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TWO WAYNE COUNTY EMPLOYEES ARRESTED AND CHARGED WITH EMBEZZLING OVER \$1.7 MILLION IN COUNTY FUNDS

DETROIT - Two Wayne County Roads Division employees were charged with embezzling over \$1.7 million in county funds in a federal criminal complaint, which was unsealed today, 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.

Named in the criminal complaint were Kevin Gunn, 64, of West Bloomfield, and John L. Gibson, 54, of Detroit. Gunn manages the Bridge Unit of the Wayne County Roads Division and has been employed by Wayne County for 34 years. Gibson is a foreman within the Bridge Unit. Gibson has been employed by Wayne County for 20 years.

Gunn and Gibson are charged in the complaint with conspiring to commit and committing federal program theft, wire fraud, and money laundering. Wayne County receives over \$20 million in federal funds each year to pay for road repair, construction, maintenance. Gibson and Gunn were arrested today by FBI agents, Wayne County Prosecutor's Office Investigators, and Wayne County Sheriff's Deputies.

According to the complaint, the Wayne County Sheriff's Department began the investigation, and 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 broke open the case and led to the uncovering of the embezzlement scheme. Investigators with the Wayne County Prosecutor's Office have played an ongoing and important role in the investigation.

Gunn, Gibson, and others were engaged in a scheme to defraud Wayne County by using taxpayer dollars to make unauthorized purchases of generators and other power equipment from retailers in Southeast Michigan which they sold for personal profit.

As part of the scheme to defraud, between January 2019, and August 2021, Gunn 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 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, and Gunn took possession of the equipment which was resold over the internet and social media 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.

Federal program theft carries a maximum sentence of 10 years' imprisonment and a fine of \$250,000. Wire fraud carries a maximum sentence of up to 20 years' imprisonment and a fine of up to \$250,000. Money laundering carries a sentence of up to 20 years' imprisonment and a fine of up to \$500,000.

"The Wayne County Prosecutor's Office has never and will never shy away from prosecuting corruption in any form, said Prosecutor Worthy. I am proud of the focus and dedication of all of the investigators, who have worked together with our Wayne County Prosecutor's Detectives to expose the alleged theft and fraudulent conduct against the citizens of Wayne County. The support of U.S. Attorney Dawn N. Ison, CEO Evans, the Wayne County Sheriff's Office, and the FBI resulted in the federal complaint against Gibson and Gunn."

United States Attorney Dawn Ison said, "Today's arrests reinforce our dedication to prosecuting corrupt public officials who elevate their own greed over the best interests of the public who rely on the safe administration and maintenance of public infrastructures like roads. We thank Wayne County Prosecutor Kym Worthy, and Wayne County Executive Warren C. Evans who have been instrumental in starting and moving this investigation forward."

Wayne County Executive Warren Evans said: "I take public corruption very seriously which is why when we first learned of the fraudulent activities, my office immediately offered to cooperate and provide any needed assistance to the Wayne County Sheriff's Office, Wayne County Prosecutor's Office, Federal Bureau of Investigation (FBI), and the U.S. Attorney's Office. It is unfortunate that a few individuals put their personal gain ahead of the work the county has done over the last 7 years to stabilize our fiscal outlook, continue improvements to our infrastructure and provide services to our residents throughout a global pandemic. These individuals have undoubtedly put a stain on the fabric of our system; however, they do not represent the hundreds of hardworking and dedicated Wayne County Employees who come to work every day to serve our residents with respect and integrity. I will continue to pursue every avenue to fully prosecute these employees and vendors."

“The alleged actions of these individuals are nothing short of disgraceful,” said Sheriff Raphael Washington. “To brazenly steal from hardworking taxpayers and fraudulently line their own pockets while holding positions of public trust make these crimes all the more deplorable. Today’s charges are another example of our strong commitment to working together.”

“Today’s charges are an example of how government and law enforcement agencies work together to ensure public officials are using taxpayer money for its intended purpose — in this case the repair and maintenance of roads and bridges — and not for their personal benefit,” said James A. Tarasca, Special Agent in Charge of the FBI’s Detroit Division. “I commend the Wayne County Prosecutor, Wayne County Executive, and the Wayne County Sheriff’s Office for their early work on this investigation and their continued cooperation.”

The investigation of this case was conducted by the Wayne County Prosecutor’s Office, the Wayne County Sheriff’s Department, and the Federal Bureau of Investigation. The case is being prosecuted by Assistant U.S. Attorney Eaton P. Brown.

A criminal complaint is only the initiation of a formal criminal proceeding 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.