



Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, February 15, 2023

Former Digital Interactive Whiteboards Salesman Pleads Guilty to Rigging Bids to the Largest Public-School System in the United States

A former salesman pleaded guilty today for his leading role in a bid rigging scheme involving the sales of certain brands of digital interactive whiteboards to the New York City Department of Education Public Schools (NYCDOE).

According to court documents filed in the U.S. District Court for the Southern District of New York, Dwayne Johnson, of Islandia, New York, engaged in a conspiracy from late 2018 through at least October 2020, to subvert the NYCDOE's competitive bidding process and ensure that companies controlled by his co-conspirators submitted winning bids for the sale of digital interactive white boards to the NYCDOE. Johnson's scheme ensured that all members of the conspiracy profited at the NYCDOE's expense: Johnson sold boards to his co-conspirator that won the bid, the winning co-conspirator made the sale to the NYCDOE, and the losing co-conspirator was paid to install the boards in the classrooms. Johnson also created and submitted sham bids in order to ensure his co-conspirator won the bid.

"This crime targeted the country's largest public school system, which serves more than a million school children every day," said Acting Director of Criminal Enforcement Emma Burnham of the Justice Department's Antitrust Division. "We will work tirelessly to prevent and punish any bid-rigging schemes that victimize our local governments and our schools. The division and our partners remain committed to protecting the government procurement process at all levels of government."

"As charged, the defendant interfered with a fair and competitive process; actions that undermine the public trust," said Special Commissioner Anastasia Coleman of the Office of the Special Commissioner of Investigation (SCI) for the New York City School District. "This investigation demonstrates the commitment of SCI and its partners to protecting New York City public schools from schemes that undermine competition among vendors, and which ultimately affect the learning environment of all New York City students."

Johnson pleaded guilty to a violation of Section 1 of the Sherman Act. For individuals, the maximum penalty is 10 years in prison and a \$1 million criminal fine. The fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either amount is greater than the statutory maximum fine. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The Antitrust Division's New York Office is prosecuting the case, which was investigated with the assistance of the FBI New York Field Office and the SCI for the New York City School District.

Anyone with information in connection with this investigation should contact the Antitrust Division's Complaint Center at 888-647-3258, or visit <http://www.justice.gov/atr/report-violations>.

Topic(s):

Antitrust

Component(s):

Antitrust Division

Press Release Number:
23-175

Updated February 15, 2023