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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

D-1 JAMES HENLEY

Defendant.

Case:2:13-cr-20067

Judge: Steeh, George Caram

MJ: Michelson, Laurie J.

Filed: 01-29-2013 At 03:38 PM

INDI USA V. SEALED MATTER (DA)

VIOLATIONS: 18 U.S.C. §§ 371, 666
26 U.S.C. § 7203

INDICTMENT

THE GRAND JURY CHARGES:

COUNT ONE

(18 U.S.C. § 371- Conspiracy to Bribe a Public Official)

D-1 JAMES HENLEY

- From about January 2007 until about July 28, 2008, the exact dates being unknown to the grand jury, in Detroit, in the Eastern District of Michigan, Southern Division, and elsewhere, defendant JAMES HENLEY knowingly and willfully conspired, combined, and agreed with a public official of the Detroit Public Library to corruptly reward and influence the public official in connection with a series of contracts between the Detroit Public Library and HENLEY's business, named Core Consulting & Professional Services, which contracts were valued at more than \$5,000, all at time periods when the Detroit Public Library received more than \$10,000 of federal assistance during every one

year period that encompasses January 2007, July 2008, and all dates between, in violation of Title 18, United States Code, Section 666(a)(2).

Manner and Means of the Conspiracy

2. It was part of the conspiracy that HENLEY and the public official would agree that HENLEY would create a business called Core Consulting for the purpose of obtaining an information technology contract with the Detroit Public Library.
3. It was further a part of the conspiracy that the public official would assist HENLEY to prepare a proposal for Core Consulting to perform certain information technology work for the Detroit Public Library.
4. It was further a part of the conspiracy that the public official would approve the proposal submitted by Core Consulting, and during the course of the contract between Core Consulting and the Detroit Public Library would approve various extensions and change orders to the contract, ultimately causing the contract to result in payments of about \$1.5 million to Core Consulting.
5. It was further a part of the conspiracy that the public official would take official actions within the management of the Detroit Public Library which benefitted HENLEY and Core Consulting, and would not disclose to the administration of the library his financial relationship with HENLEY or Core Consulting.
6. It was further a part of the conspiracy that HENLEY and the public official agreed that HENLEY would pay the public official substantial portions of the amounts Core Consulting received from the Detroit Public Library under the contracts to influence and reward the public official for his assistance in obtaining the contracts, as a result of which

agreement Henley delivered to the public official at least \$600,000 during the course of the conspiracy.

Overt Acts Which Furthered the Conspiracy

7. In order to further the conspiracy, the conspirators committed the following acts, among others, in the Eastern District of Michigan and elsewhere:
8. On about January 30, 2008, HENLEY withdrew \$3,000 from a Core Consulting account at Comerica Bank in Detroit and gave about \$3,000 to the public official.
9. On about February 8, 2008, HENLEY withdrew \$4,500 from a Core Consulting account at Comerica Bank in Detroit and gave at least \$2,000 to the public official.
10. On about March 3, 2008, HENLEY made two withdrawals in the total amount of \$20,000, one from a Core Consulting account and one from HENLEY's personal account at Comerica Bank in Detroit, and gave at least \$18,000 to the public official between March 3 and March 17, 2008, of which at least \$4,000 was cash.
11. On about April 2, 2008, HENLEY withdrew \$5,000 from his personal account at Comerica Bank in Detroit and gave at least \$2,500 to the public official.
12. On about April 18, 2008, HENLEY withdrew \$7,000 from his personal account at Comerica Bank in Detroit and gave at least about \$3,000 to the public official.
13. Between about May 9 and May 12, 2008, HENLEY withdrew \$3,000 from a Core Consulting account at Comerica Bank in Detroit and gave at least \$3,000 to the public official.
14. On about May 27, 2008, HENLEY withdrew \$3,500 from a Core Consulting account at Comerica Bank in Detroit and gave at least \$3,000 cash to the public official.

15. On about June 6, 2008, HENLEY made two withdrawals in the total amount of \$20,000 from a Core Consulting account at Comerica Bank in Detroit, and between June 6 and June 14, 2008, gave at least \$20,000 to the public official, of which at least \$8,600 was cash.
16. On about June 24, 2008, HENLEY made two withdrawals in the total amount of \$8,000 from a Core Consulting account at Comerica Bank in Detroit and gave about \$7,500 to the public official, of which at least \$4,500 was cash.
17. On about June 27, 2008, HENLEY withdrew \$54,180 from a Core Consulting account at Comerica Bank in Detroit and gave at least \$4,000 cash to the public official.
18. On about June 30, 2008, HENLEY made two withdrawals totaling \$14,207 from a Core Consulting account at Comerica Bank in Detroit, and between June 30 and July 5, 2008, gave at least \$6,800 cash to the public official.
19. On about July 9 and 10, 2008, HENLEY made two withdrawals totaling \$4,300 from a Core Consulting account at Comerica Bank in Detroit and gave about \$5,000 cash to the public official.
20. On about July 15, 2008, HENLEY withdrew \$6,000 from a Core Consulting account at Comerica Bank in Detroit and gave at least \$5,000 cash to the public official.
21. On about July 21, 2008, HENLEY withdrew \$5,500 from a Core Consulting account at Comerica Bank in Detroit, and between July 21 and July 28, 2008, gave about \$5,200 cash to the public official.
22. On about July 25, 2008, HENLEY gave the public official a cashier's check in the amount of \$18,950, which had been funded by a Core Consulting account at Comerica

Bank in Detroit. The public official used the cashier's check to open an account at Comerica Bank.

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

COUNT TWO
(18 U.S.C. § 666 - Bribery of a Public Official)

D-1 JAMES HENLEY

1. Between about January 30 and July 28, 2008, in the Eastern District of Michigan, Southern Division, defendant JAMES HENLEY corruptly gave at least \$112,000 to an official with the Detroit Public Library, with intent to influence and reward the official in connection with business and transactions of the library valued at about \$1.5 million.
2. In particular, during this time period defendant JAMES HENLEY corruptly gave the official the approximate amounts of money that are listed in paragraphs eight through twenty-two of Count One, to influence and reward the official in the performance of his duties as chief administrative technical officer for the Detroit Public Library with respect to internet and intranet redesign and rebuilding.
3. During the period between January and December, 2008, the Detroit Public Library was a local government which received more than \$10,000 under federal programs involving grants and other federal assistance.

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

COUNT THREE

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

D-1 JAMES HENLEY

1. During the calendar year 2007, defendant JAMES HENLEY, who was a resident of Detroit, Michigan, received gross income of about \$1,137,000.
2. By reason of this gross income, JAMES HENLEY was required by law to make an income tax return to the Internal Revenue Service stating specifically the items of his gross income and any deductions and credits to which he was entitled, and was required to file such return on or before April 15, 2008.
3. Well knowing and believing all of the foregoing, defendant JAMES HENLEY willfully failed to make and file an income tax return in the Eastern District of Michigan and elsewhere on about April 15, 2008.

All in violation of Title 26, United States Code, Section 7203.

COUNT FOUR

(26 U.S.C. § 7203 – Failure to File Corporate Tax Return)

D-1 JAMES HENLEY

1. During the calendar year 2007, defendant JAMES HENLEY, who was a resident of Detroit, Michigan, was the president of Core Consulting, Inc.
2. Core Consulting, Inc., was a business not exempt from tax, with its principal place of business in Detroit, Michigan.
3. During calendar year 2007 Core Consulting, Inc., received gross income of about \$1,137,000.

4. By reason of this gross income, JAMES HENLEY was required by law to make an income tax return to the Internal Revenue Service on behalf of Core Consulting, Inc., stating specifically the items of its gross income and any deductions and credits to which it was entitled, and was required to file such return on or before April 15, 2008.
5. Well knowing and believing all of the foregoing, defendant JAMES HENLEY willfully failed to make and file a corporate income tax return in the Eastern District of Michigan and elsewhere on about April 15, 2008.

All in violation of Title 26, United States Code, Section 7203.

COUNT FIVE

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

D-1 JAMES HENLEY

1. During the calendar year 2008, defendant JAMES HENLEY, who was a resident of Detroit, Michigan, received gross income of about \$410,000.
2. By reason of this gross income, JAMES HENLEY was required by law to make an income tax return to the Internal Revenue Service stating specifically the items of his gross income and any deductions and credits to which he was entitled, and was required to file such return on or before April 15, 2009.
3. Well knowing and believing all of the foregoing, defendant JAMES HENLEY willfully failed to make and file an income tax return in the Eastern District of Michigan and elsewhere on about April 15, 2009.

All in violation of Title 26, United States Code, Section 7203.

COUNT SIX

(26 U.S.C. § 7203 – Failure to File Corporate Tax Return)

D-1 JAMES HENLEY

1. During the calendar year 2008, defendant JAMES HENLEY, who was a resident of Detroit, Michigan, was the president of Core Consulting, Inc.
2. Core Consulting, Inc., was a business not exempt from tax, with its principal place of business in Detroit, Michigan.
3. During calendar year 2008 Core Consulting, Inc., received gross income of about \$410,000.
4. By reason of this gross income, JAMES HENLEY was required by law to make an income tax return to the Internal Revenue Service on behalf of Core Consulting, Inc., stating specifically the items of its gross income and any deductions and credits to which it was entitled, and was required to file such return on or before April 15, 2009.
5. Well knowing and believing all of the foregoing, defendant JAMES HENLEY willfully failed to make and file a corporate income tax return in the Eastern District of Michigan and elsewhere on about April 15, 2009.

FORFEITURE ALLEGATIONS

Pursuant to Fed.R.Cr.P. 32.2(a), the government hereby provides notice to defendant JAMES HENLEY of its intention to seek forfeiture of all proceeds, direct or indirect, or property traceable thereto, all property that facilitated the commission of the violations alleged, or

property traceable thereto, and all property involved in, or property traceable thereto, of the violations set forth in Counts One and Two of this Indictment.

THIS IS A TRUE BILL

s/Grand Jury Foreperson
GRAND JURY FOREPERSON

BARBARA L. McQUADE
United States Attorney

s/Lynn Helland
LYNN HELLAND (P32192)
Assistant United States Attorney
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Dated: January 29, 2013

United States District Court
Eastern District of Michigan

Criminal Case C

Case:2:13-cr-20067
Judge: Steeh, George Caram
MJ: Michelson, Laurie J.
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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to

Reassignment/Recusal Information This matter was opened in the USAO prior to August 15, 2008 [No]

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>GH</i>

Case Title: USA v. D-1 JAMES HENLEY

County where offense occurred: Wayne

Check One: **Felony:** **Misdemeanor:** **Petty**
 Counts 1 and 2 Counts 3 through 6

Indictment — 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:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
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Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

January 29, 2013
Date

Lynn Helland

LYNN HELLAND (P32192)
Assistant United States Attorney
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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.