

Posted on Thu, Nov. 29, 2007

## Text of the Scruggs indictment

-- At all times relevant and material to this Indictment:

1. Defendant RICHARD F. "DICKIE" SCRUGGS was an attorney licensed in the State of Mississippi and was a member of a private law firm, known as The Scruggs Law Firm, P.A.
2. Defendant DAVID ZACHARY SCRUGGS was an attorney licensed to practice law in the State of Mississippi and a member of "The Scruggs Law Firm."
3. Defendant SIDNEY A. BACKSTROM was an attorney licensed to practice law in the State of Mississippi and a member of "The Scruggs Law Firm."
4. Defendant TIMOTHY R. BALDUCCI was an attorney licensed to practice law in the State of Mississippi and a member of the firm of Patterson and Balducci, PLLC, with offices in various locations including 207 East Main Street, New Albany, Mississippi 38652.
5. Defendant STEVEN A. PATTERSON was a non-attorney member of the firm of Patterson and Balducci, PLLC.
6. The Honorable Henry L. Lackey was a public officer and an elected official serving in the capacity of circuit judge for the Third Circuit Court District, a subdivision of the judicial branch of the State of Mississippi, encompassing Lafayette, Union, Calhoun, Benton, Marshall, Chickasaw and Tippah Counties, Mississippi. During all times and events set forth in this indictment, Judge Henry L. Lackey was a cooperating witness working with the Federal Bureau of Investigation, having reported a bribery overture to the federal authorities and having agreed to assist in the investigation in an undercover capacity.
7. A civil lawsuit styled Jones, et al, v. Scruggs, et al, Civil Action No. L07-135, was filed on March 15, 2007, in the Circuit Court, Lafayette County, Mississippi, in which defendant RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm were named as defendants, along with others in a dispute over the division of \$26.5 million dollars in attorneys' fees. This lawsuit was assigned to Circuit Judge Henry L. Lackey.

### Count One

1. From on or about March of 2007 and continuing until on or about November 2007 in the Northern District of Mississippi and elsewhere the defendants RICHARD "DICKIE" SCRUGGS, DAVID ZACHARY SCRUGGS, SIDNEY A. BACKSTROM, TIMOTHY R. BALDUCCI, and STEVEN A. PATTERSON did knowingly and willfully conspire with each other and with others known and unknown to commit offenses against the United States as follows:

a. To corruptly give, offer, or agree to give anything of value to any person with the intent to influence or reward an agent of a state or local government in connection with any business, transaction or series of transactions of such government or agency involving anything of value of \$5,000 or more when such state or local government or agency received in any one year period benefits in excess of \$10,000 under a federal program in violation of Section 666(a)(2)(b) and Section 2 of Title 18 of the United States Code.

b. To devise and intend to devise a scheme and artifice to defraud and to deprive the State of Mississippi of its intangible right to honest services and for the purpose of executing the scheme and artifice, to knowingly transmit and cause to be transmitted by means of wire, writings and sounds by communications in interstate commerce, in violation of Sections 1343, 1346 and 2 of Title 18, United States Code.

2. It was part of the conspiracy for defendant RICHARD "DICKIE" SCRUGGS and his co-defendants to attempt to influence Judge Henry L. Lackey by providing things of value, including but not limited to \$40,000 in cash to obtain an order resolving the Jones v. Scruggs, et al lawsuit favorable to RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm.

3. It was further part of the conspiracy that defendant TIMOTHY R. BALDUCCI on behalf of RICHARD "DICKIE" SCRUGGS and with the knowledge of the other defendants, would have several meetings and conversations with Judge Lackey wherein the defendant TIMOTHY R. BALDUCCI agreed to pay \$40,000 to Judge Lackey for said ruling in favor of defendant RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm.

4. It was further part of the conspiracy that RICHARD "DICKIE" SCRUGGS attempted to cover up and conceal his involvement and the involvement of other co-conspirators and The Scruggs Law Firm by falsely creating documents to show that he hired defendant TIMOTHY R. BALDUCCI to do jury selection work and preparation of jury instructions for an unrelated case when in truth and fact as he then and there well knew he was reimbursing defendant TIMOTHY R. BALDUCCI for the \$40,000 cash bribes paid by BALDUCCI to obtain the favorable ruling from the state circuit court, and providing an additional \$10,000 in funds to Balducci for the same purpose.

### **Overt Acts**

During and in furtherance of the conspiracy and to promote and accomplish its objectives, the co-conspirators committed certain overt acts, among which were the following:

1. Between on or about March 15 and March 28, 2007, RICHARD "DICKIE" SCRUGGS, DAVID ZACHARY SCRUGGS, SIDNEY A. BACKSTROM, TIMOTHY R. BALDUCCI, and STEVEN A. PATTERSON met at the offices of The Scruggs Law Firm in Oxford, Mississippi, for the purpose of discussing how to influence the outcome of the Jones, et al, v. Scruggs, et al, lawsuit.

2. On or about March 28, 2007, TIMOTHY R. BALDUCCI placed a telephone call to Judge Henry L. Lackey and asked to meet with the judge later that day.

3. On or about March 28, 2007, TIMOTHY R. BALDUCCI traveled to Calhoun County, Mississippi, to meet with Judge Henry L. Lackey and made an overture on behalf of RICHARD "DICKIE" SCRUGGS, The Scruggs Law Firm and the other co-conspirators to resolve the Jones, et al, v. Scruggs, et al, lawsuit favorably to the defendant RICHARD "DICKIE" SCRUGGS and The Scruggs

Law Firm.

4. On or about May 3, 2007, TIMOTHY R. BALDUCCI had a telephone conversation with Judge Henry Lackey wherein BALDUCCI advised that "they had changed their strategy" and that they would rely on a motion to compel arbitration rather than a motion for summary judgment.
5. On or about May 4, 2007, SIDNEY A. BACKSTROM e-mailed a proposed order to TIMOTHY R. BALDUCCI.
6. On or about May 4, 2007, TIMOTHY R. BALDUCCI faxed a proposed order to Circuit Judge Henry Lackey.
7. On or about May 9, 2007, TIMOTHY R. BALDUCCI had a conversation with Judge Henry Lackey wherein BALDUCCI stated that "my relationship with Dick [Scruggs] is such that he and I can talk very private [sic] about these kinds of matters and I have the fullest confidence that if the court, you know, is inclined to rule... in favor... everything will be good... " "The only person in the world outside of me and you that has discussed this is me and Dick [Scruggs]." " We, uh, like I say, it ain't but three people in the world that know anything about this... and two of them are sitting here and the other one... the other one, uh, being Scruggs... he and I, um, how shall I say, for over the last five or six years there, there are bodies buried that, that you know, that he and I know where... where are, and, and, my, my trust in his, mine in him and his in mine, in me, I am sure are the same."
8. Between May 9, 2007, and September 21, 2007, TIMOTHY R. BALDUCCI had several discussions and conversations with Judge Henry Lackey.
9. On September 21, 2007, TIMOTHY R. BALDUCCI agreed to pay Circuit Judge Henry Lackey \$40,000 cash on behalf of RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm, for an order favorable to RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm.
10. On September 21, 2007, immediately after meeting with Judge Lackey and agreeing to the \$40,000 bribe, TIMOTHY R. BALDUCCI placed a four-minute telephone call to The Scruggs Law Firm and discussed the bribery transaction with SIDNEY A. BACKSTROM.
11. On September 27, 2007, STEVEN A. PATTERSON had a conversation with TIMOTHY R. BALDUCCI discussing the bribe.
12. On September 27, 2007, TIMOTHY R. BALDUCCI delivered \$20,000 in cash to Judge Henry Lackey in his chambers in Calhoun County, Mississippi, and upon leaving the courthouse, traveled to The Scruggs Law Firm in Oxford, Mississippi.
13. On September 27, 2007, TIMOTHY R. BALDUCCI and STEVEN A. PATTERSON had a telephone conversation wherein BALDUCCI told PATTERSON, "All is done, all is handled and all is well."
14. On October 18, 2007, STEVEN A. PATTERSON placed a call to TIMOTHY R. BALDUCCI and wanted to know what was going on with the "order." PATTERSON said he talked to SCRUGGS ("DICKIE") about fifteen times and BALDUCCI needed to call SCRUGGS ("DICKIE").
15. On October 18, 2007, TIMOTHY R. BALDUCCI delivered \$10,000 in cash to Judge Henry Lackey in his chambers in Calhoun County, Mississippi.

16. On October 18, 2007, RICHARD "DICKIE" SCRUGGS called STEVEN A. PATTERSON and they discussed "Tim" coming to The Scruggs Law Firm when he left Calhoun City. "Tim" was to bring the "order" and put it on RICHARD "DICKIE" SCRUGGS' desk and pick up a "package" from his desk.
17. On or about October 18, 2007, RICHARD "DICKIE" SCRUGGS prepared and caused to be prepared a \$40,000 check for TIMOTHY R. BALDUCCI and false documentation as a cover and concealment for reimbursing BALDUCCI for the \$40,000 in bribe money.
18. On or about October 18, 2007, TIMOTHY R. BALDUCCI delivered the "order" to DAVID ZACHARY SCRUGGS and picked up the \$40,000 check and the false concealment documentation.
19. On or about October 18, 2007, TIMOTHY R. BALDUCCI called SIDNEY A. BACKSTROM and told him that he had delivered a copy of "those papers that we've been waiting on," referring to the order obtained by bribery.
20. On or about November 1, 2007, TIMOTHY R. BALDUCCI delivered \$10,000 in cash to Judge Henry Lackey and obtained an amended order favorable to RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm.
21. On or about November 1, 2007, TIMOTHY R. BALDUCCI discussed the amended order with DAVID ZACHARY SCRUGGS and SIDNEY A. BACKSTROM, stating that "we paid for this ruling; let's be sure it says what we want it to say."
22. On November 1, 2007, TIMOTHY R. BALDUCCI had a discussion with RICHARD "DICKIE" SCRUGGS wherein SCRUGGS agreed to take care of an extra \$10,000 payment to the judge and said he would "hire" BALDUCCI to prepare jury instructions in an unrelated case to cover the \$10,000 extra to be paid to the judge.
23. On November 5, 2007, RICHARD "DICKIE" SCRUGGS caused an e-mail to be sent to TIMOTHY R. BALDUCCI, forwarding part of the false documentation to cover the \$10,000 extra to be paid to the judge.
24. On November 5, 2007, TIMOTHY R. BALDUCCI traveled to Oxford and took hand delivery of the \$10,000 check and the cover letter and attachments constituting the false documentation meant to conceal and cover up the \$10,000 extra to be paid to the judge.
25. On or about November 13, 2007, SIDNEY A. BACKSTROM and TIMOTHY R. BALDUCCI had a telephone conversation wherein they discussed the bribery scheme in return for a ruling in favor of RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm.

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

## Count Two

1. The allegations contained in paragraphs 1 through 7 preceding Count One of this indictment are realleged and incorporated herein as though they were fully set forth herein.
2. On or about September 27, 2007, in the Northern District of Mississippi, RICHARD "DICKIE" SCRUGGS, DAVID ZACHARY SCRUGGS, SIDNEY A. BACKSTROM, TIMOTHY R.

BALDUCCI, and STEVEN A. PATTERSON did knowingly and corruptly give, offer and agree to give something of value to an agent of a state government with the intent to influence and reward the agent in connection with a business transaction, and series of transactions of such state government involving something of value of \$5,000 or more, namely, TIMOTHY R. BALDUCCI gave \$20,000 in cash to The Honorable Henry L. Lackey, Circuit Court Judge, Third Circuit, State of Mississippi, being an agent of a subdivision of the judicial branch of the state government of Mississippi, which received benefits in excess of \$10,000 in any one-year period for each of the years 2006 and 2007, from federal programs involving a grant, contract, subsidy, loan, guarantee, insurance and other forms of federal assistance to influence and reward Henry L. Lackey in connection with the Third Circuit court case styled Jones, et al, v. Scruggs, et al, Civil Action No. L07-135.

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

### **Count Three**

1. The allegations contained in paragraphs 1 through 7 preceding Count One of this indictment are realleged and incorporated herein as though they were fully set forth herein.

2. On or about October 18, 2007, in the Northern District of Mississippi, RICHARD "DICKIE" SCRUGGS, DAVID ZACHARY SCRUGGS, SIDNEY A. BACKSTROM, TIMOTHY R. BALDUCCI, and STEVEN A. PATTERSON did knowingly and corruptly give, offer and agree to give something of value to an agent of a state government with the intent to influence and reward the agent in connection with a business, transaction, and a series of transactions of such state government involving something of value of \$5,000 or more, namely, TIMOTHY R. BALDUCCI gave \$10,000 in cash to The Honorable Henry L. Lackey, Circuit Court Judge, Third Circuit, State of Mississippi, being an agent of a subdivision of the judicial branch of the state government of Mississippi, which received benefits in excess of \$10,000 in any one-year period, from federal programs involving a grant, contract, subsidy, loan, guarantee, insurance and other forms of federal assistance to influence and reward Judge Henry L. Lackey in connection with the Third Circuit court case styled Jones, et al, v. Scruggs. et al, Civil Action No. L07-135.

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

### **Count Four**

1. The allegations contained in paragraphs 1 through 7 preceding Count One of this indictment are realleged and incorporated herein as though they were fully set forth herein.

2. On or about November 1, 2007, in the Northern District of Mississippi and elsewhere, RICHARD "DICKIE" SCRUGGS, DAVID ZACHARY SCRUGGS, SIDNEY A. BACKSTROM, TIMOTHY R. BALDUCCI, and STEVEN A. PATTERSON, did knowingly and corruptly give, offer and agree to give something of value to an agent of a state government with the intent to influence and reward the agent in connection with a business, transaction, and series of transactions of such state government involving something of value of \$5,000 or more, namely, TIMOTHY R. BALDUCCI gave \$10,000 in cash to The Honorable Henry L. Lackey, Circuit Court Judge, Third Circuit, State of Mississippi, being an agent of a subdivision of the judicial branch of the state government of Mississippi, which received benefits in excess of \$10,000 in any one-year period, from federal programs involving a grant, contract, subsidy, loan, guarantee, insurance and other forms of federal assistance to influence and reward Judge Henry

L. Lackey in connection with the Third Circuit court case styled Jones, et al, v. Scruggs. et al, Civil Action No. L07- 135.

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

### **Count Five**

1. The allegations contained in paragraphs 1 -7 preceding Count One of this Indictment are realleged and incorporated herein as though fully set forth herein.

2. From on or about March of 2007 and continuing through November of 2007, in the Northern District of Mississippi, the defendants RICHARD "DICKIE" SCRUGGS, DAVID ZACHARY SCRUGGS, SIDNEY A. BACKSTROM, TIMOTHY R. BALDUCCI and STEVEN

A. PATTERSON devised and intended to devise a scheme and artifice to defraud and to deprive the State of Mississippi of its intangible right to the honest services of The Honorable Henry L. Lackey, Circuit Court Judge, performed free from deceit, bias, self-dealing and concealment.

### **The Purpose of the Scheme**

3. The purpose of the scheme was for the named defendants to attempt to influence Circuit Judge Henry L. Lackey by providing things of value, to-wit, \$50,000 in cash, to influence Judge Lackey to sign and enter an order in the civil lawsuit styled Jones, et al. v. Scruggs, et al, Civil Action No. L07-135, favorable to RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm. It was further part of the scheme that RICHARD "DICKIE" SCRUGGS, aided and abetted by his co-defendants, attempted to cover up, conceal and disguise his involvement and the involvement of the other defendants and The Scruggs Law Firm by falsely creating documents to show that he had hired defendant TIMOTHY R. BALDUCCI to do jury selection work and preparation of jury instructions for an unrelated case, when in truth and fact as he then and there well knew he was reimbursing defendant TIMOTHY R. BALDUCCI for cash bribes paid by BALDUCCI to obtain the favorable ruling from the state circuit court.

### **Use of the Wires**

4. For the purpose of executing and attempting to execute the scheme and artifice to defraud, in the Northern District of Mississippi, defendant RICHARD "DICKIE" SCRUGGS, aided and abetted by the other named co-defendants, did knowingly transmit and cause to be transmitted writings, sounds and signals by means of wire in interstate commerce, that is, on or about May 4, 2007, an e-mail was sent via the internet from The Scruggs Law Firm to TIMOTHY R. BALDUCCI at his law office in New Albany, Mississippi, the e-mail containing a draft order proposing to rule in favor of RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm, all in violation of Section 1343, 1346 and 2, Title 18, United States Code.

### **Count Six**

1. The allegations contained in paragraphs 1 -7 preceding Count One of this Indictment are realleged and incorporated herein as though fully set forth herein.

2. From on or about March of 2007 and continuing through November of 2007, in the Northern District of Mississippi, the defendants RICHARD "DICKIE" SCRUGGS, DAVID

ZACHARY SCRUGGS, SIDNEY A. BACKSTROM, TIMOTHY R. BALDUCCI and STEVEN

A. PATTERSON devised and intended to devise a scheme and artifice to defraud and to deprive the State of Mississippi of its intangible right to the honest services of Judge Henry L. Lackey, performed free from deceit, bias, self-dealing and concealment.

### **The Purpose of the Scheme**

3. The purpose of the scheme was for the named defendants to attempt to influence Judge Henry L. Lackey by providing things of value, to-wit, \$50,000 in cash, to influence Judge Lackey to sign and enter an order in the civil lawsuit styled Jones, et al. v. Scruggs, et al, Civil Action No. L07-135, favorable to RICHARD "DICKIE" SCRUGGS and The Scruggs Law Firm. It was further part of the scheme that RICHARD "DICKIE" SCRUGGS, aided and abetted by his co-defendants, attempted to cover up, conceal and disguise his involvement and the involvement of the other defendants and The Scruggs Law Firm by falsely creating documents to show that he had hired defendant TIMOTHY R. BALDUCCI to do jury selection work and preparation of jury instructions for an unrelated case, when in truth and fact he was reimbursing defendant TIMOTHY R. BALDUCCI for cash bribes paid by BALDUCCI to obtain the favorable ruling from the state circuit court.

### **Use of the Wires**

4. For the purpose of executing and attempting to execute the scheme and artifice to defraud, in the Northern District of Mississippi, defendant RICHARD "DICKIE" SCRUGGS, aided and abetted by the other named co-defendants, did knowingly transmit and cause to be transmitted writings, sounds and signals by means of wire in interstate commerce, that is, on or about November 1, 2007, an e-mail was sent via the internet from The Scruggs Law Firm to TIMOTHY R. BALDUCCI at his law office in New Albany, Mississippi, the e-mail containing material designed to facilitate, conceal and disguise the final \$10,000 bribe payment, all in violation of Section 1343, 1346 and 2, Title 18, United States Code.

Thursday, November 29, 2007 C

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