

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

D-1 KENYETTA WILBOURN SNAPP,
D-2 GLYNIS THORNTON,
D-3 PAULETTE HORTON,

Defendants.

Case: 2:15-cr-20446
Judge: Lawson, David M.
MJ: Grand, David R.
Filed: 07-16-2015 At 03:24 PM
INDI USA V. SEALED MATTER (DA)

VIOLATIONS:
18 U.S.C. § 666 (Program Bribery)
18 U.S.C. § 371 (Conspiracy)
18 U.S.C. § 1956 (Money Laundering)
26 U.S.C. § 7201 (Tax Evasion)
26 U.S.C. § 7203 (Failure to File)

INDICTMENT

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. The Educational Achievement Authority ("EAA") of Michigan was a public school district created in 2011 by the State of Michigan to turn around the academic performance of students in the state's lowest achieving schools, starting with fifteen (15) underperforming schools in the Detroit Public School ("DPS") system. Beginning with the 2012-2013 school year, the State of Michigan, through

the EAA, took authority over these fifteen DPS schools including Denby High School and Mumford High School.

2. The EAA was an organization and government agency that received in excess of \$10,000.00 under one or more federal programs involving grants, contracts, subsidies, loans, guarantees, insurance and other forms of federal assistance in each one-year period for fiscal years 2012, 2013, and 2014.

3. From approximately July 2012 until approximately April 2013, KENYETTA WILBOURN SNAPP was an employee and agent of EAA, a government agency, when she was employed as the Principal of EAA Denby High School. From approximately April 2013 until approximately November 2014, SNAPP was an employee and agent of EAA when she was employed as the Principal of EAA Mumford High School.

4. GLYNIS THORNTON owned and operated M.A.D.E. Training & Consulting, Inc., also known as Making A Difference Everyday. M.A.D.E. offered to provide public schools with after-school tutoring services, among other things.

5. PAULETTE HORTON was an independent contractor who conducted regular work for THORNTON and M.A.D.E., which included clerical and administrative duties. In October 2009, HORTON incorporated her own consulting business called Picking Up the Pieces Inc.

6. The EAA, for the purpose of reducing administrative and bureaucratic costs and maximizing the amount of school funds that would be directed to the classroom, gave each EAA principal the primary authority for choosing vendors for the principal's own school including providers of after-school tutoring services.

COUNT ONE

(Conspiracy to Commit Federal Program Bribery –
18 U.S.C. §§ 371 and 666(a)(2))

D-1 KENYETTA WILBOURN SNAPP

D-2 GLYNIS THORNTON

D-3 PAULETTE HORTON

1. Paragraphs 1 through 6 of the General Allegations are hereby incorporated in this Count.

2. From approximately August 2012, through approximately November 2014, in the Eastern District of Michigan, defendants KENYETTA WILBOURN SNAPP, GLYNIS THORNTON and PAULETTE HORTON, did knowingly and willfully combine, conspire, confederate, and agree with each other to commit the crime of corruptly giving and offering things of value, to wit: kickbacks, to SNAPP, an agent of EAA, with intent to influence and reward SNAPP in connection with business, transactions, or a series of transactions of the EAA involving \$5,000 or more, to wit: to secure and retain after-school tutoring contracts with the EAA, in violation of Title 18, United States Code, Section 666(a)(2).

Manner and Means of the Conspiracy

3. It was a part of the conspiracy that SNAPP selected THORNTON's M.A.D.E. as the after-school tutoring vendor for EAA Denby High School and EAA Mumford High School.

4. It was further a part of the conspiracy that THORNTON gave and offered SNAPP kickbacks as a reward for SNAPP selecting and retaining M.A.D.E. as the after-school tutoring vendor for EAA Denby and EAA Mumford.

5. It was further a part of the conspiracy that THORNTON disguised kickbacks to SNAPP by causing checks to be issued payable to HORTON's company rather than directly to SNAPP.

6. It was further a part of the conspiracy that HORTON deposited checks payable from THORNTON's M.A.D.E. into HORTON's Picking Up the Pieces bank account, and then withdrew some of the money and gave it to SNAPP.

7. It was further a part of the conspiracy that HORTON kept approximately 10% of the M.A.D.E. checks cashed on behalf of THORNTON while giving SNAPP approximately 90% of the checks, totaling \$58,050.

8. It was further a part of the conspiracy that SNAPP accepted the kickbacks from THORTON and HORTON in connection with SNAPP selecting and retaining M.A.D.E. as the after-school tutoring vendor for EAA Mumford High School.

Overt Acts Which Furthered the Conspiracy

In order to further the unlawful conspiracy, the conspirators committed the following acts, among others:

9. In approximately August 2012, SNAPP selected THORNTON's M.A.D.E. as the vendor to provide after-school tutoring services at EAA Denby High School.
10. In approximately April 2013, SNAPP selected THORNTON's M.A.D.E. as the vendor to provide after- school tutoring services at EAA Mumford High School.
11. In or about December 2012, THORNTON told HORTON that she no longer wanted to pay SNAPP directly and asked HORTON to deposit checks payable from M.A.D.E. to Picking Up the Pieces so that HORTON could withdraw the cash and give it to SNAPP.
12. In or about December 2012, HORTON agreed to the arrangement proposed by THORNTON to pay kickbacks to SNAPP.
13. In or about December 2012, SNAPP, THORNTON, and HORTON met at M.A.D.E.'s offices to discuss and confirm the new procedure for how THORNTON would pay SNAPP kickbacks in return for SNAPP selecting and retaining M.A.D.E. as the after-school tutoring vendor.

14. During the December 2012 meeting, THORTON directed HORTON to keep 10% of the total amount of the M.A.D.E. checks.

15. On the following dates, HORTON, at THORNTON's direction, deposited M.A.D.E. checks into her Picking Up the Pieces bank account, and then withdrew approximately 90% of each of the deposited checks in cash to give as kickbacks to KENYETTA WILBOURN SNAPP:

	Date of Deposit	Payor	Payee	Amount of Deposit
a.	4/18/2013	M.A.D.E.	Picking Up the Pieces	\$5,000
b.	5/28/2013	M.A.D.E.	Picking Up the Pieces	\$13,000
c.	7/25/2013	M.A.D.E.	Picking Up the Pieces	\$7,500
d.	8/2/2013	M.A.D.E.	Picking Up the Pieces	\$3,000
e.	9/18/2013	M.A.D.E.	Picking Up the Pieces	\$8,000
f.	10/18/2013	M.A.D.E.	Picking Up the Pieces	\$3,000
g.	10/29/2013	M.A.D.E.	Picking Up the Pieces	\$2,000
h.	11/14/2013	M.A.D.E.	Picking Up the Pieces	\$5,500
i.	1/28/2014	M.A.D.E.	Picking Up the Pieces	\$3,500
j.	3/26/2014	M.A.D.E.	Picking Up the Pieces	\$3,500
k.	4/11/2014	M.A.D.E.	Picking Up the Pieces	\$3,500

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

(Federal Program Bribery, Aiding and Abetting –
18 U.S.C. §§ 666, 2)

D-1 KENYETTA WILBOURN SNAPP
D-2 GLYNIS THORNTON
D-3 PAULETTE HORTON

On or about April 18, 2013, in the Eastern District of Michigan, defendants KENYETTA WILBOURN SNAPP, GLYNIS THORNTON and PAULETTE HORTON, aided and abetted by each other, knowingly and corruptly gave approximately \$5,000 in cash to SNAPP, an agent of the EAA, with intent to influence and reward SNAPP in connection with business, transactions, or a series transactions of the EAA involving \$5,000 or more, to wit: to secure and retain after-school tutoring contracts with the Educational Achievement Authority of Michigan, in violation of Title 18, United States Code, Section 666(a)(2).

COUNT THREE

(Conspiracy to Launder Monetary Instruments –
18 U.S.C. §§ 1956(a)(1)(A)(i) and (B)(i) and 1956(h))

D-1 KENYETTA WILBOURN SNAPP
D-2 GLYNIS THORNTON
D-3 PAULETTE HORTON

1. Paragraphs 1-6 of the General Allegations and Paragraphs 3-15 of Count One are hereby incorporated in this Count.

2. From approximately December 2012 through approximately April 2014, in the Eastern District of Michigan, defendants KENYETTA WILBOURN SNAPP, GLYNIS THORNTON, and PAULETTE HORTON did knowingly and unlawfully combine, conspire, confederate, and agree with each other to: (1) unlawfully, knowingly, and with intent to promote the carrying on of specified unlawful activity, to-wit: bribery concerning programs receiving federal funds, conduct financial transactions affecting interstate commerce, by and through financial institutions, involving the proceeds of the specified unlawful activity, in violation of 1956(a)(1)(A)(i); and (2) unlawfully, knowingly, and with intent to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of specified unlawful activity, to wit: bribery concerning programs receiving federal funds, conduct financial transactions affecting interstate commerce, by and through financial institutions, involving the proceeds of the specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

Manner and Means of the Conspiracy

3. It was a part of the conspiracy that SNAPP would select and retain THORNTON's M.A.D.E. as the after-school tutoring vendor for EAA Denby High School and EAA Mumford High School, and that in return defendant THORNTON would pay SNAPP kickbacks in the form of cash payments.

4. It was further a part of the conspiracy that THORNTON's kickbacks to defendant SNAPP would be concealed by funneling payments through HORTON's Picking Up the Pieces.

5. It was further a part of the conspiracy that HORTON deposited checks payable from THORNTON's M.A.D.E. into HORTON's Picking Up the Pieces bank account, and then withdrew the money and gave it to SNAPP as a kickback for SNAPP selecting and retaining M.A.D.E. as EAA Mumford High School's after-school tutoring vendor.

6. It was further a part of the conspiracy that SNAPP would sometimes accompany HORTON to the bank and wait for HORTON to deposit and withdraw the M.A.D.E. checks.

7. It was further a part of the conspiracy that SNAPP would sometimes pick up her cash payments from THORNTON or HORTON at the M.A.D.E. office.

8. It was further a part of the conspiracy that THORNTON would sometimes accompany HORTON to the bank while HORTON deposited and withdrew the cash for SNAPP.

9. It was further a part of the conspiracy that on the following dates, HORTON, at THORNTON's direction, deposited M.A.D.E. checks into her Picking Up the Pieces bank account, and then withdrew approximately 90% of each of the deposited checks in cash to give as kickbacks to KENYETTA WILBOURN SNAPP:

Date of Deposit	Payor	Payee	Amount of Deposit
4/18/2013	M.A.D.E.	Picking Up the Pieces	\$5,000
5/28/2013	M.A.D.E.	Picking Up the Pieces	\$13,000
7/25/2013	M.A.D.E.	Picking Up the Pieces	\$7,500
8/2/2013	M.A.D.E.	Picking Up the Pieces	\$3,000
9/18/2013	M.A.D.E.	Picking Up the Pieces	\$8,000
10/18/2013	M.A.D.E.	Picking Up the Pieces	\$3,000
10/29/2013	M.A.D.E.	Picking Up the Pieces	\$2,000
11/14/2013	M.A.D.E.	Picking Up the Pieces	\$5,500
1/28/2014	M.A.D.E.	Picking Up the Pieces	\$3,500
3/26/2014	M.A.D.E.	Picking Up the Pieces	\$3,500
4/11/2014	M.A.D.E.	Picking Up the Pieces	\$3,500

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and (B)(i) and 1956(h).

COUNT FOUR
(Federal Income Tax Evasion—
26 U.S.C. § 7201)

D-1 KENYETTA WILBOURN SNAPP

That on or about April 15, 2013, in the Eastern District of Michigan, defendant KENYETTA WILBOURN SNAPP, a resident of Detroit, Michigan, did willfully attempt to evade and defeat the payment of a large part of the income tax due and owing by her to the United States of America for the calendar year 2012, in the amount of \$26,233.00, by failing to report income received during the taxable year

2012 and my making false statements on her 2012 Form 1040 U.S. Individual Income Tax return. In violation of Title 26, United States Code, Section 7201.

COUNT FIVE

(Failure to File Federal Income Tax Return—
26 U.S.C. § 7203)

D-3 PAULETTE HORTON

During the calendar year 2011, defendant PAULETTE HORTON, who was a resident of Detroit, Michigan, had and received gross income of \$50,982.00. By reason of such gross income, she was required by law, following the close of the calendar year 2011 and on or before April 15, 2012, to make an income tax return to the Internal Revenue Service Center, at Cincinnati, Ohio, to a person assigned to receive returns at the local office of the Internal Revenue Service at Cincinnati, Ohio, or to another Internal Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the items of her gross income and any deductions and credits to which she was entitled. Well knowing and believing all of the foregoing, she did willfully fail, on or about April 15, 2014, in the Eastern District

of Michigan and elsewhere, to make an income tax return. In violation of Title 26,
United States Code, Section 7203.

THIS IS A TRUE BILL.

s/Grand Jury Foreperson
FOREPERSON

BARBARA L. McQUADE
United States Attorney

s/Frances Lee Carlson
FRANCES LEE CARLSON
Assistant United States Attorney
Public Corruption Unit

s/J. Michael Buckley
J. MICHAEL BUCKLEY
Assistant United States Attorney
Deputy Chief, Public Corruption Unit

DATED: July 16, 2015

Case:2:15-cr-20446

Judge: Lawson, David M.

MJ: Grand, David R.

Filed: 07-16-2015 At 03:24 PM

INDI USA V. SEALED MATTER (DA)

United States District Court
Eastern District of Michigan**Criminal Case Cov**

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Reassignment/Recusal Information

This matter was opened in the USAO prior to August 15, 2008 []

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials: <i>gmb</i>

Case Title: USA v. D-1 KENYETTA WILBOURN SNAPP, et alCounty where offense occurred : WayneCheck One: ☒ **Felony** ☐ **Misdemeanor** ☐ **Petty**

☒ Indictment/___ Information --- no prior complaint.
 ___ Indictment/___ Information --- based upon prior complaint [Case number:]
 ___ Indictment/___ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ Judge: _____

- ☐ Original case was terminated; no additional charges or defendants.
☐ Corrects errors; no additional charges or defendants.
☐ Involves, for plea purposes, different charges or adds counts.
☐ Embraces same subject matter but adds the additional defendants or charges below:

Defendant nameChargesPrior Complaint (if applicable)

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

July 16, 2015

Date

Michael Buckley
 J. MICHAEL BUCKLEY
 Assistant United States Attorney
 211 W. Fort Street, Suite 2001
 Detroit, MI 48226-3277
 Phone: 313-226-9581
 Fax: 313-226-3413
 E-Mail address: Michael.Buckley@usdoj.gov
 Attorney Bar #: P36167

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.