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FORMER WAYNE COUNTY EMPLOYEE CHARGED WITH STEALING OVER \$1.7 MILLION IN COUNTY FUNDS

DETROIT – A former Wayne County Roads Division employee was charged in an indictment today with conspiring to steal over \$1.7 million in county funds, Wayne County Prosecutor Kym Worthy and United States Attorney Dawn N. Ison announced.

Worthy and Ison were joined in the announcement by James A. Tarasca, Special Agent in Charge of the Detroit Field Office of the Federal Bureau of Investigation, Wayne County Sheriff Raphael Washington, and Warren C. Evans, Wayne County Executive. Wayne County Executive Warren C. Evans and his administration have been assisting and cooperating with the ongoing investigation since they first learned of fraudulent activity within their organization.

The indictment charges John L. Gibson, 54, of Detroit with one count of conspiring to embezzle county funds and three counts stealing county funds. Together, Gibson and his supervisor, Kevin Gunn, 64, of West Bloomfield, defrauded Wayne County out of nearly \$2 million in taxpayer funds. Gunn, Gibson, and others were engaged in a scheme to use taxpayer dollars to make unauthorized purchases of generators and other power equipment from retailers in southeast Michigan which they then sold for personal profit. Last week, the government filed an information charging Gunn for his involvement in the criminal activity.

In March of 2021, the Wayne County Sheriff's Department began an investigation into the misuse of taxpayer dollars. The Sheriff's Department then solicited the assistance of the FBI to investigate the criminal actions of Gunn, Gibson, other employees of the Wayne County Roads Division, and vendors to Wayne County. At the beginning of the investigation, the Wayne County Prosecutor's Office secured a search warrant which exposed Gunn's role in the embezzlement scheme. Subsequent investigation by FBI revealed Gibson's involvement in the conspiracy. Investigators with the Wayne County Prosecutor's Office have played an ongoing and important role in the investigation.

As part of the scheme to defraud, between January 2019, and August 2021, Gunn and Gibson solicited approved Wayne County vendors to purchase generators and other power equipment from local retailers on behalf of Wayne County. The vendors would then submit invoices for these items to Wayne County. In order to conceal the scheme to defraud, Gunn instructed the vendors to falsify the invoices they submitted to the Roads Division, and list items the vendors were

authorized to sell to the county under their contracts, rather than the generators and power equipment they were unlawfully acquiring at Gunn's and Gibson's request. Roads Division employees would then approve and pay each vendor's invoice with taxpayer funds. After these fraudulent purchases were verified and approved by Roads Division employees, Gibson took possession of the equipment, paid Gunn for the items, and resold the generators and other items for personal profit.

A review of invoices from Wayne County vendors revealed that between January 16, 2019, and August 3, 2021, Wayne County vendors purchased 596 generators, and a variety of other power equipment including lawnmowers, chainsaws, and backpack blowers. The purchase of these items was not authorized under any vendor contract with Wayne County nor were the items ever provided to or used by Wayne County. The total value of equipment purchased as part of the scheme was approximately \$1.7 million in taxpayer funds. Gibson and Gunn were arrested in May by FBI agents, Wayne County Prosecutor's Office Investigators, and Wayne County Sheriff's Deputies.

Conspiracy to commit federal program theft carries a maximum sentence of up to 5 years' imprisonment and a fine of up to \$250,000. Each count of embezzlement of county funds carries a maximum sentence of 10 years' imprisonment and a fine of \$250,000.

"We must be ever vigilant about rooting out corruption wherever we find it. Especially when it lands close to home. CEO Warren Evans, my detectives and I share a vision of a corruption free Wayne County," said Prosecutor Kym Worthy.

United States Attorney Dawn Ison said, "Today's indictment demonstrates the ability of our federal, state, and local law enforcement officers to work together to seek justice for the citizens of the Eastern District of Michigan. We thank Wayne County Prosecutor Kym Worthy, and Wayne County Executive Warren C. Evans for their unwavering efforts to eradicate corrupt public officials who steal from hardworking taxpayers and elevate their own greed over the best interests of the public."

Wayne County Executive Warren Evans said, "Criminal behavior will not be tolerated in Wayne County government. Betraying the trust of Wayne County citizens as an employee will result in the harshest penalties. I've remained committed to seeking justice at the highest level which includes long-term prison sentences and financial restitution to the citizens of Wayne County. Our citizens deserve and expect better."

The alleged actions of this individual is nothing short of disgraceful," said Sheriff Raphael Washington. "To brazenly steal from hardworking taxpayers and fraudulently line his own pockets while holding positions of public trust make these crimes all the more deplorable. Today's indictment is another example of our strong commitment to working together."

"Public officials should be trusted to use taxpayer money for its intended purpose and not for their personal gain," said James A. Tarasca, Special Agent in Charge of the FBI's Detroit Field Office. "I commend the Wayne County Prosecutor, Wayne County Executive, and the Wayne County Sheriff's office for their early work on this investigation and for their ongoing collaboration and commitment to holding Mr. Gibson and his co-conspirators accountable for their federal crimes."

The investigation of this case was conducted by the Wayne County Prosecutor's Office, the Wayne County Sheriff's Department, and the Detroit Area Public Corruption Task Force, which is led by the Federal Bureau of Investigation, with assistance from the Michigan Attorney General's Office, Detroit Police Department, Customs & Border Protection, U.S. Postal Inspection Service, and the U.S. Department of Homeland Security. The case is being prosecuted by Assistant U.S. Attorney Eaton P. Brown.

An indictment is only a formal charging document and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.