

IN THE CIRCUIT COURT FOR THE FIRST JUDICIAL DISTRICT
OF HINDS COUNTY, MISSISSIPPI

**JIM HOOD, ATTORNEY GENERAL OF
THE STATE OF MISSISSIPPI, ex rel.
THE STATE OF MISSISSIPPI,**
Plaintiff,

v.

**BRANAN MEDICAL CORPORATION;
DRUG TESTING CORPORATION;
CHRISTOPHER B. EPPS; CECIL
MCCRORY; MARK LONGORIA
and DEFENDANT DOES 1 through 5,**
Defendants.

CIVIL ACTION NO.:

17-87

FILED
FEB 08 2017
ZACK WALLACE, CIRCUIT CLERK
BY _____ D.C.

COMPLAINT

COMES NOW, the Plaintiff, Jim Hood, Attorney General of the State of Mississippi, *ex rel.* the State of Mississippi (hereinafter the “State” or “Plaintiff”) and brings this cause of action against Branan Medical Corporation (hereinafter “Branan”); Drug Testing Corporation (hereinafter “DTC”); Christopher B. Epps; Cecil McCrory; Mark Longoria and Defendant Does 1 through 5 (collectively “Defendants”), and alleges as follows:

INTRODUCTION

1. This action arises from one of the largest and longest-running criminal and civil conspiracies in Mississippi government history. For approximately seven years, multiple individuals and business entities, including one high-ranking government official, were involved in a conspiracy, scheme and/or enterprise (hereinafter “conspiracy”) that included bribery, kickbacks, misrepresentations, fraud, concealment, money laundering and other wrongful conduct—all with the intent to defraud and deprive the State of hundreds of millions of dollars in proceeds from public contracts awarded by the Mississippi Department of Corrections

(hereinafter “MDOC”) and paid for by the State. (See Exhibit “A” - indictment for *United States vs. Christopher B. Epps and Cecil McCrory*; Exhibit “B” - indictment for *United States vs. Carl Reddix*; Exhibit “C” - information for *United States vs. Sam Waggoner*; Exhibit “D” - indictment for *United States vs. Irb Benjamin*; Exhibit “E” - information for *United States vs. Mark Longoria*; Exhibit “F” - indictment for *United States vs. Teresa Malone*; Exhibit “G” - indictment for *United States vs. Guy E. “Butch” Evans*; Exhibit “H” - information for *United States vs. Robert Simmons*; and Exhibit I - indictment for *United States vs. William Martin*).

2. During this time, several corporate entities, including Defendants Branan and DTC, sellers of “drugs-of-abuse” testing products, paid millions of dollars in so-called “consulting fees” to Defendant Cecil McCrory, and through McCrory these fees were used to pay bribes and kickbacks to then-MDOC Commissioner Christopher B. Epps. Because of these bribes and kickbacks, Commissioner Epps awarded, directed and/or extended public contracts, paid for by the State, to Defendants Branan and DTC.

3. Mark Longoria, who pleaded guilty to participating in the conspiracy described herein, testified that “every company out there that did business with the state [of Mississippi] hired Cecil McCrory as a consultant.” He added: “I knew they had to have some type of connections to be able to get all this done. [N]o other states that I work in conducted business that way.” (See Exhibit “J” at pp. 52 – 53). In fact, these connections were so special that “Epps told McCrory that McCrory could get anything he wanted in the future from MDOC through Epps.” (See Exhibit “A” at ¶ 24).

4. This action seeks compensatory damages, punitive damages, civil penalties, disgorgement of all ill-gotten funds, gains and profits, restitution, and all other appropriate relief on behalf of the State, which bore the cost and suffered significant losses as a result of

Defendants' conspiratorial scheme. Defendants' actions restrained or restricted trade; artificially fixed, raised and stabilized prices and denied free and open competition. Accordingly, this action seeks all forms of relief available for each violation under applicable law.

5. Attorney General Jim Hood brings this action on behalf of the State in its proprietary capacity, and on behalf of local governmental entities within the State, pursuant to the Attorney General's authority under Miss. Code §§ 7-5-1, 75-21-1 *et seq.*, 97-43-1 *et seq.* and 25-4-105. The State brings this action exclusively under the laws of Mississippi, and to the extent any claim or factual assertion herein may be construed as stating a federal claim, the State disavows that claim. The claims asserted are brought solely by the State and are independent of any claims that individual citizens may have against Defendants. Accordingly, any attempt by Defendants to remove this case to federal court would be without a basis in fact or law.

PARTIES

6. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

7. Plaintiff, the State of Mississippi, is a body politic created by the Constitution and laws of the State; as such, it is not a citizen of any state. Jim Hood is the State's duly-elected Attorney General. The Attorney General brings this action on the State's behalf, pursuant to the authority granted to his office by Miss. Const. art. 6, § 173 (1890) and by Miss. Code § 7-5-1.

8. Defendant Christopher B. Epps was the Commissioner of MDOC during all relevant times in this action and is a resident citizen of Rankin County, MS. He is currently in federal custody and awaits sentencing in 2017.

9. Defendant Cecil McCrory is a former state representative and resident citizen of Rankin County, MS, whose physical address is 1350 Star Road, Brandon, MS 39043. He currently remains free on a federal bond and awaits sentencing in 2017.

10. Defendant Mark Longoria is a businessman and resident citizen of Houston, TX, whose physical address is 11519 Ocotillo Drive, Houston, TX 77095. He currently remains free on a federal bond and awaits sentencing in 2017.

11. Defendant Branán is a Nevada corporation, with its principal place of business located at 140 Technology Drive, Suite # 400, Irvine, CA 92618. Branán is a wholly owned subsidiary of Alere, Inc. Service can be made to C.T. Corporation System at 645 Lakeland East Drive, Suite 101, Flowood, MS 39232

12. Defendant DTC is a Texas corporation, with its principal place of business located at 10528 Tanner Road, Houston, TX 77041. Service can be made to L.G. Clinton, III at Post Office Box 841396, Houston, TX 77284.

13. Defendant Does 1 through 5 are individuals, corporations, limited liability companies, partnerships or other entities that participated in the conspiracy. The identities of these Defendants are unknown to the State until adequate discovery is allowed.

JURISDICTION AND VENUE

14. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

15. This Court has jurisdiction over the subject matter of this action pursuant to Miss. Const. art. 6, § 156 (1890) and Miss. Code § 9-7-81, because the amount in controversy exceeds \$200 and the subject matter is not exclusively cognizable in some other court.

16. This Court has personal jurisdiction over those Defendants who are resident citizens of Mississippi and over Branán, DTC and Longoria because they have engaged in systematic and continuous business activity in Mississippi, and because a substantial amount of their conspiratorial and unlawful acts occurred in Mississippi and were intended to—and in fact did—cause substantial harm to the State.

17. This Court is the proper venue under Miss. Code § 11-11-3(1)(a)(i), because substantial acts and omissions complained of herein occurred in Hinds County, Mississippi, where MDOC's headquarters is located.

FACTS

18. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

19. From approximately 2006 through 2014—Defendants Christopher B. Epps, Cecil McCrory, Mark Longoria, Branana and DTC knowingly and intentionally conspired to devise schemes using overt acts such as bribery, kickbacks, unfair and deceptive trade practices, misrepresentations, fraud, concealment, money laundering and other wrongful conduct, all with the intended purpose, and effect, of defrauding the State of approximately \$3,500,000.

20. In essence, the scheme worked like this: then-Commissioner Epps, McCrory and Longoria had a “backroom” relationship or agreement with Branana and DTC. Branana and DTC paid Defendant McCrory so-called “consulting fees.” McCrory then paid a portion of those fees as bribes and kickbacks to Epps, in exchange for MDOC awarding approximately \$3,500,000 in public contracts to Branana and DTC. Defendants Branana and DTC were willful participants in the scheme insofar as they knew—had every reason to know or should have known—that the money they were paying McCrory was being used to pay bribes and kickbacks to Epps for the purpose of obtaining and retaining public contracts.

Branana's Scheme to Defraud the State

21. Defendant Christopher B. Epps worked for MDOC for 32 years and was appointed Commissioner of MDOC in 2002. As Commissioner, Epps was “responsible for the management of affairs of the correctional system and for the proper care, treatment, feeding, clothing and management of the offenders confined therein.” Miss. Code § 47-5-23.

22. From 2001 until 2013, Defendant Mark Longoria was the Director of National Accounts for Branán, with supervisory responsibility for sales and marketing.

23. In or around 2006, Defendant Branán sought and obtained business from the State as it related to public contracts supplying “drugs-of-abuse” testing products for MDOC inmates.

24. Then-Commissioner Epps and Defendant McCrory entered into a “backroom” relationship or agreement with Defendants Branán and Longoria, pursuant to which Branán would pay so-called “consulting fees” to McCrory, from which McCrory would use these fees to pay Commissioner Epps bribes and kickbacks. (See Exhibit “A” at ¶¶ 3 - 9).

25. During this time, then-Commissioner Epps awarded, directed and/or extended public contracts, paid for by the State, to Defendant Branán totaling approximately \$2,700,000.

26. At all relevant times, Defendants Mark Longoria and Cecil McCrory were acting in the course and scope of their employment and/or in furtherance of the interests of Branán. Defendants Longoria and McCrory were actual or apparent agents, acting with actual or apparent authority, on behalf of Branán. Therefore, Defendant Branán is liable for the actions of Longoria and McCrory as an employee, statutory employee or agent. Moreover, Defendants Branán, Longoria and McCrory pursued a common plan and course of conduct, acted in concert with, aided and abetted and otherwise conspired with one another, in furtherance of their common scheme to defraud the State.

27. Defendant Branán knew, or should have known, that the “consulting fees” it was paying Defendant McCrory were being used to pay bribes and kickbacks to assure that Defendant Epps would award public contracts, paid for by the State, to Branán.

DTC's Scheme to Defraud the State

28. In are around 2013, Defendant Mark Longoria resigned from Branam and formed DTC, where he was the Chief Executive Officer. Like Branam, Defendant DTC sought and obtained business from the State as it related to public contracts supplying "drugs-of-abuse" testing products for MDOC inmates. (See Exhibit "E" at ¶¶ 3 - 4).

29. In August of 2013, in order to facilitate the procurement of lucrative public contracts with MDOC, Defendant Longoria entered into a "commission agreement" with Investigative Research, Inc., a company owned by Defendant Cecil McCrory. Defendants Longoria, McCrory and Epps understood, and agreed, that a portion of these "commissions" would be used to pay bribes and kickbacks to Epps for awarding these public contracts to Defendant DTC. (See Exhibit "E" at ¶¶ 5 & 11 - 15).

30. On or about August 20, 2013, MDOC awarded DTC a contract to sell MDOC drug testing cups for which the State paid \$632,336.25. After receiving payment from the State, DTC remitted a check to Investigative Research, Inc., for \$194,837.50. (See Exhibit "E" at ¶¶ 6 - 7).

31. On or about May 20, 2014, DTC invoiced MDOC for a second set of drug testing cups for which the State paid \$149,940.00. After receiving payment from the State, DTC remitted a check to Investigative Research, Inc., for \$34,997.64. (See Exhibit "E" at ¶¶ 8 - 9).

32. Based on the "backroom" agreement entered into by then-Commissioner Epps and McCrory with Defendants DTC and Longoria, once these so-called "commissions" were paid to McCrory, Defendant McCrory used these "commissions" to pay Defendant Epps \$60,000 in bribes and kickbacks. (See Exhibit "E" at ¶¶ 11 - 12).

33. During this time, then-Commissioner Epps awarded, directed and/or extended public contracts, paid for by the State, to Defendant DTC totaling approximately \$782,276.25.

34. At all relevant times, Defendants Mark Longoria and Cecil McCrory were acting in the course and scope of their employment and/or in furtherance of the interests of DTC. Defendants Longoria and McCrory were actual or apparent agents, acting with actual or apparent authority, on behalf of DTC. Therefore, Defendant DTC is liable for the actions of Longoria and McCrory as an employee, statutory employee or agent. Moreover, Defendants DTC, Longoria and McCrory pursued a common plan and course of conduct, acted in concert with, aided and abetted and otherwise conspired with one another, in furtherance of their common scheme to defraud the State.

35. Defendant DTC knew, or should have known, that the “commissions” it was paying Defendant McCrory were being used to pay bribes and kickbacks to assure that Defendant Epps would award public contracts, paid for by the State, to DTC.

Criminal Charges and Guilty Pleas

36. Epps resigned as Commissioner of MDOC on November 5, 2014, and the next day he was indicted on federal charges for participating in the conspiracy described herein. He pleaded guilty on February 4, 2015. (*See Exhibit “K” - Plea Agreement for United States vs. Christopher B. Epps*).

37. Like Defendant Epps, Defendant McCrory was indicted November 6, 2014, on federal charges for participating in the conspiracy described herein. He, too, pleaded guilty on February 4, 2015. (*See Exhibit “L” - Plea Agreement for United States vs. Cecil McCrory*).

38. Defendant Longoria was charged by information on July 25, 2016, on federal charges for participating in the conspiracy described herein. He, too, pleaded guilty on August 3, 2016. (*See Exhibit “M” - Plea Agreement for United States vs. Mark Longoria*).

Mississippi's Competitive Bidding Requirements

39. Miss. Code § 31-7-13 sets forth the mandatory bidding requirements for State purchases of \$50,000 or more. It sets out broadly what purchases require competitive bidding and narrowly what purchases are exceptions to that requirement. The purposes of the Mississippi system of “competitive bidding” are to obtain the lowest price, to create a level playing field for suppliers, and above all, to frustrate corrupt conspiracies.

40. Contrary to Miss. Code § 31-7-13, Defendant Epps, as needed to benefit Defendants Branam and DTC, made findings that exceptions to the “competitive bidding requirement” were applicable to some or all of the contracts described herein, when in fact, there were no circumstances justifying the award of “no-bid” contracts. In fact, multiple qualified contractors would have been available to perform all of the services for which the “no-bid” contracts were awarded.

41. The market for “drugs-of-abuse” testing products is competitive, and there are many participants. In truly competitive markets, Branam and DTC would have had to compete with many potential rivals for the Mississippi contracts.

42. As bribes to facilitate the award of the “drugs-of-abuse” testing contracts, Defendants Branam and DTC agreed to pay bribes and kickbacks to McCrory and Epps.

Proceeds Derived from Defendants' Conduct

43. Defendants' conspiratorial scheme was successful. Between 2006 and 2014, Defendants Branam and DTC received approximately \$3,500,000 in proceeds from public contracts paid for by the State.

44. Defendants knew, or should have known, that they were participating in a conspiracy to defraud the State, through the payment of “consulting fees” or “commissions” that

were being used to pay bribes and kickbacks to a State official in exchange for public contracts, awarded by MDOC, and paid for by the State.

45. Moreover, by retaining Cecil McCrory as an agent to obtain these contracts, Defendants Branan and DTC are liable not only for their own wrongful actions, but also for the wrongful actions of their agent, McCrory.

CLAIMS FOR RELIEF

COUNT I VIOLATIONS OF MISS. CODE § 25-4-105

46. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

47. At all relevant times, Defendant Epps was a “public servant” within the meaning of Miss. Code § 25-4-103(p)(i).

48. Defendant Epps, while a public servant, “use[d] his official position to obtain, or attempt to obtain, pecuniary benefit for himself other than that compensation provided for by law,” in violation of Miss. Code § 25-4-105(1).

49. Defendant Epps, while a public servant, was “interested, directly or indirectly, during the term for which he shall have been chosen . . . in [several] contract[s] with the [S]tate,” in violation of Miss. Code § 25-4-105(2).

50. Defendant Epps, while a public servant, performed services for “compensation during his term of office or employment by which he attempt[ed] to influence decision[s] of the authority of the governmental entity of which he [wa]s a member,” in violation of Miss. Code § 25-4-105(3)(d).

51. Pursuant to Miss. Code § 25-4-113, the Attorney General is entitled to bring this action “against the public servant or other person or business violating the provisions of this article for recovery of damages suffered as a result of such violations.”

52. The Attorney General brings this action against Defendants Epps, McCrory, Longoria, Branan and DTC pursuant to Miss. Code §§ 25-4-105 and 25-4-113, and demands recovery of all money paid by the State as a result of the aforesaid misconduct.

53. Miss. Code § 25-4-113, provides that the State is entitled to a declaration by this Court that all pecuniary benefits “received by” Defendant Epps, or “given by” Epps to the other Defendants, irrespective of actual damages, “shall be declared forfeited by a circuit court of competent jurisdiction for the benefit of the governmental entity injured.” The State demands under said law, the forfeiture to the State of all money paid to Epps as alleged herein, and the forfeiture to the State of all money (approximately \$3,500,000) paid by the State to Defendants Branan and DTC.

54. Pursuant to Miss. Code § 25-4-113, the State, at the discretion of the Court, may also be awarded costs of court and reasonable attorneys’ fees, and the State demands such costs and fees from Defendants.

**COUNT II
VIOLATIONS OF RACKETEER INFLUENCED
AND CORRUPT ORGANIZATION ACT**

55. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

56. At all relevant times, Defendants were or are an enterprise within the meaning of Miss. Code § 97-43-3(c).

57. Beginning in 2006 and continuing through 2014, the exact dates being as yet unknown, Defendants associated together to establish a criminal partnership with the common goal of trading cash for State contracts. Defendants accomplished this goal through a pattern of racketeering activity, in violation of Miss. Code § 97-43-1 *et seq.*

58. Defendants conspired to commit and then actually committed a pattern of racketeering activity—a series of crimes including, but not necessarily limited to, commercial bribery in violation of Miss. Code § 97-9-10 and bribery to conceal offenses in violation of Miss. Code § 97-9-9, with the intended purpose of compelling the State to pay approximately \$3,500,000 to Branam and DTC. Predicate offenses include, but are not necessarily limited to, (1) each periodic payment made by Defendants Branam and/or DTC to Defendant McCrory and/or to persons or entities affiliated with McCrory, and (2) each transfer of funds made by McCrory to or for the benefit of Defendant Epps. Through their pattern of racketeering activity, Defendants directly and indirectly conducted and participated in the affairs of MDOC and acquired and maintained an interest in, and control of, MDOC. Acting with criminal intent, they also used the proceeds derived from this pattern of racketeering activity in the operation of MDOC.

59. As a direct and proximate result of Defendants' conduct, the State has been harmed and has suffered damages. Also pursuant to § 97-43-9(2), the State is entitled to forfeiture by the Defendants of all property "derived from, or realized through, conduct in violation" of Miss. Code § 97-43-1 *et seq.* The State demands judgment for all such damages and demands the forfeiture of approximately \$3,500,000 wrongly paid to Branam and DTC by the State.

COUNT III
VIOLATIONS OF THE MISSISSIPPI ANTITRUST ACT

60. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

61. The Defendants' actions violated provisions of Mississippi law governing "Trusts and Combines in Restraint or Hindrance of Trade," or the Mississippi Antitrust Act (Miss. Code § 75-21-1 *et seq.*).

62. As described herein, Defendants entered into a continuing agreement, understanding or conspiracy to restrain trade and to artificially fix, raise and stabilize prices for various goods and services sold to the State.

63. The Defendants' anticompetitive conduct prevented competitive bidding, and thus, precluded competition on price and quality in the "drugs-of-abuse" testing market. Other vendors would have been available to compete for the above-referenced contracts. Branan and DTC's payments of bribes and kickbacks to Epps and McCrory also caused Branan and DTC to incur higher costs, which were passed on to the State. Branan and DTC's conduct thus prevented the State from obtaining a competitive market price for the services it purchased, raising prices above competitive levels, as described herein.

64. But for the Defendants' anticompetitive acts, the State would have been able to purchase these services at lower prices or at legal and competitive prices.

65. The State is entitled to damages pursuant to Miss. Code § 75-21-9 and to penalties pursuant to Miss. Code §§ 75-21-7, 75-21-9 and 75-21-15.

66. Defendants' unlawful and unfair business practices have therefore caused the State to pay supra-competitive and artificially-inflated prices for services, and each purchase constitutes a violation of the Mississippi Antitrust Act, for which damages the State demands payment from Defendants.

COUNT IV
VIOLATIONS OF MISS. CODE § 31-7-13 – BIDDING REQUIREMENTS

67. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

68. Defendants' "no-bid" contracts violated Mississippi's system of open bidding.

69. Miss. Code § 31-7-13 sets forth the mandatory bidding requirements for State purchases of \$50,000 or more. It sets out broadly what purchases require competitive bidding

and narrowly what purchases are exceptions to that requirement. The purposes of the Mississippi system of “competitive bidding” are to obtain the lowest price, to create a level playing field for suppliers, and above all, to frustrate corrupt conspiracies.

70. As set forth herein, Defendants’ conduct caused the State to enter into wrongful “no-bid” and/or “sole source” contracts. Defendants used untrue and fabricated circumstances as justification for using wrongful “no-bid” contracts.

71. Defendants succeeded in their wrongful “no-bid” contracting, costing the State large sums in overpayment. Defendants derived, directly or indirectly, the fruits of that effort. Therefore, the State demands a return of all profits and reimbursement of all excess costs, for which the Defendants were responsible through their wrongful actions.

**COUNT V
BREACH OF FIDUCIARY DUTY AND AIDING
AND ABETTING BREACH OF FIDUCIARY DUTY**

72. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

73. Defendant Epps, at all times pertinent hereto, owed fiduciary duties of, *inter alia*, care and loyalty, to the State.

74. Defendant Epps breached those fiduciary duties by accepting bribes and kickbacks from persons and/or entities seeking public contracts or through their agents, by causing public contracts to be awarded to such entities and by causing public contracts to be awarded without following procedures required by law.

75. The Defendants (other than Epps), at all pertinent times, had knowledge of Epps’ fiduciary duties to the State and provided substantial assistance to Epps that allowed him to breach his fiduciary duties to the State.

91. Defendants have enriched themselves unjustly at the State's expense, by engaging in the acts and practices described herein. Therefore, the State demands disgorgement of all ill-gotten funds, gains and profits received by Defendants as a result of their actions.

DAMAGES AND OTHER RELIEF SOUGHT

92. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

93. As a result of Defendants' aforesaid misconduct, the State seeks recovery of all available damages, including—but not limited to—compensatory, punitive and exemplary.

94. Because Defendants' conduct constitutes willful, egregious, reckless, fraudulent and wrongful acts against the State, the State seeks punitive damages under Miss. Code § 11-1-65, in an amount that is appropriate and necessary.

95. The State seeks forfeiture of all money received by Defendants, directly or indirectly, through the conduct alleged herein.

96. The State seeks rescission of all illegally awarded contracts and/or forfeiture of all pecuniary benefits received by Defendants, or otherwise realized by them, directly or indirectly, through the conduct alleged herein, including but not limited to, all money paid by the State from all public contracts.

97. The State seeks restitution of all illegally obtained or ill-gotten funds and gains paid by the State to Defendants.

98. The State seeks pre-judgment interest, post-judgment interest, attorneys' fees, court costs, investigative costs, expert-witness fees, deposition fees and any other expenses or damages which this Court deems proper.

99. The State reserves the right to amend this complaint to allege further damages.

RIGHT TO AMEND PURSUANT TO MISS. R. CIV. P. 15

100. Under Rule 15 of the Mississippi Rules of Civil Procedure, the State reserves the right to name additional defendants should later facts establish that others are liable.

JURY TRIAL DEMAND

101. The State demands a jury trial.

PRAYER

Given the above, the State requests that upon final trial hereof, the State be entitled to recover from Defendants all the relief that is sought—including but not limited to, compensatory, punitive and exemplary damages, forfeiture, disgorgement of all ill-gotten funds, civil penalties, pre- and post-judgment interest, attorneys' fees, court costs, investigative costs, expert-witness fees, deposition fees and any other expenses or damages which this Court deems proper.

Respectfully submitted, this the 8 day of February, 2017.

**JIM HOOD, ATTORNEY GENERAL
OF THE STATE OF MISSISSIPPI, ex
rel. THE STATE OF MISSISSIPPI**

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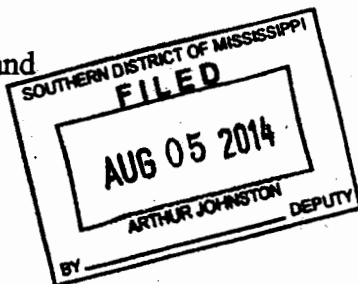
IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

UNITED STATES OF AMERICA

v.

CRIMINAL NO. *3:14-cr-111 HTW-FKB*

CHRISTOPHER B. EPPS and
CECIL MCCRORY



18 U.S.C. § 1349
18 U.S.C. § 666(a)(1)(B)
18 U.S.C. § 666(a)(2)
18 U.S.C. § 1956(h)
18 U.S.C. § 1346
31 U.S.C. § 5324(a)(3)
18 U.S.C. § 1956(a)(1)(B)(i)
26 U.S.C. § 7206(2)

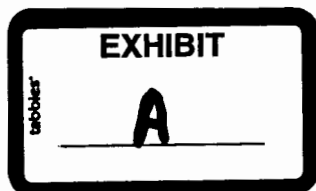
The Grand Jury charges:

At all times relevant to this indictment:

1. The Mississippi Department of Corrections (“MDOC”) was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, and which received benefits in excess of \$10,000 annually between 2007 and 2014 under Federal programs providing Federal assistance to the MDOC.

2. Defendant **CHRISTOPHER B. EPPS** was the Commissioner of the Mississippi Department of Corrections and as such was an agent of the MDOC, as that term is defined in Section 666(d), Title 18, United States Code.

3. Defendant **CECIL MCCRORY** was a local businessman from Rankin County, Mississippi, who owned companies that contracted, signed leases or otherwise did business with MDOC, including but not limited to Correctional Communications, Inc.; College Street Leasing, LLC; American Transition Services, LLC; and G.T. Enterprises of Mississippi, Inc.



MCCRORY was also paid consulting fees by other companies seeking or receiving contracts with MDOC or for work completed for MDOC, including but not limited to Cornell Corrections, Inc.; The GEO Group, Inc.; Management & Training Corporation; Centric Group, LLC d/b/a Keefe Commissary Network, LLC; Adminpros, LLC; Wexford Health Sources, Inc.; Bantry Group; and Branan Medical.

COUNT 1

4. The allegations contained in paragraphs 1 through 3 of this indictment are realleged and incorporated by reference as though fully set forth herein.

5. From in or about 2007 through in or about March 12, 2014, in Hinds and Rankin County in the Northern Division of the Southern District of Mississippi, and elsewhere, the defendants, **CHRISTOPHER B. EPPS** and **CECIL MCCRORY**, did knowingly and intentionally combine, conspire, confederate, and agree with each other, to commit one or more of the following offense: to devise and intend to devise a scheme and artifice to defraud the Mississippi Department of Corrections and the State of Mississippi and its citizens of their intangible right to **CHRISTOPHER B. EPPS**'s honest services, through bribes and kickbacks, by use of interstate wire transmissions, in violation of Sections 1343 and 1346, Title 18, United States Code.

6. It was the object of the conspiracy that defendant, **CECIL MCCRORY**, would bribe or provide kickbacks to **CHRISTOPHER B. EPPS**, Commissioner of the Mississippi Department of Corrections, in exchange for the awarding of MDOC contracts, leases, or work to companies owned by **MCCRORY** or to companies seeking contracts or providing services to

MDOC who had agreed to pay, were paying or already had paid **MCCRORY** as a consultant.

7. It was part of the conspiracy that companies owned by defendant **MCCRORY** would be awarded contracts, leases or other work from MDOC.

8. It was also part of the conspiracy that defendant **EPPS**, in his position as Commissioner of the Mississippi Department of Corrections, would steer and direct such contracts to defendant **MCCRORY**'s companies, sometimes recommending to the Mississippi State Personnel Board that companies owned by or associated with **MCCRORY** be given contracts by MDOC on a no-bid or sole source procurement basis.

9. It was further part of the conspiracy that defendant **MCCRORY** secretly paid defendant **EPPS**, either in cash, through checks made payable to financial institutions holding the mortgage for **EPPS**'s home, or through wire transfers to financial institutions holding loans for **EPPS** or to investment accounts owned by **EPPS**, in return for **EPPS**'s assistance in ensuring MDOC awarded or renewed contracts and leases to companies owned by **MCCRORY** or to companies which had hired **MCCRORY** as a consultant.

10. It was further part of the conspiracy that, in order to keep their relationship and financial arrangement confidential, defendant **EPPS** would store cash bribe payments received from defendant **MCCRORY** in **EPPS**'s safe at home, wherein **EPPS** would later structure the deposits of such cash into **EPPS**'s various bank accounts or purchase cashier's checks, all in amounts not greater than \$10,000.

In furtherance of the conspiracy and to carry out its objectives, the following acts, among others, were committed:

11. On or about November 2, 2007, defendant **EPPS** signed a no-bid MDOC contract awarded to G.T. Enterprises, a company owned by defendant **MCCRORY**, for commissary services at state prisons and private facilities which housed state inmates.

12. In or about 2007, defendant **EPPS** solicited money from defendant **MCCRORY** in exchange for the contract that defendant **MCCRORY**'s company had with MDOC at that time.

13. In or about 2007, defendant **MCCRORY** paid defendant **EPPS** multiple cash payments in the amount of \$3,000 to \$4,000 on approximately fifteen occasions for the MDOC contract that had been awarded to defendant **MCCRORY**'s company.

14. In or about March 2008, defendant **EPPS** approved the assignment of the MDOC contract held by defendant **MCCRORY**'s company, G.T. Enterprises, to another company, the Centric Group, doing business as Keefe Commissary, LLC, resulting in a large profit for **MCCRORY**.

15. Shortly thereafter, defendant **EPPS** solicited defendant **MCCRORY** to pay off **EPPS**'s home mortgage.

16. On July 25, 2008, defendant **MCCRORY** purchased a cashier's check in the amount of \$100,000 from his personal bank account at Community Bank, and had such check made payable and sent to Countrywide Bank, which held the mortgage for defendant **EPPS**'s home, with such check being applied to the mortgage for defendant **EPPS**'s home in Flowood, Mississippi.

17. On October 2, 2008, defendant **MCCRORY** purchased a second cashier's check in the amount of \$100,000 from his personal bank account at Community Bank, and had such

check made payable and sent to Countrywide Bank, which held the mortgage for defendant **EPPS's** home, with such check being applied to the mortgage for defendant **EPPS's** home in Flowood, Mississippi.

18. On October 24, 2008, defendant **EPPS** signed a contract awarded by MDOC to Adminpros, LLC, which was a company that later paid defendant **MCCROY**.

19. On or about December 9, 2008, defendant **EPPS** signed a lease between MDOC and College Street Leasing, a company owned by defendant **MCCRORY**, for the use of land and facilities upon which to operate a new inmate transition facility for males in Walnut Grove, Mississippi.

20. On January 5, 2009, defendant **MCCRORY** purchased a third cashier's check from his personal bank account at Community Bank in the amount of \$50,000 and made payable to Countrywide Bank, which held the mortgage for defendant **EPPS's** home, with such check being applied to the mortgage for defendant **EPPS's** home in Flowood, Mississippi.

21. On April 2, 2009, defendants **EPPS** and **MCCRORY** signed a lease between MDOC and College Street Leasing, a company owned by defendant **MCCRORY**, for the use of land and facilities upon which to operate an inmate transition facility for females in Walnut Grove, Mississippi.

22. On July 16, 2009, defendants **EPPS** and **MCCRORY** signed a contract awarded by MDOC to American Transition Services, a company owned by defendant **MCCRORY**, to operate and manage the men's facility at the Walnut Grove Transition Center.

23. On July 28, 2009, defendant **MCCRORY** purchased a fourth cashier's check at

Community Bank in the amount \$101,309.81, made payable to “BAC [Bank of America] Home Loan Servicing, LP”, which had succeeded Countrywide Bank in servicing defendant **EPPS**’s home mortgage, with such check being applied to and finally paying off the mortgage of defendant **EPPS**’s home in Flowood, Mississippi.

24. A short time later, after defendant **EPPS**’s home had been completely paid off by defendant **MCCRORY**, **EPPS** told **MCCRORY** that **MCCRORY** could get anything he wanted in the future from MDOC through **EPPS**.

25. On July 30, 2009, Epps deposited (1) \$9,000 cash at the Regions bank branch in Flowood, Mississippi at 2:16 p.m.; (2) \$9,000 cash at the BankPlus in Flowood, Mississippi at 2:31 p.m.; (3) \$9,000 cash at the Regions bank branch in Jackson, Mississippi at 2:53 p.m.; and (4) \$9,000 cash at the Mississippi Public Employees Credit Union (“MSPECU”) in Jackson, Mississippi, the latter of which was used to purchase a \$9,000 official check which was made payable to **EPPS**’s Edward Jones investment account.

26. On August 15, 2009, defendants **EPPS** and **MCCRORY** signed a contract awarded by MDOC to American Transition Services, a company owned by defendant **MCCRORY**, to operate and manage the women’s facility at the Walnut Grove Transition Center.

27. On July 29, 2010, defendant **EPPS** signed a contract awarded by MDOC to Adminpros, LLC, which was a company that paid defendant **MCCRORY**.

28. On January 24, 2011, defendant **EPPS** signed a contract awarded by MDOC to Adminpros, LLC, which was a company that paid defendant **MCCRORY**.

29. On July 29, 2011, defendant **EPPS** signed a contract awarded by MDOC to Adminpros, LLC, which was a company that paid defendant **MCCRORY**.

30. In or about July 2012, defendant **EPPS** signed a contract awarded by MDOC to Adminpros, LLC, which was a company that paid defendant **MCCRORY**.

31. In August 2012, defendant **EPPS** signed a contract awarded by MDOC to Management & Training Corporation, which was a company that paid defendant **MCCRORY**.

32. On August 21, 2012, defendant **MCCRORY** wired \$34,000 from his business account at Merchant & Farmers Bank directly to Wells Fargo Home Mortgage, which held the loan for defendant **EPPS**'s condominium in Biloxi, Mississippi, with such money being used to pay down **EPPS**'s Biloxi condominium loan.

33. On September 14, 2012, defendant **EPPS** signed a contract awarded by MDOC to Management & Training Corporation, which was a company that **EPPS** had persuaded to hire defendant **MCCRORY** as a consultant and a company with whom **EPPS** had personally negotiated **MCCRORY**'s consulting fee, telling **MCCRORY** later, "I got us \$12,000 per month," which they ultimately divided evenly after calculating the taxes that **MCCRORY** would be responsible for as having received the income.

34. On September 25, 2012, defendant **MCCRORY** wired \$14,000 from his business account at Merchant & Farmers Bank directly to Wells Fargo Home Mortgage, which held the loan for defendant **EPPS**'s condominium in Biloxi, Mississippi, with such money being used to pay down **EPPS**'s Biloxi condominium loan.

35. On or about October 18, 2012, defendant **EPPS** signed a no-bid contract awarded

by MDOC to Management & Training Corporation, which was a company that paid defendant **MCCRORY**.

36. On February 14, 2013, defendant **MCCRORY** wired \$40,000 from his business account at Merchant & Farmers Bank directly to defendant **EPPS**'s Edward Jones investment account ending in x-6410, falsely labeling the wire transaction as a consignment sale of farm equipment to conceal and disguise the scheme.

37. On or about July 15, 2013, defendant **EPPS** signed a no-bid contract awarded by MDOC to Management & Training Corporation, which was a company that paid defendant **MCCRORY**.

38. On or about July 17, 2013, defendant **EPPS** wrote a letter to the Mississippi State Personnel Board requesting "sole source procurement" for Adminpros, LLC, resulting in Adminpros being awarded a no-bid contract by MDOC later that month.

39. On September 4, 2013, defendant **MCCRORY** wired \$50,000 from his business account at Merchant & Farmers Bank directly to defendant **EPPS**'s Edward Jones investment account ending in x-6410.

40. On or about October 8, 2013, defendant **EPPS** wrote a letter to the Mississippi State Personnel Board stating that Adminpros "is the only vendor that performs Medicaid eligibility services for inmates" and "is the only vendor that can provide the services as outlined in the attached contract[,]” resulting in Adminpros being awarded a no-bid contract by MDOC later that month.

41. Beginning in or about 2010, defendant **MCCRORY** gave defendant **EPPS** a cash

bribe payment of several thousand dollars each month emanating from the consulting fees that **MCCRORY** had earned from companies doing business with MDOC, including, but not limited to, on or about the following dates:

A.	November 18, 2013	\$8,000
B.	December 24, 2013	\$8,000
C.	February 7, 2014	\$8,000
D.	March 6, 2014	\$8,000

42. During the time period of the conspiracy, defendant **MCCRORY** never provided defendant **EPPS** or the Internal Revenue Service with a Form 1099 reporting the income provided to **EPPS** by **MCCRORY** throughout the time period of the conspiracy.

43. From January 2008 through June 2014, defendant **EPPS** structured over \$900,000.00 in cash either by depositing such cash into his checking accounts or by purchasing cashier's checks with such cash, almost all such transactions in amounts not greater than \$10,000.00, in order to avoid the reporting requirements of the financial institutions and to further conceal the defendants' bribery and kickback scheme.

All in violation of Section 1349, Title 18, United States Code.

COUNTS 2-13

44. The allegations contained in paragraphs 1 through 44 of this indictment are realleged and incorporated by reference as though fully set forth herein.

45. That beginning and continuing through in or about the dates listed below, in Hinds and Rankin County in the Northern Division of the Southern District of Mississippi, the defendant, **CHRISTOPHER B. EPPS**, did corruptly solicit and demand for the benefit of any person, things of value from a person, that is from **CECIL MCCRORY**, intending to be

influenced and rewarded in connection with a transaction and series of transactions of the Mississippi Department of Corrections involving \$5,000 or more:

COUNT	DATES	BRIBE/KICKBACK AMOUNT
2	August 21, 2012	\$34,000
3	September 25, 2012	\$14,000
4	February 14, 2013	\$40,000
5	September 4, 2013	\$50,000
6	September 24, 2013	\$9,000
7	November 18, 2013	\$8,000
8	December 24, 2013	\$8,000
9	February 7, 2014	\$8,000
10	March 6, 2014	\$8,000
11	April 9, 2014	\$8,000
12	May 9, 2014	\$8,000
13	June 19, 2014	\$18,000

All in violation of Section 666(a)(1)(B), Title 18, United States Code.

COUNTS 14-22

46. The allegations contained in paragraphs 1 through 45 of this indictment are realleged and incorporated by reference as though fully set forth herein.

47. That beginning and continuing through in or about the dates listed below, in Hinds and Rankin County in the Northern Division of the Southern District of Mississippi, the defendant, **CECIL MCCRORY**, did corruptly give, offer, and agree to give a thing of value to any person intending to influence and reward **CHRISTOPHER B. EPPS**, Commissioner of the Mississippi Department of Corrections, in connection with a transaction and series of transactions of the Mississippi Department of Corrections involving \$5,000 or more:

COUNT	DATES	BRIBE/KICKBACK AMOUNT
14	August 21, 2012	\$34,000
15	September 25, 2012	\$14,000
16	February 14, 2013	\$40,000
17	September 4, 2013	\$50,000
18	September 24, 2013	\$9,000
19	November 18, 2013	\$8,000
20	December 24, 2013	\$8,000
21	February 7, 2014	\$8,000
22	March 6, 2014	\$8,000

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

COUNT 23

48. The allegations contained in paragraphs 1 through 47 of this indictment are realleged and incorporated by reference as though fully set forth herein.

49. From in or about 2007 through in or about March 12, 2014, in Hinds and Rankin County in the Northern Division of the Southern District of Mississippi, and elsewhere, the defendants, **CHRISTOPHER B. EPPS and CECIL MCCRORY**, did knowingly combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit: to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, bribery and kickbacks, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial

transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

The manner and means used to accomplish the objectives of the conspiracy included, among others, the following:

50. During the time period of the conspiracy, defendant **MCCRORY** wired several large bribe payments to the financial institutions that held the mortgage for defendant **EPPS**'s home in Flowood, Mississippi, with **EPPS** later using the equity from the proceeds of that specified unlawful activity to take out a loan to purchase a condominium in Biloxi, Mississippi, thus concealing and disguising the nature and source of the proceeds from the specified unlawful activity.

51. During the time period of the conspiracy, defendant **MCCRORY** gave cash bribes and kickbacks to defendant **EPPS**, which **EPPS** would put in his safe at home until he was ready to deposit such cash bribes into his various bank accounts or use such cash to purchase cashier's checks, later structuring such deposits and purchases in order to conceal and disguise the nature and source of these proceeds of this specified unlawful activity.

52. During the time period of the conspiracy, defendant **MCCRORY** also wired a large bribe payment to defendant **EPPS**'s Edward Jones Investment Account, from which **EPPS** was able to wire money and trade in his Biloxi condominium for a larger, more expensive condominium in Pass Christian, Mississippi, thus continuing to conceal and disguise the nature and source of the proceeds of the specified unlawful activity.

All in violation of Section 1956(h), Title 18, United States Code.

COUNTS 24-27

53. The allegations contained in paragraphs 1 through 52 of this indictment are realleged and incorporated by reference as though fully set forth herein.

54. From in or about 2007 through in or about June 24, 2014, in Hinds and Rankin County in the Northern Division of the Southern District of Mississippi, and elsewhere, the defendants, **CHRISTOPHER B. EPPS** and **CECIL MCCRORY**, and others known and unknown to the Grand Jury, devised, intended to devise, and participated in a scheme and artifice to defraud and deprive the citizens of the State of Mississippi, the State of Mississippi, and the Mississippi Department of Corrections of money, property and the intangible right to the honest services of defendant **EPPS** and the concealment of material information.

55. The purpose of the scheme and artifice described in Count 1 was for defendant **EPPS** to secretly use his official position to enrich himself and others by soliciting and accepting gifts, payments, and other things of value from defendant **MCCRORY** in exchange for favorable official action and for **MCCRORY** to enrich himself by secretly obtaining favorable official action for himself, his companies, and his clients through corrupt means.

The scheme and artifice was carried in the following manner and means, among others:

56. The defendant **EPPS** solicited and accepted gifts, payments, and other things of value from defendant **MCCRORY**, as detailed below.

57. The defendant **EPPS** provided favorable official action on behalf of defendant **MCCRORY** as requested and as opportunities arose, including the directing or awarding of contracts or leases to companies owned or controlled by defendant **MCCRORY** or to companies

that were paying **MCCRORY** consulting fees.

58. The defendants **EPPS** and **MCCRORY** took steps to hide, conceal, and cover up their activity and the nature and scope of their dealings with each other, including:

A. The wiring of money from one of defendant **MCCRORY**'s business accounts to Wells Fargo Home Mortgage, the financial institution holding the mortgage for defendant **EPPS**'s condominium in Biloxi, Mississippi.

B. The wiring of money from defendant **MCCRORY**'s Tractor Store business account to the Edward Jones investment account owned and controlled by defendant **EPPS**, with **MCCRORY** falsely labeling the wire transaction as a consignment sale of farm equipment and similarly falsely recording the wire transaction in the books and records of the Tractor Store, in order to conceal and disguise the scheme.

59. On or about the dates listed below, in Rankin and Hinds County in the Northern Division of the Southern District of Mississippi, and elsewhere, the defendants, **CHRISTOPHER B. EPPS** and **CECIL MCCRORY**, for the purpose of executing the above-described scheme and artifice to defraud and deprive, transmitted or caused to be transmitted by means of wire communication in interstate commerce, the following writings, signals and sounds:

COUNT	DATE	AMOUNT PAID FOR THE BENEFIT OF EPPS
24	August 21, 2012	\$34,000.00
25	September 25, 2012	\$14,000.00
26	February 14, 2013	\$40,000.00
27	September 4, 2013	\$50,000.00

All in violation of Sections 1343, 1346, and 2, Title 18, United States Code.

COUNTS 28-41

60. The allegations contained in paragraphs 1 through 59 of this indictment are realleged and incorporated by reference as though fully set forth herein.

61. Title 31, United States Code, Section 5313 and the regulations promulgated thereunder require any financial institution that engages in a currency transaction (*e.g.*, a deposit or withdrawal) in excess of \$10,000 with a customer to report the transaction to the Department of the Treasury by filing a Currency Transaction Report (“CTR”). These regulations also require that multiple transactions be treated as a single transaction if the financial institution has knowledge that they are by, or on behalf of, the same person, and they result in either currency received or disbursed by the financial institution totaling more than \$10,000 during any one business day.

62. Currency Transaction Reports are often used by law enforcement to uncover a wide variety of illegal activities such as money laundering. Many individuals engaged in such illegal activities are aware of such reporting requirements and take active steps to cause financial institutions to fail to file CTRs, such as, for example, making multiple cash deposits in amounts not more than \$10,000 on the same day or on consecutive days. These active steps are often referred to as “structuring.” Structuring cash transactions to avoid triggering the filing of a CTR by a financial institution is prohibited by Section 5324(a), Title 31, United States Code.

63. Between August 5, 2009 and June 24, 2014, the defendant, **CHRISTOPHER B. EPPS**, deposited and caused to be deposited cash, or used cash or caused cash to be used to

purchase cashier's checks, totaling almost \$700,000 utilizing four bank accounts which he owned or controlled.

64. When the deposits were made, **EPPS** knew of the reporting requirement for cash transactions in excess of \$10,000. To avoid having a CTR filed, **EPPS** structured the cash transactions in amounts not greater than \$10,000, as set forth below:

65. On or about the dates set forth below, in Rankin and Hinds Counties in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CHRISTOPHER B. EPPS**, did knowingly and for the purpose of evading the reporting requirements of Section 5313(a), Title 31, United States Code, and the regulations promulgated thereunder, structure, assist in structuring, and attempt to structure or assist in structuring the following transactions with domestic financial institutions, and cause and attempt to cause such institutions to fail to file Currency Transaction Reports required by Section 5313 for currency transactions in excess of \$10,000, and did so while violating another law of the United States:

COUNT	DATE	TIME	CASH TRANSACTION	AMOUNT	BANK	LOCATION
28	8/6/09	12:28 p.m.	deposit	\$9,000	BankPlus	Flowood, MS
		12:48 p.m.	deposit	\$6,000	Regions	Jackson, MS
29	4/6/11	8:54 a.m.	purchase cashier's check	\$9,000	BankPlus	Flowood, MS
		9:24 a.m.	purchase cashier's check	\$9,000	MSPECU	Jackson, MS
30	9/9/11	9:11 a.m.	purchase cashier's check	\$9,000	BankPlus	Flowood, MS
		9:21 a.m.	purchase cashier's check	\$9,000	Regions	Flowood, MS
31	12/16/11	8:41 a.m.	purchase cashier's check	\$9,000	BankPlus	Flowood, MS
		9:16 a.m.	purchase cashier's check	\$9,000	Regions	Flowood, MS
32	2/3/12	10:15 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS

		10:27 a.m.	purchase cashier's check	\$7,500	Regions	Flowood, MS
33	3/26/12	9:24 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS
		9:35 a.m.	purchase cashier's check	\$6,000	Regions	Flowood, MS
34	4/26/12	9:25 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS
		9:35 a.m.	purchase cashier's check	\$9,500	Regions	Flowood, MS
35	6/26/12	8:59 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS
		9:10 a.m.	purchase cashier's check	\$9,500	Regions	Flowood, MS
36	7/31/12	9:22 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS
		9:37 a.m.	purchase cashier's check	\$7,000	Regions	Flowood, MS
37	10/4/12	10:49 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS
		11:03 a.m.	purchase cashier's check	\$9,500	Regions	Flowood, MS
38	6/24/13	10:26 a.m.	deposit	\$9,200	BankPlus	Flowood, MS
		10:36 a.m.	deposit	\$9,500	Regions	Flowood, MS
39	7/8/13	8:56 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS
		9:13 a.m.	purchase cashier's check	\$9,500	Regions	Flowood, MS
40	7/19/13	10:55 a.m.	deposit	\$8,100	BankPlus	Flowood, MS
		11:04 a.m.	deposit	\$9,300	Regions	Flowood, MS
		11:50 a.m.	purchase cashier's check	\$9,500	MSPECU	Jackson, MS
41	7/31/13	8:55 a.m.	purchase cashier's check	\$9,500	BankPlus	Flowood, MS
		9:07 a.m.	deposit	\$9,500	Regions	Flowood, MS

All in violation of Sections 5324(a)(3) and 5324(d), Title 31, United States Code; Section 1010.100, 1010.311 and 1010.313, Title 31, Code of Federal Regulations; and Section 2, Title 18, United States Code.

COUNT 42-43

66. The allegations contained in paragraphs 1 through 65 of this indictment are realleged and incorporated by reference as though fully set forth herein.

67. On or about the dates listed below, in Rankin and Hinds County in Northern Division of the District of Mississippi, and elsewhere, the defendant, **CHRISTOPHER B. EPPS**, did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, to wit, applying for and securing a loan and conducting a wire transfer, both of which involved the proceeds of a specified unlawful activity, that is bribery and kickbacks from **CECIL MCCRORY** and others known and unknown to the Grand Jury, knowing that the transactions were designed in whole and in part to conceal and disguise, the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, specifically:

COUNT	DATE	TRANSACTION	FINANCIAL INSTITUTION	AMOUNT
42	November 8, 2011	Mortgage for Biloxi Condominium	Wells Fargo Home Mortgage	\$257,000.00
43	June 12, 2013	Wire Transfer for Pass Christian Condominium	Edward Jones	\$200,000.00

All in violation of Sections 1956(a)(1)(B)(i) and 2, Title 18, United States Code.

COUNTS 44-49

68. That on or about the dates listed below, in Rankin County in the Northern Division of the Southern District of Mississippi, and elsewhere, the defendant, **CHRISTOPHER B. EPPS**, a resident of Flowood, Mississippi, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of **CHRISTOPHER B. EPPS** for the calendar years hereinafter specified. The subject returns were false and fraudulent as to material matters, in that they represented that total income for **EPPS** and his wife on Line 22 of each individual Form 1040 was as stated below, whereas, as the defendant then and there knew, the correct and actual total income for **EPPS** and his wife on Line 22 of each individual Form 1040 during the subject calendar years was actually higher as set forth below.

COUNT	OFFENSE DATE	TAX YEAR	TOTAL INCOME REPORTED	ACTUAL TOTAL INCOME
44	March 3, 2009	2008	\$205,540.00	\$405,540.00
45	March 23, 2010	2009	\$206,511.00	\$357,820.81
46	March 5, 2011	2010	\$217,444.00	\$249,144.00
47	March 13, 2012	2011	\$239,245.00	\$276,245.00
48	March 12, 2013	2012	\$217,109.00	\$330,109.00
49	March 25, 2014	2013	\$209,901.00	\$386,901.00

All in violation of Section 7206(2), Title 26, United States Code.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

69. As a result of committing the offenses as alleged in this Indictment, the defendants shall forfeit to the United States all property involved in or traceable to property involved in the offenses, including but not limited to all proceeds obtained directly or indirectly from the offenses, and all property used to facilitate the offenses.

70. The grand jury has determined that probable cause exists to believe that the following property is subject to forfeiture as a result of one or more of the offenses alleged in this indictment:

- 1) Real property located at 1100 West Beach Boulevard, Unit 304, Pass Christian, Harrison County, Mississippi, more particularly described as follows:

Unit Number Three Hundred Four (304), PASS MARIANNE CONDOMINIUMS, a condominium according to the official map or plat thereof on file and on record in the office of the Chancery Clerk of the First Judicial District of Harrison County, Mississippi, in Plat Book 50 at page 6 thereof, together with an undivided interest in and to the common elements and appurtenances thereof, as set forth in the Declaration of Condominiums and therefore subject to that certain Declaration of Condominium recorded as Instrument #2007-8014-D-J1 and corrected and re-recorded as Instrument #2007-8385-D-J1 thereof;

- 2) Real property located at 511 Shalom Way, Flowood, Rankin County, Mississippi more particularly described as:

LOT 22, LINEAGE LAKE OF LAKELAND, PART 1 AMENDED, a subdivision according to the map or plat thereof on file and of record in the office of the Chancery Clerk of Rankin County at Brandon, Mississippi in Plat Cabinet D at Slots 44, 45 and 46, reference to which map or plat is hereby made in aid of and as a part of this description.

TOGETHER WITH: an easement for ingress and egress and regress over all private streets and right-of-ways by virtue of Article VIII, Section 8.1, 8.2 and 8.7 of the covenants as recorded in Book 1042 at Page 490;

- 3) All funds on deposit in Edward Jones account numbered XXX-XX764-1-0;
- 4) All funds on deposit in Edward Jones account numbered XXX-XX711-1-6;
- 5) All funds on deposit in Regions Bank account numbered XXXXX1628;
- 6) All funds on deposit in Regions Bank account numbered XXXXX1636;
- 7) All funds on deposit in Bank Plus account numbered XXXXX2116;
- 8) All funds on deposit in Mississippi Public Employees Credit Union account


numbered XXXXX2469;

9) One (1) 2010 Mercedes Benz S550, VIN: WDDNG7BB6AA331787; and

10) One (1) 2007 Mercedes Benz S65 V12 AMG, VIN: WDDNG79X37A053800.

Further, if any property described above, as a result of any act or omission of the defendants: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendants, up to the value of the property described in this notice or any bill of particulars supporting it.

All pursuant to Section 981(a)(1)(A) & (C), Title 18, United States Code, Section 982(a)(2), Title 18, United States Code, Section 730(a)-(e), Title 26, United States Code, Section 7303, Title 26, United States Code and Section 5317(c)(1), Title 31, United States Code.

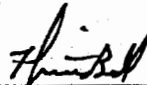


HAROLD H. BRITTAIN

Attorney for the United States, Acting Under
Authority Conferred by 28 U.S.C. § 515

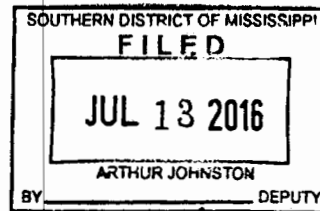
A TRUE BILL:
S/SIGNATURE REDACTED
Foreperson of the Grand Jury

This indictment was returned in open court by the foreperson or deputy foreperson of the grand jury on this the 5th day of August, 2014.



UNITED STATES MAGISTRATE JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 3:16cr50HTW-t

CARL REDDIX

18 USC § 1349
18 USC § 666(a)(2)

The Grand Jury charges:

At all times relevant to this indictment:

1. The Mississippi Department of Corrections (MDOC) was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, and which received benefits in excess of \$10,000 annually between 2007 and 2014 under Federal programs providing Federal assistance to MDOC.

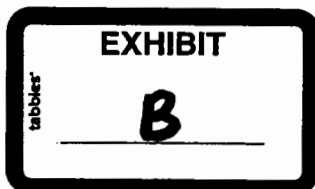
2. CHRISTOPHER B. EPPS was the commissioner of the MDOC.

3. The defendant, **CARL REDDIX**, was one of the owners of Health Assurance, LLC.

4. Health Assurance, LLC was under contract with the State of Mississippi to provide healthcare services to inmates at MDOC facilities.

5. Health Assurance, LLC obtained a contract from the MDOC to provide inmate health care services at Walnut Grove Correctional Facility in 2008. This contract was renewed in 2011.

6. Health Assurance, LLC obtained contracts from the MDOC to provide inmate health care services at East Mississippi Correctional Facility and Marshall County Correctional Facility in 2012.



7. Health Assurance, LLC obtained a contract to provide inmate health care services at Wilkinson County Correctional Facility in 2013.

COUNT 1

8. The allegations contained in paragraphs one through seven of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

9. From in or about 2012, and continuing until at least October 1, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CARL REDDIX**, did knowingly and intentionally combine, conspire, confederate, and agree with **CHRISTOPHER B. EPPS**, to commit one or more of the following offenses: to devise and intend to devise a scheme and artifice to defraud the Mississippi Department of Corrections and the State of Mississippi and its citizens of their intangible right to **CHRISTOPHER B. EPPS**'s honest services, through bribes and kickbacks, by use of interstate wire transmissions, in violation of Sections 1343 and 1346, Title 18, United States Code.

10. It was the object of the conspiracy that defendant **CARL REDDIX** would bribe or provide kickbacks to **CHRISTOPHER B. EPPS**, in exchange for the awarding and the retention of contracts to **HEALTH ASSURANCE, LLC** for inmate health care services at MDOC facilities;

11. In furtherance of the conspiracy and to carry out its objectives, the following acts, among others, were committed:

12. Beginning in 2012, the defendant, **CARL REDDIX**, began regularly providing **CHRISTOPHER B. EPPS** with cash payments in the amount of \$6,000.00 per month, in exchange for **CHRISTOPHER B. EPPS** using his influence as commissioner of MDOC to

benefit REDDIX and his company, Health Assurance, LLC financially.

13. Beginning in 2013, with the addition of the contract to provide inmate health services to the Wilkinson County Correctional Facility, the defendant, **CARL REDDIX**, increased his cash payments by an additional \$2,000.00 per month and began regularly providing CHRISTOPHER B. EPPS with cash payments in the amount of \$8,000.00 per month, in exchange for CHRISTOPHER B. EPPS using his influence as commissioner of MDOC to benefit REDDIX and his company, Health Assurance, LLC financially.

14. On or about each of the following dates of August 1, 2014, and September 2, 2014, the defendant, **CARL REDDIX**, paid cash to CHRISTOPHER B. EPPS in the amount of \$9,000.00.

15. On or about October 1, 2014, the defendant, **CARL REDDIX**, paid cash to CHRISTOPHER B. EPPS in the amount of \$9,500.00.

All in violation of Sections 1349 and 2, Title 18, United States Code.

COUNT 2

16. The allegations contained in paragraphs one through fifteen of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

17. On or about May 1, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CARL REDDIX**, did knowingly and corruptly give, offer, and agree to give something of value, that is, \$8,000.00 in cash, to CHRISTOPHER B. EPPS, with intent to influence and reward CHRISTOPHER B. EPPS in connection with the business, transaction, and series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Health Assurance, LLC for inmate health care services

at MDOC facilities.

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

COUNT 3

18. The allegations contained in paragraphs one through seventeen of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

19. On or about June 1, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CARL REDDIX**, did knowingly and corruptly give, offer, and agree to give something of value, that is, \$8,000.00 in cash, to **CHRISTOPHER B. EPPS**, with intent to influence and reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, and series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Health Assurance, LLC for inmate health care services at MDOC facilities.

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

COUNT 4

20. The allegations contained in paragraphs one through nineteen of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

21. On or about July 1, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CARL REDDIX**, did knowingly and corruptly give, offer, and agree to give something of value, that is, \$8,500.00 in cash, to **CHRISTOPHER B. EPPS**, with intent to influence and reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, and series of transactions of the Mississippi

Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Health Assurance, LLC for inmate health care services at MDOC facilities.

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

COUNT 5

22. The allegations contained in paragraphs one through twenty-one of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

23. On or about August 1, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CARL REDDIX**, did knowingly and corruptly give, offer, and agree to give something of value, that is, \$9,000.00 in cash, to **CHRISTOPHER B. EPPS**, with intent to influence and reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, and series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Health Assurance, LLC for inmate health care services at MDOC facilities.

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

COUNT 6

24. The allegations contained in paragraphs one through twenty-three of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

25. On or about September 2, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CARL REDDIX**, did knowingly and corruptly give, offer, and agree to give something of value, that is, \$9,000.00 in cash, to **CHRISTOPHER B. EPPS**, with intent to influence and reward **CHRISTOPHER B. EPPS** in

connection with the business, transaction, and series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Health Assurance, LLC for inmate health care services at MDOC facilities.

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

COUNT 7

26. The allegations contained in paragraphs one through twenty-five of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

27. On or about October 1, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **CARL REDDIX**, did knowingly and corruptly give, offer, and agree to give something of value, that is, \$9,500.00 in cash, to **CHRISTOPHER B. EPPS**, with intent to influence and reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, and series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Health Assurance, LLC for inmate health care services at MDOC facilities.

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

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

As a result of committing the offense alleged in this Indictment, the defendant shall forfeit to the United States all property involved in or traceable to property involved in the offense, including but not limited to all proceeds obtained directly or indirectly from the offense, and all property used to facilitate the offense. Further, if any property described above, as a result

of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendant, up to the value of the property described in this notice or any bill of particulars supporting it.

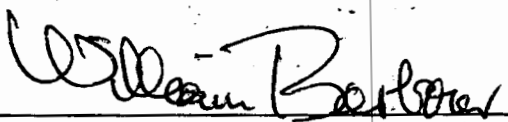
All pursuant to Section 981(a)(1)(A) & (C), Title 18, United States Code and Section 2461, Title 28, United States Code.



HAROLD BRITTAIN
Acting United States Attorney

A TRUE BILL:
S/SIGNATURE REDACTED
Foreperson of the Grand Jury

This indictment was returned in open court by the foreperson or deputy foreperson of the grand jury on this the 13 day of July, 2016.



UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION



UNITED STATES OF AMERICA

v.

SAM WAGGONER

CRIMINAL NO.

18 USC § 666(a)(2)

The United States Attorney charges:

At all times relevant to this information:

1. The Mississippi Department of Corrections (MDOC) was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, and which received benefits in excess of \$10,000 annually between 2007 and 2014 under Federal programs providing Federal assistance to MDOC.
2. Global Tel-Link (GTL) was under contract with the State of Mississippi to provide telephone services to inmates at MDOC facilities.
3. The defendant, **SAM WAGGONER**, was a paid consultant for GTL.
4. GTL paid the defendant, **SAM WAGGONER**, five (5) percent of the revenue generated by the inmate telephone services contracts it had with the State of Mississippi.
5. CHRISTOPHER B. EPPS was the commissioner of the MDOC.
6. That beginning sometime in or about 2012, and continuing until at least August 26, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **SAM WAGGONER**, did knowingly and corruptly give, offer, or agree to give something of value to CHRISTOPHER B. EPPS, with intent to influence or reward CHRISTOPHER B. EPPS in connection with the business, transaction, or series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or



more, that is, the awarding and the retention of contracts to **WAGGONER'S** employer, GTL, for inmate telephone services at MDOC facilities. Specifically, on or about July 30, 2014, and on or about August 26, 2014, the defendant, **SAM WAGGONER**, paid kickbacks in the form of cash generated by his monthly commission from GTL to **CHRISTOPHER B. EPPS**.

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

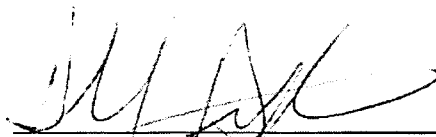
NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

7. As a result of committing the offense alleged in this Indictment, the defendant shall forfeit to the United States all property involved in or traceable to property involved in the offense, including but not limited to all proceeds obtained directly or indirectly from the offense, and all property used to facilitate the offense.

The defendant shall forfeit a money judgment in the amount of \$200,000.00.

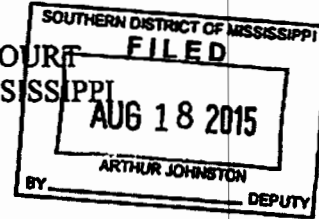
8. Further, if any property described above, as a result of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendant, up to the value of the property described in this notice or any bill of particulars supporting it.

All pursuant to Section 981(a)(1)(A) & (C), Title 18, United States Code and Section 2461, Title 28, United States Code.



HAROLD BRITTAIN
Acting United States Attorney

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. *3:15CV67 HW-FKB*

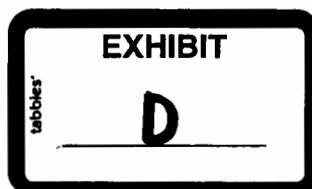
IRB BENJAMIN

18 USC § 1349
18 USC § 666(a)(2)

The Grand Jury charges:

At all times relevant to this indictment:

1. The Mississippi Department of Corrections (MDOC) was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, and which received benefits in excess of \$10,000 annually between 2007 and 2014 under Federal programs providing Federal assistance to MDOC.
2. Mississippi Correctional Management (MCM) was under contract with the State of Mississippi to provide alcohol and drug treatment services to inmates at Mississippi Department of Corrections (MDOC) Correctional Work Center (CWC) facilities in Alcorn County, Mississippi, and in Simpson County, Mississippi.
3. The total value of the contract between the State of Mississippi and MCM for alcohol and drug treatment contracts was \$774,000.00.
4. MCM was under contract with Alcorn, Washington and Chickasaw Counties to provide consulting services to ensure each of the Regional Correctional Facilities could meet American Correctional Association accreditation standards during the construction of the respective facilities, and to ensure that each facility maintained the accreditations during their subsequent operations.
5. MCM was paid about \$399,260.00 as a result of its contract with Alcorn County.



6. MCM was paid about \$245,080.00 as a result of its contract with Washington County.
7. MCM was paid \$217,900.00 as a result of its contract with Chickasaw County.
8. The defendant, **IRB BENJAMIN**, was the owner of MCM.
9. Beginning in or about April 2014, Carter Gopal Lee Facility Management (CGL) was under contract with MDOC to provide maintenance services to MDOC Regional Correctional Facilities.
10. The defendant, **IRB BENJAMIN**, was employed by CGL as a consultant.
11. The total value of the contract between the State of Mississippi and CGL for maintenance services was \$4,800,000.00.
12. **CHRISTOPHER B. EPPS** was the commissioner of the MDOC.

COUNT 1

13. The allegations contained in paragraphs one through twelve of this indictment are realleged and incorporated herein by reference as though fully set forth herein.
14. From in or about 2010, and continuing until at least August 27, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **IRB BENJAMIN**, did knowingly and intentionally combine, conspire, confederate, and agree with **CHRISTOPHER B. EPPS**, to commit one or more of the following offenses: to devise and intend to devise a scheme and artifice to defraud the Mississippi Department of Corrections and the State of Mississippi and its citizens of their intangible right to **CHRISTOPHER B. EPPS**'s honest services, through bribes and kickbacks, by use of interstate wire transmissions, in violation of Sections 1343 and 1346, Title 18, United States Code.
15. It was the object of the conspiracy that defendant **IRB BENJAMIN** would bribe or provide kickbacks to **CHRISTOPHER B. EPPS**, in exchange for the awarding and the retention

of contracts to **BENJAMIN** and MCM for alcohol and drug treatment services at MDOC facilities; the exercise of **CHRISTOPHER B. EPPS'S** influence in Alcorn, Washington and Chickasaw counties with regard to MCM obtaining consulting contracts relating to the respective Regional Correctional Facilities built and operated in those counties; and obtaining employment with CGL as a consultant.

16. In furtherance of the conspiracy and to carry out its objectives, the following acts, among others, were committed:

17. Beginning in 2010, the defendant, **IRB BENJAMIN**, began regularly providing **CHRISTOPHER B. EPPS** with cash payments in varying amounts, generally \$1,000.00 to \$2,000.00 per payment, in exchange for **CHRISTOPHER B. EPPS** using his influence as commissioner of MDOC to benefit **BENJAMIN** and his company, MCM, financially.

18. Beginning in 2010, and continuing until June 24, 2014, the defendant, **IRB BENJAMIN**, routinely paid cash bribes to **CHRISTOPHER B. EPPS** in varying amounts, which **BENJAMIN** had obtained through the contract between MCM and MDOC for providing alcohol and drug treatment services at MDOC facilities in Alcorn and Simpson counties.

19. That from in or about April, 2014, until in or about June 24, 2014, the defendant, **IRB BENJAMIN**, was paid \$2,000.00 per month by CGL, \$600 of which **BENJAMIN** paid to **CHRISTOPHER B. EPPS** each month.

All in violation of Sections 1349 and 2, Title 18, United States Code.

COUNT 2

20. The allegations contained in paragraphs one through nineteen of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

21. On or about August 27, 2014, in Hinds County, in the Northern Division of the Southern

District of Mississippi and elsewhere, the defendant, **IRB BENJAMIN**, did knowingly and corruptly give, offer, or agree to give something of value to **CHRISTOPHER B. EPPS**, with intent to influence or reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, or series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to **BENJAMIN** and **MCM** for alcohol and drug treatment services at **MDOC** facilities in **Alcorn** and **Simpson** counties.

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

COUNT 3

22. The allegations contained in paragraphs one through twenty one of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

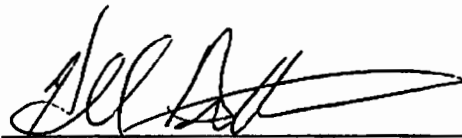
23. That from in or about April, 2014, until in or about September, 2014, in **Hinds** County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **IRB BENJAMIN**, did knowingly and corruptly give, offer, or agree to give something of value to **CHRISTOPHER B. EPPS**, with intent to influence or reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, or series of transactions of **MDOC**, involving something of value of \$5,000.00 or more, that is, the defendant, **IRB BENJAMIN**, was paid \$2,000.00 per month by **CGL**, \$600 of which **BENJAMIN** paid to **CHRISTOPHER B. EPPS** each month in return for **EPPS** assisting **BENJAMIN** obtain employment with **CGL** as a consultant.

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

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

24. As a result of committing the offense alleged in this Indictment, the defendant shall forfeit to the United States all property involved in or traceable to property involved in the offense, including but not limited to all proceeds obtained directly or indirectly from the offense, and all property used to facilitate the offense. Further, if any property described above, as a result of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendant, up to the value of the property described in this notice or any bill of particulars supporting it.

All pursuant to Section 981(a)(1)(A) & (C), Title 18, United States Code and Section 2461, Title 28, United States Code.



HAROLD BRITTAIN
Acting United States Attorney

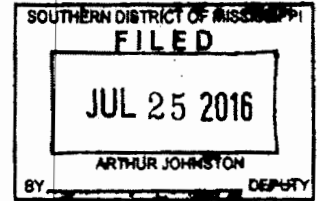
A TRUE BILL:
S/SIGNATURE REDACTED
Foreperson of the Grand Jury

This indictment was returned in open court by the foreperson or deputy foreperson of the grand jury on this the 18 day of August, 2015.



UNITED STATES MAGISTRATE JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 3:16-cr-54 HTW-FKB

MARK LONGORIA

18 USC § 371

The United States Attorney charges:

At all times relevant to this information:

1. The Mississippi Department of Corrections (MDOC) was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, and which received benefits in excess of \$10,000 annually between 2013 and 2014 under Federal programs providing Federal assistance to MDOC.
2. CHRISTOPHER B. EPPS was the commissioner of the MDOC.
3. The defendant, **MARK LONGORIA**, was an officer of Drug Testing Corporation of Houston, Texas.
4. In August of 2013, the MDOC awarded Drug Testing Corporation the contract to sell to the MDOC drug test cups for drug screening.
5. On or about August 1, 2013, Drug Testing Corporation entered a commission agreement with Investigative Research, Inc., a company owned by CECIL MCCRORY.
6. On or about August 20, 2013, Drug Testing Corporation invoiced the MDOC for the sale of drug test cups in the amount of \$632,336.25.
7. On or about September 16, 2013, after receiving payment from the MDOC, Drug Testing Corporation remitted a check to Investigative Research, Inc., in the amount of \$194,837.50.



8. On or about May 20, 2014, Drug Testing Corporation invoiced the MDOC for a second sale of drug test cups in the amount of \$149,940.00.

9. On or about June 17, 2014, after receiving payment from the MDOC, Drug Testing Corporation remitted a check to Investigative Research, Inc., in the amount of \$34,997.64.

COUNT 1

10. The allegations contained in paragraphs one through nine of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

11. From in or about August, 2013, and continuing until at least August, 2014, in Hinds and Rankin Counties, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **MARK LONGORIA**, did knowingly and intentionally combine, conspire, confederate, and agree with **CHRISTOPHER B. EPPS** and **CECIL MCCRORY**, to influence or reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, or series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Drug Testing Corporation, for drug test cups at MDOC facilities, in violation of Section 666(a)(2), Title 18, United States Code.

12. It was the object of the conspiracy that defendant **MARK LONGORIA** would bribe or provide kickbacks to **CHRISTOPHER B. EPPS** by the use of **CECIL MCCRORY**'s company, Investigative Research, Inc., in exchange for the awarding and the retention of contracts to Drug Testing Corporation for drug testing cups at MDOC facilities;

13. In furtherance of the conspiracy and to carry out its objectives, the following acts, among others, were committed:

14. On September 16, 2013, the defendant, **MARK LONGORIA**, through Drug Testing

Corporation, paid Investigative Research, Inc., a \$194,837.50 commission fee knowing that CECIL MCCRORY would provide CHRISTOPHER B. EPPS with cash payments out of the fee in exchange for the influence of CHRISTOPHER B. EPPS as commissioner of MDOC to benefit LONGORIA and his company, Drug Testing Corporation, financially.

15. On June 17, 2014, the defendant, **MARK LONGORIA**, through Drug Testing Corporation, paid Investigative Research, Inc., a \$34,997.64 commission fee knowing that CECIL MCCRORY would provide CHRISTOPHER B. EPPS with cash payments out of the fee, in exchange for the influence of CHRISTOPHER B. EPPS as commissioner of MDOC to benefit LONGORIA and his company, Drug Testing Corporation, financially.

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

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

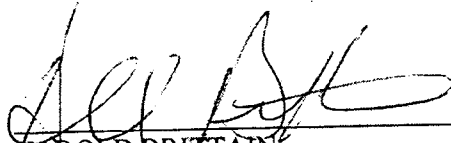
As a result of committing the offense alleged in this Indictment, the defendant shall forfeit to the United States all property involved in or traceable to property involved in the offense, including but not limited to all proceeds obtained directly or indirectly from the offense, and all property used to facilitate the offense.

The defendant shall forfeit a money judgment in the amount of \$131,389.90.

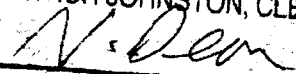
Further, if any property described above, as a result of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent

of the United States to seek a judgment of forfeiture of any other property of the defendant, up to the value of the property described in this notice or any bill of particulars supporting it.

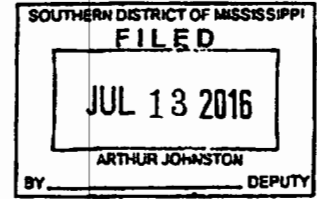
All pursuant to Section 981(a)(1)(A) & (C), Title 18, United States Code and Section 2461, Title 28, United States Code.



HAROLD BRITTAIN
Acting United States Attorney

A TRUE COPY, I HEREBY CERTIFY.
ARTHUR JOHNSTON, CLERK
BY: 
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 3:16cr51HW7KB

TERESA K. MALONE

18 USC § 1349
18 USC § 666(a)(2)

The Grand Jury charges:

At all times relevant to this indictment:

1. The Mississippi Department of Corrections (MDOC) was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, and which received benefits in excess of \$10,000 annually between 2008 and 2014 under Federal programs providing Federal assistance to MDOC.

2. From about 2008 through 2014, AdminPros, LLC was under multiple contracts with the State of Mississippi to provide medical vendor monitoring and Medicaid eligibility services to the Mississippi Department of Corrections (MDOC).

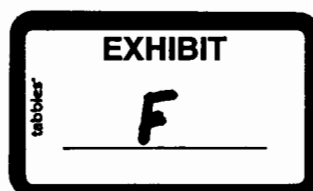
3. The defendant, TERESA K. MALONE, was a paid consultant for AdminPros, LLC.

4. AdminPros, LLC paid the defendant, TERESA K. MALONE, approximately \$5,000.00 per month from October of 2010 through July 17, 2014, of the revenue generated by the contractual services with the MDOC.

5. CHRISTOPHER B. EPPS was the commissioner of the MDOC.

COUNT 1

6. The allegations contained in paragraphs one through five of this indictment are realleged and incorporated herein by reference as though fully set forth herein.



7. From in or about 2010, and continuing until at least July of 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **TERESA K. MALONE**, did knowingly and intentionally combine, conspire, confederate, and agree with **CHRISTOPHER B. EPPS**, to commit one or more of the following offenses: to devise and intend to devise a scheme and artifice to defraud the Mississippi Department of Corrections and the State of Mississippi and its citizens of their intangible right to **CHRISTOPHER B. EPPS**'s honest services, through bribes and kickbacks, by use of interstate wire transmissions, in violation of Sections 1343 and 1346, Title 18, United States Code.

8. It was the object of the conspiracy that defendant **TERESA K. MALONE** would bribe or provide kickbacks to **CHRISTOPHER B. EPPS**, in exchange for the awarding and the retention of contracts to AdminPros, LLC and, for the exercise of **CHRISTOPHER B. EPPS**'S influence in obtaining a consulting agreement for **TERESA K. MALONE** with AdminPros, LLC.

9. In furtherance of the conspiracy and to carry out its objectives, the following acts, among others, were committed:

10. Beginning in 2010, the defendant, **TERESA K. MALONE**, began regularly providing **CHRISTOPHER B. EPPS** with cash payments in varying amounts, generally \$1,000.00 to \$1,750.00 per payment, in exchange for **CHRISTOPHER B. EPPS**'S influence as commissioner of MDOC to benefit **TERESA K. MALONE**, financially.

11. On or about July 17, 2014, the defendant, **TERESA K. MALONE**, paid a cash kickback to **CHRISTOPHER B. EPPS** in the amount of \$1,750.00, which **MALONE** had obtained through her consulting agreement with AdminPros, LLC.

12. That from in or about 2010, until July 17, 2014, the defendant, **TERESA K.**

MALONE, was paid no less than \$170,000.00 by AdminPros, LLC of which **MALONE** would kickback cash to **CHRISTOPHER B. EPPS**.

All in violation of Sections 1349 and 2, Title 18, United States Code.

COUNT 2

13. The allegations contained in paragraphs one through twelve of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

14. On or about July 17, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, **TERESA K. MALONE**, did knowingly and corruptly give, offer, and agree to give something of value, that is, \$1,750.00 in cash, to **CHRISTOPHER B. EPPS**, with intent to influence and reward **CHRISTOPHER B. EPPS** in connection with the business, transaction, and series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of multiple contracts to AdminPros, LLC for medical vendor monitoring and Medicaid eligibility services.

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

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

As a result of committing the offense alleged in this Indictment, the defendant shall forfeit to the United States all property involved in or traceable to property involved in the offenses, including but not limited to all proceeds obtained directly or indirectly from the offenses, and all property used to facilitate the offenses.

Further, if any property described above, as a result of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court;

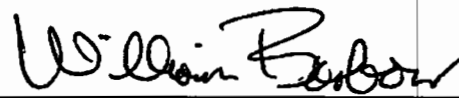
(d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendants, up to the value of the property described in this notice or any bill of particulars supporting it.

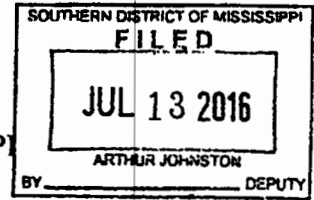
All pursuant to Section 981(a)(1)(A) & (C), Title 18, United States Code and Section 2461, Title 28, United States Code.


HAROLD BRITAIN
Acting United States Attorney

A TRUE BILL:
S/SIGNATURE REDACTED
Foreperson of the Grand Jury

This indictment was returned in open court by the foreperson or deputy foreperson of the grand jury on this the 13th day of July, 2016.


UNITED STATES DISTRICT JUDGE



IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

UNITED STATES OF AMERICA

v.

CRIMINAL NO.

3:16-cr-49 HW-FKB

GUY E. "BUTCH" EVANS

18 USC § 1349
18 USC § 666(a)(2)

The Grand Jury charges:

At all times relevant to this indictment:

1. The Mississippi Department of Corrections (MDOC) was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, and which received benefits in excess of \$10,000 annually between 2007 and 2014 under Federal programs providing Federal assistance to MDOC.

2. CHRISTOPHER B. EPPS was the commissioner of the MDOC.

3. At all times relevant to the indictment, the defendant, GUY E. "BUTCH" EVANS, was a licensed insurance sales agent and the owner of Insurance Premium Services, LLC, an insurance company licensed to do business in Mississippi.

4. CHRISTOPHER B. EPPS through official action made the defendant Broker of Record for MDOC in September of 2012. As Broker of Record for MDOC, GUY E. "BUTCH" EVANS had exclusive access to sell insurance policies and products to MDOC employees. After becoming Broker of Record, the defendant sold insurance policies and products, to include Colonial Life and Accident Insurance Company, AlwaysCare, and Humana, to MDOC employees and received a commission from these companies for policies sold.

COUNT 1

5. The allegations contained in paragraphs one through four of this indictment are



realleged and incorporated herein by reference as though fully set forth herein.

6. From in or about 2012, and continuing until at least May 31, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, GUY E. "BUTCH" EVANS, did knowingly and intentionally combine, conspire, confederate, and agree with CHRISTOPHER B. EPPS, to commit one or more of the following offenses: to devise and intend to devise a scheme and artifice to defraud the Mississippi Department of Corrections and the State of Mississippi and its citizens of their intangible right to CHRISTOPHER B. EPPS's honest services, through bribes and kickbacks, by use of interstate wire transmissions, in violation of Sections 1343 and 1346, Title 18, United States Code.

7. It was the object of the conspiracy that defendant GUY E. "BUTCH" EVANS would bribe or provide kickbacks to CHRISTOPHER B. EPPS, in exchange for favorable official action as requested, and for EVANS to enrich himself, such as, the awarding of the position of Broker of Record to EVANS for the exclusive right to sell insurance to MDOC employees;

8. In furtherance of the conspiracy and to carry out its objectives, the following acts, among others, were committed:

9. Beginning in January 2013, the defendant, GUY E. "BUTCH" EVANS, began regularly providing CHRISTOPHER B. EPPS with cash payments in varying amounts, generally \$1,400.00 to \$1,700.00 per payment, in exchange for CHRISTOPHER B. EPPS as commissioner of MDOC naming EVANS Broker of Record and financially benefited EVANS and his company, Insurance Premium Services, LLC.

10. On or about April 30, 2014, for the purpose of executing the above-described scheme and artifice to defraud and deprive, the defendant, GUY E. "BUTCH" EVANS,

transmitted and caused to be transmitted by means of wire communication in interstate commerce, the following writings, signals, and sounds: to wit, a wire transfer from Colonial Life and Accident Insurance Company to First Commercial Bank account number xxxxxxxx-xxx1557 in the amount of \$2,906.36.

11. On or about May 7, 2014, for the purpose of executing the above-described scheme and artifice to defraud and deprive, the defendant, **GUY E. "BUTCH" EVANS**, transmitted and caused to be transmitted by means of wire communication in interstate commerce, the following writings, signals, and sounds: to wit, a wire transfer from Colonial Life and Accident Insurance Company to First Commercial Bank account number xxxxxxxx-xxx1557 in the amount of \$520.62.

12. On or about May 27, 2014, the defendant, **GUY E. "BUTCH" EVANS**, paid a cash bribe to **CHRISTOPHER B. EPPS** of approximately \$1,900.00 which **EVANS** had obtained through the commission received from Colonial Life and Accident Insurance Company for providing insurance services to MDOC employees.

13. On or about May 29, 2014, for the purpose of executing the above-described scheme and artifice to defraud and deprive, the defendant, **GUY E. "BUTCH" EVANS**, transmitted and caused to be transmitted by means of wire communication in interstate commerce, the following writings, signals, and sounds: to wit, a wire transfer from Colonial Life and Accident Insurance Company to First Commercial Bank account number xxxxxxxx-xxx1557 in the amount of \$2,913.40

14. That from in or about January 2013, until in or about May, 2014, the defendant, **GUY E. "BUTCH" EVANS**, was paid approximately \$4,300.00 per month by Colonial, \$1,400.00 to \$1,700.00 of which **EVANS** paid to **CHRISTOPHER B. EPPS** each month.

15. The defendant took steps to hide, conceal, and cover up his activity and the nature and scope of his dealings with CHRISTOPHER B. EPPS including meeting in the parking lot of MDOC headquarters or a restaurant to give the bribe in a white envelope.

All in violation of Sections 1349 and 2, Title 18, United States Code.

COUNT 2

16. The allegations contained in paragraphs one through fifteen of this indictment are realleged and incorporated herein by reference as though fully set forth herein.

17. That from in or about January, 2013, until in or about May, 2014, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendant, GUY E. "BUTCH" EVANS, did knowingly and corruptly give, offer, and agree to give something of value to CHRISTOPHER B. EPPS, with intent to influence or reward CHRISTOPHER B. EPPS in connection with the business, transaction, or series of transactions of MDOC, involving something of value of \$5,000.00 or more, that is, the defendant, GUY E. "BUTCH" EVANS, was paid a commission of approximately \$4,300.00 per month by Colonial Life and Accident Insurance Company, \$1,400.00 to \$1,700.00 of which EVANS paid to CHRISTOPHER B. EPPS each month in return for EPPS making EVANS Broker of Record with MDOC.

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

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

As a result of committing the offenses alleged in this Indictment, the defendant shall forfeit to the United States all property involved in or traceable to property involved in the offense, including but not limited to all proceeds obtained directly or indirectly from the offense, and all property used to facilitate the offense. Further, if any property described above, as a result

of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendant, up to the value of the property described in this notice or any bill of particulars supporting it.

All pursuant to Section 981(a)(1)(A) & (C), Title 18, United States Code and Section 2461, Title 28, United States Code.

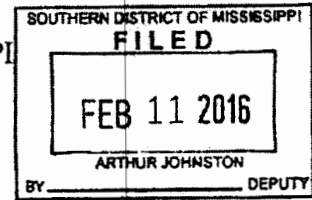

HAROLD BRITAIN
Acting United States Attorney

A TRUE BILL:
S/SIGNATURE REDACTED
Foreperson of the Grand Jury

This indictment was returned in open court by the foreperson or deputy foreperson of the grand jury on this the 13th day of July, 2016.


UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
SOUTHERN DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 1:16cr10 HSO-RBW

ROBERT SIMMONS

18 U.S.C. § 666(a)(2)

The Acting United States Attorney charges:

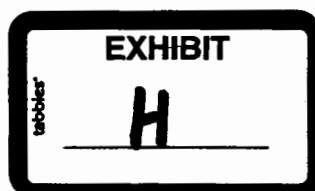
At all times relevant to this Information:

1. The Mississippi Department of Corrections (hereafter referred to as "MDOC") was a state government agency as that term is defined in Section 666(d), Title 18, United States Code, which received federal assistance in excess of \$10,000.00 during each one-year period between 2007 and 2014 under Federal programs providing Federal Assistance to the MDOC.

2. Harrison County, Mississippi, was a local government, as that term is defined in Section 666(d), Title 18, United States Code, which received federal assistance in excess of \$10,000.00 during each one-year period between January 1, 2005 and December 31, 2012 under federal programs providing Federal Assistance to Harrison County, Mississippi.

3. Sentinel Offender Services, L.L.C. (hereafter referred to as "Sentinel") was under contract since July 2012 with the State of Mississippi's MDOC to provide services to aid in monitoring and managing offenders sentenced to probation or parole. This monitoring contract was awarded by the MDOC.

4. The defendant, **ROBERT SIMMONS**, was a local businessman from Harrison County, Mississippi, who was paid a \$4,000.00 a month consulting fee from Sentinel.



5. Since approximately July 2012, **SIMMONS** provided monthly payments of \$1,400.00 to the Commissioner of the MDOC. These monthly payments, otherwise known as kickbacks, or bribes, were deposited directly into the Commissioner's bank accounts. **SIMMONS** would accomplish this by making the bank deposits utilizing branch locations in the coastal counties of Mississippi.

6. **SIMMONS** set aside approximately thirty percent (30%) of his \$4,000.00 a month consulting fee from Sentinel for taxes and subsequently split the remaining part of his fee with the Commissioner of the MDOC.

7. **AJA Management and Technical Services** (hereafter referred to as "**AJA**") was under contract for a period of eighteen (18) months to provide construction management services to the MDOC for the expansion of the East Mississippi Correctional Facility and the Walnut Grove Youth Correctional Facility.

8. Throughout this eighteen (18) month period of time, **SIMMONS** received a monthly consulting fee from **AJA** of \$10,000.00. Every month a portion of **SIMMONS'** consulting fee was paid to the Commissioner of the MDOC.

9. A company obtained a contract to perform work on the East Mississippi Correctional Facility and the Walnut Grove Youth Correctional Facility. The company paid **SIMMONS** a consulting fee for a period of ten (10) months.

10. **SIMMONS** paid the Commissioner of the MDOC a portion of **SIMMONS'** consulting fee on approximately twenty (20) occasions during this ten (10) month period of time.

11. From approximately 2005 through 2011, **Health Assurance L.L.C.** contracted with the Harrison County Jail to provide inmate medical services. The owner of **Health Assurance L.L.C.** paid **SIMMONS** a consulting fee, which at the end of the contract was as high as ten

thousand dollars (\$10,000.00) a month. Throughout this period of time, **SIMMONS** made payments in the amount of \$2,000.00 a month to a Harrison County Supervisor for assistance provided in securing the contract at the Harrison County Jail for inmate medical services.

12. Throughout the relevant time period referred to in paragraph 1, the Commissioner of the MDOC exercised influence in the awarding of contracts with the MDOC.

13. Throughout the relevant time period referred to in paragraph 2, a duly elected supervisor of Harrison County, Mississippi, exercised influence in the awarding of contracts with Harrison County, Mississippi.

14. That beginning sometime in or about 2005, and continuing until at least August 26, 2014, in Harrison County, in the Southern Division of the Southern District of Mississippi and elsewhere, the defendant, **ROBERT SIMMONS**, did knowingly and corruptly give, offer, and agree to give something of value to the Commissioner of the MDOC, with intent to influence and reward the Commissioner of the MDOC in connection with the business, transaction, and series of transactions of the Mississippi Department of Corrections, involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Sentinel and AJA, for various services more particularly described in paragraphs 3 through 8.

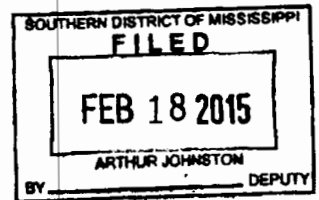
15. That beginning sometime in or about 2005, and continuing until at least 2014, in Harrison County, in the Southern Division of the Southern District of Mississippi and elsewhere, the defendant, **ROBERT SIMMONS**, did knowingly and corruptly give, offer, and agree to give something of value to a duly elected supervisor of Harrison County, Mississippi with intent to influence and reward the supervisor in connection with the business, transaction, and series of transactions of Harrison County Mississippi involving something of value of \$5,000.00 or more, that is, the awarding and the retention of contracts to Health Assurance L.L.C. for various

services more particularly described in paragraph 11.

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



HAROLD H. BRITTAIN
Attorney for the United States,
Acting under Authority conferred by
18 U.S.C. § 515



IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
SOUTHERN DIVISION

UNITED STATES OF AMERICA

v.

CRIMINAL NO. 1:15 cr13 HSO-JCG

WILLIAM MARTIN

18 U.S.C. § 666(a)(1)(B)
18 U.S.C. § 1512(c)(2)

The Grand Jury charges:

At all times relevant to this Indictment:

1. Harrison County, Mississippi, was a local government, as that term is defined in Section 666(d), Title 18, United States Code, which received federal assistance in excess of \$10,000.00 during each one-year period beginning January 1, 2005, and ending December 31, 2012.

2. The defendant, **WILLIAM MARTIN**, was a Supervisor for Harrison County, and as such was an agent of Harrison County, as that term is defined in Section 666(d), Title 18, United States Code.

COUNT 1

3. That from on or about January 2005 through on or about August 2012, in Harrison County, in the Southern Division of the Southern District of Mississippi, and elsewhere, the defendant, **WILLIAM MARTIN**, did corruptly solicit, demand, accept and agree to accept multiple things of value from a person, intending to be influenced and rewarded in connection with a transaction and series of transactions of Harrison County, Mississippi, involving a thing of value of \$5,000.00 or more.



All in violation of Section 666(a)(1)(B), Title 18, United States Code.

COUNT 2

4. That from in or about September 2014 through in or about October 2014, in Harrison County, in the Southern Division of the Southern District of Mississippi, and elsewhere, the defendant, **WILLIAM MARTIN**, did corruptly solicit, demand, accept and agree to accept a thing of value from a person, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Harrison County, Mississippi, involving a thing of value of \$5,000.00 or more.

All in violation of Section 666(a)(1)(B), Title 18, United States Code.

COUNT 3

On or about December 17, 2014, in Harrison County, in the Southern Division of the Southern District of Mississippi, and elsewhere, the defendant, **WILLIAM MARTIN**, did corruptly attempt to obstruct, impede, and influence an official proceeding, that is, defendant **MARTIN** knowingly and intentionally attempted to corruptly influence a witness subpoenaed to appear before a Federal Grand Jury proceeding and impede the providing of truthful testimony testifying by such witness to a Federal Grand Jury proceeding on matters relating to the crimes alleged in Counts 1 and 2 above.


All in violation of Section 1512(c)(2), Title 18, United States Code.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

As a result of committing the offenses as alleged in this Indictment, the defendant shall forfeit to the United States all property involved in or traceable to property involved in the

offenses, including but not limited to all proceeds obtained directly or indirectly from the offenses, and all property used to facilitate the offenses. Further, if any property described above, as a result of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendant, up to the value of the property described in this notice or any bill of particulars supporting it.

All pursuant to Sections 981(a)(1)(C) and 982(a)(3), Title 18, United States Code, and Section 2461(c), Title 28, United States Code.


GREGORY K. DAVIS
United States Attorney

A TRUE BILL:

s/signature redacted
Foreperson of ~~the~~ Grand Jury

This indictment was returned in open court by the foreperson or deputy foreperson of the grand jury on this the 18th day of February, 2015.


UNITED STATES MAGISTRATE JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

UNITED STATES OF AMERICA

VS.

CRIMINAL NO. 3:16CR54-HTW-FKB

MARK LONGORIA

PLEA HEARING

BEFORE THE HONORABLE HENRY T. WINGATE
UNITED STATES DISTRICT JUDGE
AUGUST 3RD, 2016
JACKSON, MISSISSIPPI

APPEARANCES:

FOR THE GOVERNMENT: MR. DARREN J. LaMARCA
MR. PATRICK A. LEMON

FOR THE DEFENDANT: MR. THOMAS M. FORTNER

REPORTED BY: MARY VIRGINIA "Gina" MORRIS, RMR, CRR

501 E. Court, Suite 2.500
Jackson, Mississippi 39201
(601) 608-4187



1 definitely -- he was definitely paying money to the
2 commissioner.

3 THE COURT: This was in a conversation with
4 Mr. McCrory?

5 THE DEFENDANT: Yes, sir.

6 THE COURT: Was that a telephone or in-person
7 conversation?

8 THE DEFENDANT: No. It was over the phone, your
9 Honor.

10 THE COURT: Did you reject that matter or offer any
11 objection to it?

12 THE DEFENDANT: No, sir, your Honor, I did not.
13 Regrettably, I did not.

14 THE COURT: So you knew then at that point that there
15 was a kickback scheme in operation?

16 THE DEFENDANT: At that point, your Honor, that's when
17 I put two and two -- I mean, that confirmed, you know, what was
18 going on, your Honor.

19 THE COURT: Did you already have suspicions?

20 THE DEFENDANT: You know, your Honor, there was so
21 many -- every company out there that did business with the
22 state did -- hired Cecil McCrory as a consultant. So I knew
23 they had to have some type -- I didn't know the details or
24 anything like that, but I knew they had to have some type of
25 connections to be able to get all this done. And no other

1 states that I work in conducted business that way.

2 THE COURT: What other states have you worked in?

3 THE DEFENDANT: Louisiana, Arkansas, Oklahoma,
4 Virginia. Those are primarily the states that we do business
5 in.

6 THE COURT: You supply drug testing cups for them?

7 THE DEFENDANT: At -- not for Drug Testing
8 Corporation, your Honor, but for the manufacturers -- the
9 actual manufacturer, the company that made the product at that
10 time.

11 THE COURT: And you say nobody else dealt like that?

12 THE DEFENDANT: No, sir, your Honor. They had
13 consultants, but not to the effect that it was so pushed that
14 you had to use this one.

15 THE COURT: So, again, how did you come in contact
16 with McCrory? Did he contact you or you contacted him?

17 THE DEFENDANT: He contacted us.

18 THE COURT: And what was the gist of his contact?

19 THE DEFENDANT: When -- you know, during different
20 conferences, ACA, APPA, different conferences, prison
21 conferences and things like that, I was introduced to Cecil
22 McCrory. And they just said this is the consultant, you know,
23 that the state primarily uses. And we entered into
24 conversations about the drug testing products and what our
25 company has to offer the state.



PLEA AGREEMENT

Subject United States v. Christopher B. Epps Criminal No. 3:14cr111HTW-FKB	Date February 4, 2015
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To:
John Colette, Esq.
Attorney for Defendant

From:
D. Michael Hurst, Jr.
Assistant United States Attorney
Southern District of Mississippi
Criminal Division

Christopher B. Epps, Defendant herein, and John Colette, attorney for Defendant, have been notified and understand and agree to the items contained herein, as well as in the Plea Supplement, and that:

1. **Count of Conviction.** It is understood that, as of the date of this plea agreement, Defendant and Defendant's attorney have indicated that Defendant desires to plead guilty to Counts 23 and 44 of the indictment.

2. **Sentence.** Defendant understands that the penalty for the offense charged in Count 23 of the indictment, charging a violation of Title 18, United States Code, Section 1956(h), is not more than 20 years in prison; a term of supervised release of not more than 3 years; and a fine which is the greater of \$500,000 fine or twice the value of the property involved in transaction. Further, defendant understands that the penalty for the offense charged in Count 44 of the indictment, charging a violation of Title 26, United States Code, Section 7206(2), is not more than 3 years in prison; a term of supervised release of not more than 1 year; and a fine not greater than \$250,000.00. Defendant further understands that if a term of supervised release is imposed, that term will be in addition to any prison sentence Defendant receives; further, if any of the terms of Defendant's supervised release are violated, Defendant can be returned to prison for the entire term of supervised release, without credit for any time already served on the term of supervised release prior to Defendant's violation of those conditions. It is further understood that the Court may require Defendant to pay restitution in this matter in accordance with applicable law. Defendant further understands that Defendant is liable to make restitution for the full amount of the loss determined by the Court, to include relevant conduct, which amount is not limited to the count of conviction. Defendant further understands that if the Court orders Defendant to pay restitution, restitution payments cannot be made to the victim directly but must be made to the Clerk of Court, Southern District of Mississippi. Defendant understands that an order of forfeiture will be entered by the Court as a part of Defendant's sentence and that such order is mandatory.

3. **Determination of Sentencing Guidelines.** It is further understood that the United States Sentencing Guidelines are advisory only and that Defendant and Defendant's attorney have discussed the fact that the Court must review the Guidelines in reaching a decision



as to the appropriate sentence in this case, but the Court may impose a sentence other than that indicated by the Guidelines if the Court finds that another sentence would be more appropriate. Defendant specifically acknowledges that Defendant is not relying upon anyone's calculation of a particular Guideline range for the offense to which Defendant is entering this plea, and recognizes that the Court will make the final determination of the sentence and that Defendant may be sentenced up to the maximum penalties set forth above.

4. **Breach of This Agreement and Further Crimes.** It is further understood that should Defendant fail or refuse as to any part of this plea agreement or commit any further crimes, then, at its discretion, the U.S. Attorney may treat such conduct as a breach of this plea agreement and Defendant's breach shall be considered sufficient grounds for the pursuit of any prosecutions which the U.S. Attorney has not sought as a result of this plea agreement, including any such prosecutions that might have been dismissed or otherwise barred by the Double Jeopardy Clause, and any federal criminal violation of which this office has knowledge.

5. **Financial Obligations.** It is further understood and specifically agreed to by Defendant that, at the time of the execution of this document or at the time the plea is entered, Defendant will then and there pay over the special assessment of \$100.00 per count required by Title 18, United States Code, Section 3013, to the Office of the United States District Court Clerk; Defendant shall thereafter produce proof of payment to the U.S. Attorney or the U.S. Probation Office. If the Defendant is adjudged to be indigent, payment of the special assessment at the time the plea is entered is waived, but Defendant agrees that it may be made payable first from any funds available to Defendant while Defendant is incarcerated. Defendant understands and agrees that, pursuant to Title 18, United States Code, Section 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States as provided in Section 3613. Furthermore, Defendant agrees to complete a Department of Justice Financial Statement no later than the day the guilty plea is entered and provide same to the undersigned AUSA. Defendant also agrees to provide all of Defendant's financial information the Probation Office and, if requested, to participate in a pre-sentencing debtor's examination. If the Court imposes a schedule of payments, Defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. If Defendant is incarcerated, Defendant agrees to participate in the Bureau of Prisons' Inmate Financial Responsibility Program regardless of whether the Court specifically directs participation or imposes a schedule of payments. Defendant understands and agrees that Defendant shall participate in the Treasury Offset Program until any and all monetary penalties are satisfied and paid in full by Defendant.

6. **Transferring and Liquidating Assets.** Defendant understands and agrees that Defendant is prohibited from transferring or liquidating any and all assets held or owned by Defendant as of the date this Plea Agreement is signed. Defendant must obtain prior written approval from the U.S. Attorney's Financial Litigation Unit prior to the transfer or liquidation of any and all assets after this Plea Agreement is signed and if Defendant fails to do so the Defendant understands and agrees that an unapproved transfer or liquidation of any asset shall be deemed a fraudulent transfer or liquidation.

7. **Future Direct Contact With Defendant.** Defendant and Defendant's attorney acknowledge that if forfeiture, restitution, a fine, or special assessment or any combination of

forfeiture, restitution, fine, and special assessment is ordered in Defendant's case that this will require regular contact with Defendant during any period of incarceration, probation, and supervised release. Further, Defendant and Defendant's attorney understand that it is essential that defense counsel contact the U.S. Attorney's Financial Litigation Unit immediately after sentencing in this case to confirm in writing whether defense counsel will continue to represent Defendant in this case and in matters involving the collection of the financial obligations imposed by the Court. If the U.S. Attorney does not receive any written acknowledgment from defense counsel within two weeks from the date of the entry of Judgment in this case, the U.S. Attorney will presume that defense counsel no longer represents Defendant and the Financial Litigation Unit will communicate directly with Defendant regarding collection of the financial obligations imposed by the Court. Defendant and Defendant's attorney understand and agree that such direct contact with Defendant shall not be deemed an improper *ex parte* contact with Defendant if defense counsel fails to notify the U.S. Attorney of any continued legal representation within two weeks after the date of entry of the Judgment in this case.

8. Waivers. Defendant, knowing and understanding all of the matters aforesaid, including the maximum possible penalty that could be imposed, and being advised of Defendant's rights to remain silent, to trial by jury, to subpoena witnesses on Defendant's own behalf, to confront the witnesses against Defendant, and to appeal the conviction and sentence, in exchange for the U.S. Attorney entering into this plea agreement and accompanying plea supplement, hereby expressly waives the following rights (except that Defendant reserves the right to raise ineffective assistance of counsel claims):

a. the right to appeal the conviction and sentence imposed in this case, or the manner in which that sentence was imposed, on the grounds set forth in Title 18, United States Code, Section 3742, or on any ground whatsoever, and

b. the right to contest the conviction and sentence or the manner in which the sentence was imposed in any post-conviction proceeding, including but not limited to a motion brought under Title 28, United States Code, Section 2255, and any type of proceeding claiming double jeopardy or excessive penalty as a result of any forfeiture ordered or to be ordered in this case, and

c. any right to seek attorney fees and/or costs under the "Hyde Amendment," Title 18, United States Code, Section 3006A, and the Defendant acknowledges that the government's position in the instant prosecution was not vexatious, frivolous, or in bad faith, and

d. all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought by Defendant or by Defendant's representative under the Freedom of Information Act, set forth at Title 5, United States Code, Section 552, or the Privacy Act of 1974, at Title 5, United States Code, Section 552a.

e. Defendant further acknowledges and agrees that any factual issues regarding the sentencing will be resolved by the sentencing judge under a preponderance of the evidence standard, and Defendant waives any right to a jury determination of these

sentencing issues. Defendant further agrees that, in making its sentencing decision, the district court may consider any relevant evidence without regard to its admissibility under the rules of evidence applicable at trial.

Defendant waives these rights in exchange for the United States Attorney entering into this plea agreement and accompanying plea supplement.

9. Prohibition from Elected Public Office or Government Employment. Upon entering a guilty plea, the Defendant agrees to neither run for elected public office nor apply for or be employed by any governmental entity in the future.

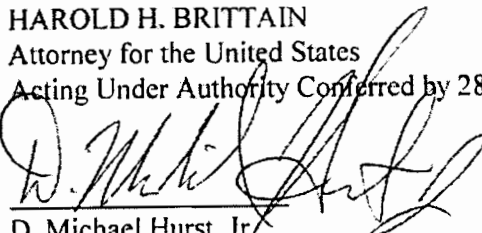
10. Complete Agreement. It is further understood that this plea agreement and the plea supplement completely reflects all promises, agreements and conditions made by and between the United States Attorney's Office for the Southern District of Mississippi and Defendant.

Defendant and Defendant's attorney of record declare that the terms of this plea agreement have been:

- 1. READ BY OR TO DEFENDANT;**
- 2. EXPLAINED TO DEFENDANT BY DEFENDANT'S ATTORNEY;**
- 3. UNDERSTOOD BY DEFENDANT;**
- 4. VOLUNTARILY ACCEPTED BY DEFENDANT; and**
- 5. AGREED TO AND ACCEPTED BY DEFENDANT.**

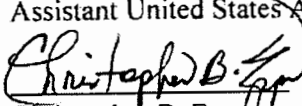
WITNESS OUR SIGNATURES, as set forth below.

HAROLD H. BRITTAIN
Attorney for the United States
Acting Under Authority Conferred by 28 U.S.C. § 515


D. Michael Hurst, Jr.
Assistant United States Attorney

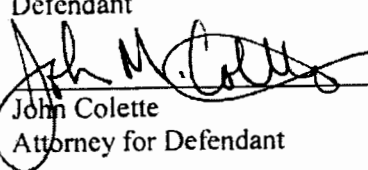
2-25-15

Date


Christopher B. Epps
Defendant

2/25/15

Date


John Colette
Attorney for Defendant

2/25/15

Date



PLEA AGREEMENT

Subject United States v. Cecil McCrory Criminal No. 3:14cr111HTW-FKB	Date February 12, 2015
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To:
 Don Leland, Esq.
 Attorney for Defendant

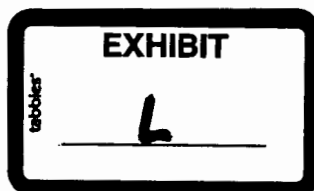
From:
 D. Michael Hurst, Jr.
 Assistant United States Attorney
 Southern District of Mississippi
 Criminal Division

Cecil McCrory, Defendant herein, and Don Leland, attorney for Defendant, have been notified and understand and agree to the items contained herein, as well as in the Plea Supplement, and that:

1. **Count of Conviction.** It is understood that, as of the date of this plea agreement, Defendant and Defendant's attorney have indicated that Defendant desires to plead guilty to Count 23 of the indictment.

2. **Sentence.** Defendant understands that the penalty for the offense charged in Count 23 of the indictment, charging a violation of Title 18, United States Code, Section 1956(h), is not more than 20 years in prison; a term of supervised release of not more than 3 years; and a fine which is the greater of \$500,000 fine or twice the value of the property involved in transaction. Defendant further understands that if a term of supervised release is imposed, that term will be in addition to any prison sentence Defendant receives; further, if any of the terms of Defendant's supervised release are violated, Defendant can be returned to prison for the entire term of supervised release, without credit for any time already served on the term of supervised release prior to Defendant's violation of those conditions. It is further understood that the Court may require Defendant to pay restitution in this matter in accordance with applicable law. Defendant further understands that Defendant is liable to make restitution for the full amount of the loss determined by the Court, to include relevant conduct, which amount is not limited to the count of conviction. Defendant further understands that if the Court orders Defendant to pay restitution, restitution payments cannot be made to the victim directly but must be made to the Clerk of Court, Southern District of Mississippi. Defendant understands that an order of forfeiture will be entered by the Court as a part of Defendant's sentence and that such order is mandatory.

3. **Determination of Sentencing Guidelines.** It is further understood that the United States Sentencing Guidelines are advisory only and that Defendant and Defendant's



attorney have discussed the fact that the Court must review the Guidelines in reaching a decision as to the appropriate sentence in this case, but the Court may impose a sentence other than that indicated by the Guidelines if the Court finds that another sentence would be more appropriate. Defendant specifically acknowledges that Defendant is not relying upon anyone's calculation of a particular Guideline range for the offense to which Defendant is entering this plea, and recognizes that the Court will make the final determination of the sentence and that Defendant may be sentenced up to the maximum penalties set forth above.

4. **Breach of This Agreement and Further Crimes.** It is further understood that should Defendant fail or refuse as to any part of this plea agreement or commit any further crimes, then, at its discretion, the U.S. Attorney may treat such conduct as a breach of this plea agreement and Defendant's breach shall be considered sufficient grounds for the pursuit of any prosecutions which the U.S. Attorney has not sought as a result of this plea agreement, including any such prosecutions that might have been dismissed or otherwise barred by the Double Jeopardy Clause, and any federal criminal violation of which this office has knowledge.

5. **Financial Obligations.** It is further understood and specifically agreed to by Defendant that, at the time of the execution of this document or at the time the plea is entered, Defendant will then and there pay over the special assessment of \$100.00 per count required by Title 18, United States Code, Section 3013, to the Office of the United States District Court Clerk; Defendant shall thereafter produce proof of payment to the U.S. Attorney or the U.S. Probation Office. If the Defendant is adjudged to be indigent, payment of the special assessment at the time the plea is entered is waived, but Defendant agrees that it may be made payable first from any funds available to Defendant while Defendant is incarcerated. Defendant understands and agrees that, pursuant to Title 18, United States Code, Section 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States as provided in Section 3613. **Furthermore, Defendant agrees to complete a Department of Justice Financial Statement no later than the day the guilty plea is entered and provide same to the undersigned AUSA.** Defendant also agrees to provide all of Defendant's financial information the Probation Office and, if requested, to participate in a pre-sentencing debtor's examination. If the Court imposes a schedule of payments, Defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. If Defendant is incarcerated, Defendant agrees to participate in the Bureau of Prisons' Inmate Financial Responsibility Program regardless of whether the Court specifically directs participation or imposes a schedule of payments. Defendant understands and agrees that Defendant shall participate in the Treasury Offset Program until any and all monetary penalties are satisfied and paid in full by Defendant.

6. **Transferring and Liquidating Assets.** Defendant understands and agrees that Defendant is prohibited from transferring or liquidating any and all assets held or owned by Defendant as of the date this Plea Agreement is signed. Defendant must obtain prior written approval from the U.S. Attorney's Financial Litigation Unit prior to the transfer or liquidation of any and all assets after this Plea Agreement is signed and if Defendant fails to do so the Defendant understands and agrees that an unapproved transfer or liquidation of any asset shall be

deemed a fraudulent transfer or liquidation.

7. **Future Direct Contact With Defendant.** Defendant and Defendant's attorney acknowledge that if forfeiture, restitution, a fine, or special assessment or any combination of forfeiture, restitution, fine, and special assessment is ordered in Defendant's case that this will require regular contact with Defendant during any period of incarceration, probation, and supervised release. Further, Defendant and Defendant's attorney understand that it is essential that defense counsel contact the U.S. Attorney's Financial Litigation Unit immediately after sentencing in this case to confirm in writing whether defense counsel will continue to represent Defendant in this case and in matters involving the collection of the financial obligations imposed by the Court. If the U.S. Attorney does not receive any written acknowledgment from defense counsel within two weeks from the date of the entry of Judgment in this case, the U.S. Attorney will presume that defense counsel no longer represents Defendant and the Financial Litigation Unit will communicate directly with Defendant regarding collection of the financial obligations imposed by the Court. Defendant and Defendant's attorney understand and agree that such direct contact with Defendant shall not be deemed an improper *ex parte* contact with Defendant if defense counsel fails to notify the U.S. Attorney of any continued legal representation within two weeks after the date of entry of the Judgment in this case.

8. **Waivers.** Defendant, knowing and understanding all of the matters aforesaid, including the maximum possible penalty that could be imposed, and being advised of Defendant's rights to remain silent, to trial by jury, to subpoena witnesses on Defendant's own behalf, to confront the witnesses against Defendant, and to appeal the conviction and sentence, in exchange for the U.S. Attorney entering into this plea agreement and accompanying plea supplement, hereby expressly waives the following rights (except that Defendant reserves the right to raise ineffective assistance of counsel claims):

- a. the right to appeal the conviction and sentence imposed in this case, or the manner in which that sentence was imposed, on the grounds set forth in Title 18, United States Code, Section 3742, or on any ground whatsoever, and
- b. the right to contest the conviction and sentence or the manner in which the sentence was imposed in any post-conviction proceeding, including but not limited to a motion brought under Title 28, United States Code, Section 2255, and any type of proceeding claiming double jeopardy or excessive penalty as a result of any forfeiture ordered or to be ordered in this case, and
- c. any right to seek attorney fees and/or costs under the "Hyde Amendment," Title 18, United States Code, Section 3006A, and the Defendant acknowledges that the government's position in the instant prosecution was not vexatious, frivolous, or in bad faith, and
- d. all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that

may be sought by Defendant or by Defendant's representative under the Freedom of Information Act, set forth at Title 5, United States Code, Section 552, or the Privacy Act of 1974, at Title 5, United States Code, Section 552a.

e. Defendant further acknowledges and agrees that any factual issues regarding the sentencing will be resolved by the sentencing judge under a preponderance of the evidence standard, and Defendant waives any right to a jury determination of these sentencing issues. Defendant further agrees that, in making its sentencing decision, the district court may consider any relevant evidence without regard to its admissibility under the rules of evidence applicable at trial.

Defendant waives these rights in exchange for the United States Attorney entering into this plea agreement and accompanying plea supplement.

9. **Prohibition from Elected Public Office or Government Employment.** Upon entering a guilty plea, the Defendant agrees to neither run for elected public office nor apply for or be employed by any governmental entity in the future.

10. **Suspension, Exclusion and Debarment.** The Defendant agrees that he and any of his companies or affiliated companies will be permanently suspended, excluded and debarred from any current and future government contracts, either as a prime contractor or sub-contractor, and agrees to cooperate with any government agency in administrative, regulatory or civil suspension, debarment or exclusion proceedings instituted against the defendant or any of his companies or affiliated companies, including the Defendant's voluntary execution of a Voluntary Exclusion Agreement.

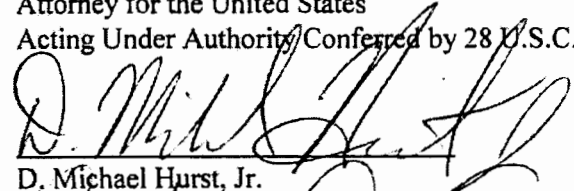
11. **Complete Agreement.** It is further understood that this plea agreement and the plea supplement completely reflects all promises, agreements and conditions made by and between the United States Attorney's Office for the Southern District of Mississippi and Defendant.

Defendant and Defendant's attorney of record declare that the terms of this plea agreement have been:

1. READ BY OR TO DEFENDANT;
2. EXPLAINED TO DEFENDANT BY DEFENDANT'S ATTORNEY;
3. UNDERSTOOD BY DEFENDANT;
4. VOLUNTARILY ACCEPTED BY DEFENDANT; and
5. AGREED TO AND ACCEPTED BY DEFENDANT.

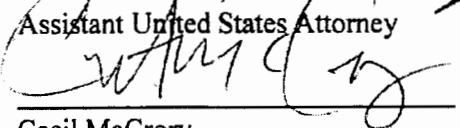
WITNESS OUR SIGNATURES, as set forth below.

HAROLD H. BRITTAIN
Attorney for the United States
Acting Under Authority Conferred by 28 U.S.C. § 515



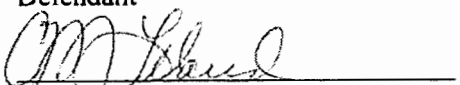
D. Michael Hurst, Jr.
Assistant United States Attorney

2-25-15
Date



Cecil McCrory
Defendant

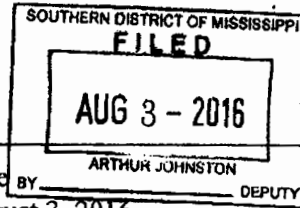
2/25/15
Date



Don Leland
Attorney for Defendant

2/25/2015
Date

PLEA AGREEMENT



Subject United States v. Mark Longoria Criminal No. 3:16cr54 HTW-FKB	Date by ARTHUR JOHNSTON DEPUTY August 3, 2016
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To:
 Thomas M. Fortner
 Erick M. Lowery, P.A.
 525 Corinne Street
 Hattiesburg, MS 39401

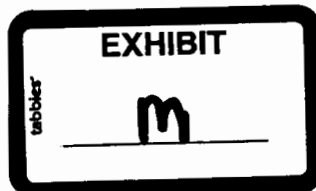
From:
 Darren J. LaMarca
 Assistant United States Attorney
 Southern District of Mississippi
 Criminal Division

Mark Longoria, Defendant herein, and Thomas M. Fortner, attorney for Defendant, have been notified and understand and agree to the items contained herein, as well as in the Plea Supplement, and that:

1. **Count of Conviction.** It is understood that, as of the date of this plea agreement, Defendant and Defendant's attorney have indicated that Defendant desires to plead guilty to the information.

2. **Sentence.** Defendant understands that the penalty for the offense charged in the information, charging a violation of Title 18, United States Code, Section 371, is not more than 5 years in prison; a term of supervised release of not more than 3 years; and a fine up to \$250,000. Defendant further understands that if a term of supervised release is imposed, that term will be in addition to any prison sentence Defendant receives; further, if any of the terms of Defendant's supervised release are violated, Defendant can be returned to prison for the entire term of supervised release, without credit for any time already served on the term of supervised release prior to Defendant's violation of those conditions. It is further understood that the Court may require Defendant to pay restitution in this matter in accordance with applicable law. Defendant further understands that Defendant is liable to make restitution for the full amount of the loss determined by the Court, to include relevant conduct, which amount is not limited to the count of conviction. Defendant further understands that if the Court orders Defendant to pay restitution, restitution payments cannot be made to the victim directly but must be made to the Clerk of Court, Southern District of Mississippi. Defendant understands that an order of forfeiture will be entered by the Court as a part of Defendant's sentence and that such order is mandatory.

3. **Determination of Sentencing Guidelines.** It is further understood that the United States Sentencing Guidelines are advisory only and that Defendant and Defendant's attorney have discussed the fact that the Court must review the Guidelines in reaching a decision as to the appropriate sentence in this case, but the Court may impose a sentence other than that



indicated by the Guidelines if the Court finds that another sentence would be more appropriate. Defendant specifically acknowledges that Defendant is not relying upon anyone's calculation of a particular Guideline range for the offense to which Defendant is entering this plea, and recognizes that the Court will make the final determination of the sentence and that Defendant may be sentenced up to the maximum penalties set forth above.

4. Breach of This Agreement and Further Crimes. It is further understood that should Defendant fail or refuse as to any part of this plea agreement or commit any further crimes, then, at its discretion, the U.S. Attorney may treat such conduct as a breach of this plea agreement and Defendant's breach shall be considered sufficient grounds for the pursuit of any prosecutions which the U.S. Attorney has not sought as a result of this plea agreement, including any such prosecutions that might have been dismissed or otherwise barred by the Double Jeopardy Clause, and any federal criminal violation of which this office has knowledge.

5. Financial Obligations. It is further understood and specifically agreed to by Defendant that, at the time of the execution of this document or at the time the plea is entered, Defendant will then and there pay over the special assessment of \$100.00 per count required by Title 18, United States Code, Section 3013, to the Office of the United States District Court Clerk; Defendant shall thereafter produce proof of payment to the U.S. Attorney or the U.S. Probation Office. If the Defendant is adjudged to be indigent, payment of the special assessment at the time the plea is entered is waived, but Defendant agrees that it may be made payable first from any funds available to Defendant while Defendant is incarcerated. Defendant understands and agrees that, pursuant to Title 18, United States Code, Section 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States as provided in Section 3613. Furthermore, Defendant agrees to complete a Department of Justice Financial Statement no later than the day the guilty plea is entered and provide same to the undersigned AUSA. Defendant also agrees to provide all of Defendant's financial information the Probation Office and, if requested, to participate in a pre-sentencing debtor's examination. If the Court imposes a schedule of payments, Defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. If Defendant is incarcerated, Defendant agrees to participate in the Bureau of Prisons' Inmate Financial Responsibility Program regardless of whether the Court specifically directs participation or imposes a schedule of payments. Defendant understands and agrees that Defendant shall participate in the Treasury Offset Program until any and all monetary penalties are satisfied and paid in full by Defendant.

6. Transferring and Liquidating Assets. Defendant understands and agrees that Defendant is prohibited from transferring or liquidating any and all assets held or owned by Defendant as of the date this Plea Agreement is signed. Defendant must obtain prior written approval from the U.S. Attorney's Financial Litigation Unit prior to the transfer or liquidation of any and all assets after this Plea Agreement is signed and if Defendant fails to do so the Defendant understands and agrees that an unapproved transfer or liquidation of any asset shall be deemed a fraudulent transfer or liquidation.

7. **Future Direct Contact With Defendant.** Defendant and Defendant's attorney acknowledge that if forfeiture, restitution, a fine, or special assessment or any combination of forfeiture, restitution, fine, and special assessment is ordered in Defendant's case that this will require regular contact with Defendant during any period of incarceration, probation, and supervised release. Further, Defendant and Defendant's attorney understand that it is essential that defense counsel contact the U.S. Attorney's Financial Litigation Unit immediately after sentencing in this case to confirm in writing whether defense counsel will continue to represent Defendant in this case and in matters involving the collection of the financial obligations imposed by the Court. If the U.S. Attorney does not receive any written acknowledgment from defense counsel within two weeks from the date of the entry of Judgment in this case, the U.S. Attorney will presume that defense counsel no longer represents Defendant and the Financial Litigation Unit will communicate directly with Defendant regarding collection of the financial obligations imposed by the Court. Defendant and Defendant's attorney understand and agree that such direct contact with Defendant shall not be deemed an improper *ex parte* contact with Defendant if defense counsel fails to notify the U.S. Attorney of any continued legal representation within two weeks after the date of entry of the Judgment in this case.

8. **Waivers.** Defendant, knowing and understanding all of the matters aforesaid, including the maximum possible penalty that could be imposed, and being advised of Defendant's rights to remain silent, to trial by jury, to subpoena witnesses on Defendant's own behalf, to confront the witnesses against Defendant, and to appeal the conviction and sentence, in exchange for the U.S. Attorney entering into this plea agreement and accompanying plea supplement, hereby expressly waives the following rights (except that Defendant reserves the right to raise ineffective assistance of counsel claims):

a. the right to appeal the conviction and sentence imposed in this case, or the manner in which that sentence was imposed, on the grounds set forth in Title 18, United States Code, Section 3742, or on any ground whatsoever, and

b. the right to contest the conviction and sentence or the manner in which the sentence was imposed in any post-conviction proceeding, including but not limited to a motion brought under Title 28, United States Code, Section 2255, and any type of proceeding claiming double jeopardy or excessive penalty as a result of any forfeiture ordered or to be ordered in this case, and

c. any right to seek attorney fees and/or costs under the "Hyde Amendment," Title 18, United States Code, Section 3006A, and the Defendant acknowledges that the government's position in the instant prosecution was not vexatious, frivolous, or in bad faith, and

d. all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought by Defendant or by Defendant's representative under the Freedom of Information Act, set forth at Title 5, United States Code, Section 552, or the Privacy Act of 1974, at Title 5, United States Code, Section 552a.

e. Defendant further acknowledges and agrees that any factual issues regarding the sentencing will be resolved by the sentencing judge under a preponderance of the evidence standard, and Defendant waives any right to a jury determination of these sentencing issues. Defendant further agrees that, in making its sentencing decision, the district court may consider any relevant evidence without regard to its admissibility under the rules of evidence applicable at trial.

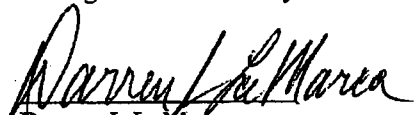
9. **Complete Agreement.** It is further understood that this plea agreement and the plea supplement completely reflect all promises, agreements and conditions made by and between the United States Attorney's Office for the Southern District of Mississippi and Defendant.

Defendant and Defendant's attorney of record declare that the terms of this plea agreement have been:

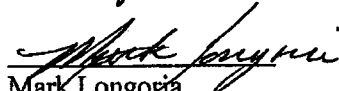
1. **READ BY OR TO DEFENDANT;**
2. **EXPLAINED TO DEFENDANT BY DEFENDANT'S ATTORNEY;**
3. **UNDERSTOOD BY DEFENDANT;**
4. **VOLUNTARILY ACCEPTED BY DEFENDANT; and**
5. **AGREED TO AND ACCEPTED BY DEFENDANT.**

WITNESS OUR SIGNATURES, as set forth below.


HAROLD H. BRITTAIN
Attorney for the United States
Acting Under Authority Conferred by 28 U.S.C. § 515


Darren J. LaMafca
Assistant United States Attorney

8/3/16
Date


Mark Longoria
Defendant

8-3-2016
Date


Thomas M. Fortner
Attorney for Defendant

8-3-2016
Date