



U.S. Department of Justice

United States Attorney
Northern District of Illinois

Zachary T. Fardon
United States Attorney

Everett McKinley Dirksen United States Courthouse
219 South Dearborn Street, 5th Floor
Chicago, Illinois 60604
(312) 353-5300

FOR IMMEDIATE RELEASE

October 8, 2015

FORMER CHIEF EXECUTIVE OF CHICAGO PUBLIC SCHOOLS INDICTED FOR ACCEPTING BRIBES AND KICKBACKS TO STEER NO-BID CONTRACTS

CHICAGO — A federal indictment returned today charges BARBARA BYRD-BENNETT with using her position atop the Chicago Public Schools to award lucrative no-bid contracts to her former employer in exchange for bribes and kickbacks.

The 23-count indictment alleges that Byrd-Bennett steered no-bid contracts worth more than \$23 million to THE SUPES ACADEMY LLC, and SYNESI ASSOCIATES LLC, in exchange for an expectation of hundreds of thousands of dollars in bribes and kickbacks. The companies agreed to conceal the kickback money by funneling it into accounts set up in the names of two of Byrd-Bennett's relatives, according to the indictment. A later agreement called for the funds to be paid to Byrd-Bennett in the form of a "signing bonus" after her employment with CPS ended and the companies re-hired her as a consultant, according to the indictment.

The companies, which specialize in training principals and school administrators, provided Byrd-Bennett with numerous other benefits, including meals, an airplane ticket, and seats at basketball and baseball games, the indictment states. Byrd-Bennett also expected to receive reimbursement from the companies for costs associated with a holiday party she hosted for CPS personnel, according to the charges.

The Wilmette-based SUPES and the Evanston-based Synesi are also charged in the indictment, along with their respective former owners, GARY SOLOMON and THOMAS VRANAS. Byrd-Bennett had worked as a consultant for SUPES and Synesi before moving to CPS in May 2012. She was appointed chief executive officer at CPS on Oct. 12, 2012.

The indictment charges Byrd-Bennett, 66, of Solon, Ohio, with 15 counts of mail fraud and five counts of wire fraud. Solomon, 47, of Wilmette, is charged with 15 counts of mail fraud, five counts of wire fraud, two counts of bribery of a government official, and one count of conspiracy to defraud the United States. Vranas, 34, of Glenview, is charged with 15 counts of mail fraud, four counts of wire fraud, two counts of bribery of a government official, and one count of conspiracy to defraud the United States. SUPES and Synesi are charged as corporate defendants with 15 counts of mail fraud and five counts of wire fraud apiece.

The indictment seeks forfeiture from defendants Solomon, Vranas, SUPES and Synesi of all money and property traceable to the violations, estimated at approximately \$2 million.

An arraignment date in U.S. District Court in Chicago has not yet been set.

“Graft and corruption in our city’s public school system tears at the fabric of a vital resource for the children of Chicago,” said Zachary T. Fardon, United States Attorney for the Northern District of Illinois. “School officials and city vendors who abuse the public trust will be held accountable.”

Mr. Fardon announced the indictment along with John A. Brown, Acting Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Nicholas J. Schuler, Inspector General for the Chicago Public Schools.

“The American people expect honest services from their government leaders, particularly those responsible for leading our teachers and caring for our children,” said Special Agent Brown. “The FBI, in conjunction with our local, state and federal law enforcement partners, remains steadfast in its pursuit of those willing to trade the education of our children for their own prosperity.”

“The public education system is harmed when a high-level insider chooses to line their pockets with public funds,” CPS Inspector General Schuler said. “My office is committed to rooting out corruption at any level through joint investigations such as this one.”

The contracts referenced in the indictment were awarded by the Chicago Board of Education, which governs CPS, as part of a CBOE training program called the Chicago Executive Leadership Academy (CELA). One such contract – worth \$2.09 million for leadership training of school administrators – was awarded to SUPES within two weeks of Byrd-Bennett’s appointment as CEO, and then extended with an additional \$225,000 allocation in 2013. A larger no-bid contract – worth \$20.5 million – was awarded to SUPES on June 26, 2013.

The indictment alleges that Byrd-Bennett used her position as CEO to lobby CBOE officials on behalf of SUPES and Synesi, and to actively seek funds from the CPS budget to expand the CELA program for the companies’ benefit. Byrd-Bennett directed CPS employees to obtain the necessary approvals to eliminate competitive bidding from the procurement process, and to ensure that the contracts were awarded to SUPES, according to the indictment.

All the while, Byrd-Bennett falsely represented to CBOE officials that she received no financial compensation from the companies, the indictment contends. In reality, Byrd-Bennett maintained an interest in SUPES and Synesi through a secret consulting agreement, which promised to pay her a percentage of the gross proceeds from the contracts she helped to procure, according to the indictment.

The indictment cites an email between Solomon and Vranas on or about Dec. 6, 2012, which contained a prior email discussion between Byrd-Bennett, Solomon and Vranas. In that email, Solomon informed Byrd-Bennett, in part: “It is our assumption that the distribution will serve as a signing bonus upon your return to SUPES/Synesi. If you only join for the day, you will be the highest paid person on the planet for that day.”

In the late summer or early fall of 2013, according to the indictment, Solomon informed Byrd-Bennett that the CBOE Inspector General wanted to review Solomon’s and Vranas’s emails. Solomon said Vranas planned to use a computer program to delete the emails, and he told Byrd-Bennett to delete her emails as well, the indictment states.

Each count of mail and wire fraud is punishable by a maximum sentence of 20 years in prison, mandatory restitution, and a maximum fine of \$250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greater. Each count of bribery of a government official carries a maximum sentence of ten years in prison and a maximum fine of \$250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greater. The charge of conspiracy to defraud the United States is punishable by a maximum sentence of five years in prison and a maximum fine of \$250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greater.

If convicted, the Court must impose a reasonable sentence under federal sentencing statutes and the advisory United States Sentencing Guidelines. The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

The government is represented by Assistant United States Attorneys Megan Cunniff Church and Lindsay Jenkins.

#