



# Department of Justice

**United States Attorney Peter J. Smith  
Middle District of Pennsylvania**

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**FORMER MILLERSBURG BUS COMPANY EXECUTIVE AND CORPORATION  
SENTENCED IN \$1.4 MILLION SCHOOL DISTRICT FRAUD CASE**

The U.S. Attorney's Office for the Middle District of Pennsylvania announced that a former Millersburg, Pennsylvania-based bus company executive and his corporation were sentenced today in United States District Court in Harrisburg on charges they defrauded two area school districts out of more than \$1.4 million.

Todd M. Harris, age 49, a resident of Dalmatia, Pennsylvania and the former Vice President and 2 percent owner of the Harris Transportation Corporation (HTC), was sentenced by Senior U.S. District Court Judge Sylvia Rambo to 24 months incarceration, and 3 years Supervised Release. Judge Rambo also entered an order of forfeiture of \$1,464,613 against Todd Harris and the Harris Transportation Corporation and ordered both defendants to pay restitution in the same amount.

Todd Harris and HTC were charged in November 2014 with mail fraud. The Information alleged the two defendants defrauded the Halifax Area and the Upper Dauphin Area School Districts out of approximately \$1.4 million between 2008 and 2011. The Pennsylvania Department of Education was also alleged to have been a victim of the scam.

According to U.S. Attorney Peter Smith, HTC, a small family owned business provided student bus and van transportation services for the Halifax and Upper Dauphin Area school districts for many years. The compensation HTC received for its services was based upon a formula established by the Pennsylvania Department of Education that included the mileage incurred with and without students, the age and size of the bus or van, and the number of students transported. The Pennsylvania Department of Education reimburses Pennsylvania school districts for a significant portion of their annual student transportation expense.

According to evidence summarized by Assistant United States Attorney Kim Douglas Daniel, HTC was paid approximately \$1.3 million by Halifax and approximately \$3.6 million by Upper Dauphin for the 2008-2011 school years. The Information alleged that between September 2008 and June 2011 Todd Harris routinely submitted inflated mileage claims to the two school districts, resulting in overpayments to HTC by Halifax of \$566,556 and by Upper

Dauphin of \$898,057. The Pennsylvania Department of Education also was a victim of the scheme because the Department eventually reimbursed Halifax for approximately 82 percent, and Upper Dauphin approximately 84 percent, of their transportation expenses for those years.

The fraud was first discovered in the summer of 2011 as the result of an audit conducted by Upper Dauphin. Subsequent audits by Halifax and the Pennsylvania Auditor General's Office revealed that Harris' mileage claims were grossly inflated, typically by 10-30 percent. Interviews of former HTC drivers confirmed Harris' mileage submissions were false and that Todd Harris occasionally instructed them to take much longer routes than necessary. The combined losses sustained by both school districts were \$1,464,613. Upper Dauphin and Halifax terminated their contracts with HTC in early 2012 and the company ceased doing business shortly thereafter.

Todd Harris and HTC entered their guilty pleas pursuant to plea agreements with the government in November 2014. The agreements require Todd Harris to cooperate with the government, obligate both defendants to forfeit \$1,464,613, and to make restitution to the two school districts as ordered by the court. Pursuant to HTC's plea agreement, the company tendered an up-front, \$425,000 restitution payment at the time the corporation entered its guilty plea. HTC previously refunded \$337,715 to Upper Dauphin in 2011, bringing the total restitution paid by the corporation to date to \$762,715.

The matter was investigated by the U.S. Department of Education Inspector General's Office in Philadelphia, in conjunction with the Dauphin County District Attorney's Office Criminal Investigation Division and the **PA Auditor General's Office**, Office of General Counsel.

"I am proud of the work of OIG Special Agents and our investigative partners in holding Mr. Harris accountable for his criminal actions," said Chris Cooper, Acting Special Agent in Charge of the U.S. Department of Education Office of Inspector General's Mid-Atlantic Office. "We will continue to aggressively pursue those who seek to enrich themselves at the expense of our nation's students. America's students and taxpayers deserve nothing less."

The cases were prosecuted by Assistant United States Attorney Kim Douglas Daniel.

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