A, Abedelal, Jackson, and other CPS employees did misrepresent, conceal, and hide, and cause to be concealed, misrepresented and hidden, the acts done in and the purposes of the acts done in furtherance of the scheme

15. As a result of the scheme, BANNACK, Individual A, Abedelal, and Jackson, and other CPS employees fraudulently misappropriated approximately \$75,000 in CPS funds to which they were not entitled.

16. On or about March 24, 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DEBRA M. BANNACK,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an electronic payment of \$8,128 from a CPS bank account to Company A's bank account, that was processed by a Chase Bank server located outside of Illinois, which constituted payment of a fraudulent invoice submitted to CPS;

In violation of Title 18, United States Code, Section 1343.

**COUNT TWO**

The SPECIAL NOVEMBER 2020 GRAND JURY further charges:

1. Paragraphs 1 through 15 of Count One are incorporated here.
2. On or about March 24, 2017, at Chicago and Schaumburg, in the

Northern District of Illinois, Eastern Division, and elsewhere,

DEBRA M. BANNACK,

defendant herein, for the purpose of executing the scheme, and attempting to do so, knowingly caused to be delivered by the United States Postal Service, according to the directions thereon, a package addressed to Company C at 1251 Plum Grove Road, Suite120-G, Schaumburg, Illinois, 60173 which contained CBOE check number 2017204848 in the amount of approximately \$11,830, which constituted payment of a fraudulent invoice submitted to CPS;

In violation of Title 18, United States Code, Section 1341.

**COUNT THREE**

The SPECIAL NOVEMBER 2020 GRAND JURY further charges:

1. Paragraphs 1 through 15 of Count One are incorporated here.

2. On or about March 17, 2017 at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DEBRA M. BANNACK,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an electronic payment of \$2,857.00 from a CPS bank account to Company A's bank account, that was processed by a Chase Bank server located outside of Illinois, which constituted payment of a fraudulent invoice submitted to CPS;

In violation of Title 18, United States Code, Section 1343.



**COUNT FOUR**

The SPECIAL NOVEMBER 2020 GRAND JURY further charges:

1 Paragraphs 1 through 15 of Count One are incorporated here.

2. On or about May 29, 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

DEBRA M. BANNACK,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an electronic payment of \$3,542.90 from a CPS bank account to Company A's bank account, that was processed by a Chase Bank server located outside of Illinois, which constituted payment of a fraudulent invoice submitted to CPS;

In violation of Title 18, United States Code, Section 1343.

A TRUE BILL:

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FOREPERSON

\_\_\_\_\_  
Signed by Amarjeet S. Bhachu  
on behalf of the  
UNITED STATES ATTORNEY