

SEALED

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

CLERK US DISTRICT COURT
NORTHERN DIST. OF TX
FILED

2017 DEC 20 PM 4:30

UNITED STATES OF AMERICA

v.

DONNA H. WOODS (01)
DONATUS I. ANYANWU (02)
a/k/a Donatus Anyanwu
a/k/a Donatus Iboru
a/k/a Don Anyanwu
a/k/a Don Iboru

DEPUTY CLERK *[Signature]*

No. **3-17CR-665-B**

FILED UNDER SEAL

INDICTMENT

The Grand Jury charges:

At all times material to this Indictment:

Background

1. Defendant **Donna Woods** was the Chief Executive Officer (CEO) of Nova Charter School (Nova). Nova was a Texas Open Enrollment Charter School that operated on three campuses in Dallas, Texas in the Northern District of Texas.

2. Defendant **Donatus Anyanwu** was the owner of ADI Engineering, Inc. (ADI). ADI was a construction contracting company based in Dallas, Texas in the Northern District of Texas.

The E-Rate Program

3. The Federal Communications Commission ("FCC") was authorized to collect money from telecommunications companies and spend that money on a program, titled "E-Rate," to assist schools and libraries in the United States in obtaining affordable

telecommunications and internet access. A nonprofit corporation, Universal Service Administrative Company (“USAC”), administered the program for the FCC. USAC was located in Washington, D.C. USAC delegated processing and auditing work for the E-Rate program to a contractor, Solix, that was located in Whippany, New Jersey. USAC also received mailings at a processing center in Lawrence, Kansas.

4. The E-Rate program was designed to ensure that the neediest schools received the most financial help. All participating schools were required to fund a percentage of the cost of the equipment and services acquired under the E-Rate program (hereinafter referred to as “co-pay”). The amount of the co-pay was based on the number of students in the school qualifying for free or reduced lunches under the United States Department of Agriculture’s school lunch program, with the neediest schools being eligible for the highest percentage of funding. However, even the neediest schools were required to fund at least ten percent of the cost of the acquired equipment. Among the reasons why the applicant schools were required to pay a portion of the costs were: (a) to ensure that schools had a financial incentive to negotiate for the most favorable prices, so that the government’s spending under the E-Rate program was not wasteful; and (b) to ensure that schools purchased only those items and services that they truly needed.

5. In order to apply for an E-Rate discount, and to subsequently obtain E-rate funding, an applicant school and its chosen service provider had to complete certain forms. The signors of these forms had to certify, among other things, that: (1) the applicant school selected the most cost-effective E-Rate service provider through a fair and open competitive bidding process; (2) the service provider actually completed the

work for which a discount was granted; and (3) the school paid its required co-pay.

These forms were generally submitted to USAC either by mailing them via the U.S.

Postal Service or commercial carrier to USAC's processing center in Lawrence, Kansas,

or by transmitting them via the internet to USAC in Washington, D.C. or Solix in

Whippany, New Jersey.

6. In submitting an application for an E-Rate discount, an applicant had to certify that it had complied with "all applicable FCC, state, and local procurement/competitive bidding requirements." These requirements generally included, among other things, that:

(a) The school not have a relationship with a service provider that would unfairly influence the outcome of a competition or would furnish the service provider with inside information;

(b) The school not directly or indirectly solicit or accept any gift, gratuity, favor, entertainment, loan, or any other thing of value from a service provider participating in or seeking to participate in the schools and libraries universal service program; and

(c) That a service provider not offer or provide any gift, gratuity, favor, entertainment, loan, or other thing of value in excess of \$50 for the funding year.

Count One
Conspiracy to Commit Mail and Wire Fraud
(Violation of 18 U.S.C. § 1349 (18 U.S.C. §§ 1341 and 1343))

7. The allegations contained in paragraphs 1 through 6 of this indictment are realleged and incorporated by reference as though fully set forth herein.

8. Beginning in or about March 2011, the exact date being unknown to the Grand Jury, and continuing through at least January 2014, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants **Donna Woods** and **Donatus Anyanwu**, did unlawfully and knowingly, combine, conspire, confederate, and agree with each other to commit mail and wire fraud, in violation of 18 U.S.C. §§ 1341 and 1343.

I. Object of the Conspiracy

9. The object of the conspiracy was for defendants **Woods** and **Anyanwu** to devise a scheme and artifice to defraud the E-Rate program by using **Woods's** position and control at Nova to select ADI as Nova's E-Rate service provider—a bid worth approximately \$478,000. In return for ADI's selection as Nova's E-Rate service provider, **Woods** would receive a kickback of at least \$5,000 from **Anyanwu**.

10. Over the course of this conspiracy and scheme and artifice to defraud, ADI was paid approximately \$337,951.06 in E-Rate discount funds that it was not entitled to receive.

II. Manner and Means of the Conspiracy

11. In furtherance of the conspiracy and joint scheme and artifice to defraud:

- (a) On or about March 24, 2011, the day Nova's E-Rate service provider selection was due to USAC, **Donna Woods** and **Donatus Anyanwu** caused Nova to choose ADI as its E-Rate service provider, even though ADI was not chosen through a fair and open competitive bidding process as required by E-Rate program rules.
- (b) **Woods** and **Anyanwu** then caused false representations to be made to USAC through documents, emails, and other means in order to convince USAC's agents and representatives that (1) Nova selected ADI as its E-Rate service provider in conformance with E-Rate program rules, (2) ADI completed the E-Rate discount work for which it had been selected, and (3) Nova paid ADI the required 10% co-pay for its 90% E-Rate discount.
- (c) **Woods** and **Anyanwu** produced or caused to be produced certain fraudulent documents including, but not limited to, various FCC Forms. **Woods** and **Anyanwu** caused these fraudulent FCC Forms to be either transmitted from the Northern District of Texas via the internet to USAC in Washington, D.C. or Solix in Whippany, New Jersey, or via the United States Postal Service or commercial mail carrier to USAC via its processing center in Lawrence, Kansas. The FCC Forms that **Woods** and **Anyanwu** submitted to USAC contained at least the following misrepresentations:
- i. That Nova had complied with all applicable FCC, state, and local procurement/competitive bidding requirements, and that **Woods** had complied with all program rules.

ii. That neither Nova nor its representatives or agents received anything of value or a promise of anything of value, other than the services and equipment sought by means of the E-Rate program, from ADI or any of its representatives or agents in connection with the request for services; and

iii. That Nova complied with the terms, conditions and purposes of the E-Rate program, and that no kickbacks were paid to anyone.

(d) **Woods** and **Anyanwu** produced or caused to be produced fraudulent invoices that were transmitted from the Northern District of Texas via the internet to USAC in Washington, D.C. or Solix in Whippany, New Jersey in order to induce USAC into paying ADI approximately \$337,951.06 in E-Rate discount funds for work that ADI was not entitled to perform and did not perform.

(e) **Anyanwu** paid **Woods** at least \$5,000 in kickbacks in return for causing Nova to select ADI as its E-Rate service provider.

All in violation of 18 U.S.C. § 1349 (18 U.S.C. §§ 1341 and 1343).

Count Two
Mail Fraud
(Violation of 18 U.S.C. § 1341)

12. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1 through 11 of this indictment as though fully set forth herein.

13. On or about January 9, 2013, in the Dallas Division of the Northern District of Texas, defendant **Donatus Anyanwu**, for the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, knowingly caused to be delivered by commercial interstate carrier, according to the directions thereon, an envelope containing an FCC Form 474, Service Provider Invoice Form that fraudulently invoiced USAC for \$345,121.24 in E-Rate discount funds on behalf of ADI. The form failed to disclose that ADI was not entitled to receive E-Rate discount funds, and fraudulently indicated that ADI performed E-Rate discount work for Nova that ADI did not perform.

In violation of 18 U.S.C. § 1341.

Count Three
Wire Fraud
(Violation of 18 U.S.C. § 1343)

14. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1 through 11 of this indictment as though fully set forth herein.

15. On or about January 25, 2013, in the Dallas Division of the Northern District of Texas, defendants **Donna Woods** and **Donatus Anyanwu**, for the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, knowingly caused to be transmitted from Texas to Washington, D.C. or Whippany, New Jersey, by means of wire and radio communication in interstate commerce, certain writings, signs, signals, pictures and sounds, specifically a fraudulent Service Certification for SLD Invoices that failed to disclose that ADI was not entitled to receive E-Rate discount funds, and fraudulently indicated that ADI performed E-Rate discount work for Nova that ADI did not perform.

In violation of 18 U.S.C. § 1343.

Count Four
Wire Fraud
(Violation of 18 U.S.C. § 1343)

16. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1 through 11 of this indictment as though fully set forth herein.

17. On or about March 1, 2013, in the Dallas Division of the Northern District of Texas, defendant **Donatus Anyanwu**, for the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, knowingly caused to be transmitted from Texas to Washington, D.C. or Whippany, New Jersey, by means of wire and radio communication in interstate commerce, certain writings, signs, signals, pictures and sounds, specifically an email containing at least one fraudulent invoice dated July 30, 2011, that failed to disclose that ADI was not entitled to receive E-Rate discount funds, and fraudulently indicated that ADI performed E-Rate discount work for Nova that ADI did not perform.

In violation of 18 U.S.C. § 1343.

Counts Five and Six
Wire Fraud
(Violation of 18 U.S.C. § 1343)

18. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1 through 11 of this indictment as though fully set forth herein.

19. On or about the dates indicated below, for each count below, in the Dallas Division of the Northern District of Texas, defendant **Donna Woods**, for the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, knowingly caused to be transmitted from Texas to Washington, D.C. or Whippany, New Jersey, by means of wire and radio communication in interstate commerce, certain writings, signs, signals, pictures and sounds, specifically, the following documents described below, each such transmission constituting a separate count in this indictment:

Count	Date	Description
5	March 1, 2013	A fraudulent Service Certification for SLD Invoices that failed to disclose that ADI was not entitled to receive E-Rate discount funds, and fraudulently indicated that ADI performed E-Rate discount work for Nova that ADI did not perform.
6	January 17, 2014	A fraudulent Beneficiary Confirmation form that failed to disclose that ADI was not entitled to receive E-Rate discount funds, and fraudulently indicated that ADI performed E-Rate discount work for Nova that ADI did not perform.

In violation of 18 U.S.C. § 1343.

Notice of Forfeiture
(18 U.S.C. § 981(a)(1)(c); 28 U.S.C. § 2461(c))

The allegations contained in the General Allegations section and Counts One through Six of this indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

Upon conviction of a conspiracy to violate sections 18 U.S.C. §§ 1341 and 1343, in violation of 18 U.S.C. § 1349, as alleged in Count One of the indictment, and/or upon conviction of the offenses in violation of 18 U.S.C. §§ 1341 and 1343 set forth in Counts Two through Six of this indictment, the defendants, **Donna Woods** and **Donatus Anyanwu**, shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but is not limited to, a money judgment.

If any of the property described above, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

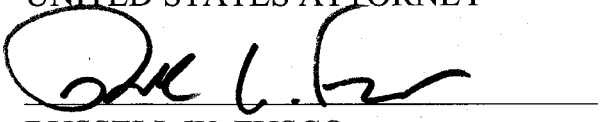
the United States of America shall be entitled to forfeiture of substitute property pursuant

to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

A TRUE BILL.


FOREPERSON

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THE UNITED STATES OF AMERICA

v.

DONNA H. WOODS (01)
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SEALED INDICTMENT

18 U.S.C. § 1349 (18 U.S.C. § 1341 and § 1343)
Conspiracy to Commit Mail and Wire Fraud

18 U.S.C. § 1341
Mail Fraud

18 U.S.C. § 1343
Wire Fraud

18 U.S.C. § 981(a)(1)(c); 28 U.S.C. § 2461(c)
Forfeiture

6 Counts

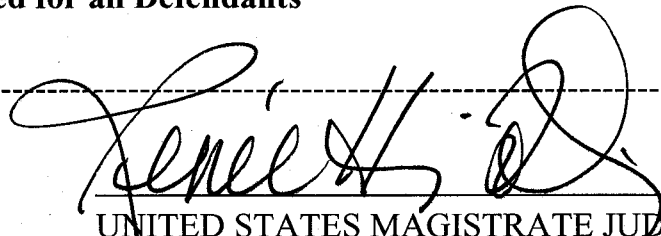
A true bill rendered

DALLAS


FOREPERSON

Filed in open court this 20th day of December, 2017

Warrant to be Issued for all Defendants



UNITED STATES MAGISTRATE JUDGE
No Criminal Matter Pending