

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF MISSISSIPPI

UNITED STATES OF AMERICA . Cause No. 3:07CR192
. .
Plaintiff . Oxford, Mississippi
. June 27, 2008
v. . 10:00 a.m.
. .
RICHARD F. "DICKIE" SCRUGGS .
. .
Defendants .
.

SENTENCING AS TO COUNT 1 OF THE INDICTMENT
BEFORE THE HONORABLE NEAL B. BIGGERS
U.S. SENIOR DISTRICT JUDGE

APPEARANCES:

For the Government: United States Attorney's Office
Northern District of Mississippi
BY: THOMAS W. DAWSON, ESQ.
BY: ROBERT H. NORMAN, ESQ.
BY: DAVID A. SANDERS, ESQ.
900 Jefferson Avenue
Oxford, Mississippi 38655-3608

For the Defendant
Richard F. "Dickie" Scruggs:
JOHN W. KEKER, ESQ.
BROOK DOOLEY, ESQ.
WARREN A. BRAUNIG, ESQ.
Keker & Van Nest, LLP
710 Sansome Street
San Francisco, California 94111-1704

Court Reporter: Rita Davis Sisk
911 Jackson Avenue, Room 369
Oxford, Mississippi 38865
(662) 281-3027

Proceedings recorded by mechanical stenography, transcript
produced by computer.

1 (CALL TO ORDER OF THE COURT)

2 THE COURT: Gentlemen, I assume that both sides are
3 ready to proceed in this matter of *U.S. v. Scruggs*. Are you
4 ready, Mr. Keker?

5 MR. KEKER: Yes, Your Honor.

6 THE COURT: All right. Mr. Dawson?

7 MR. DAWSON: We are, Your Honor.

8 THE COURT: Very well. The first thing I am going to
9 do is to get these sentencing guidelines out of the way. And,
10 of course, the defendants have filed a memorandum, a memorandum
11 objecting to some parts of the presentencing report. And the
12 Government has responded to those objections.

13 I've read them all. The memorandum and briefing is very
14 thorough. The points of law and objections to some of the
15 factual allegations are there. I'm prepared to rule on those
16 objections without any oral argument. If you wish to have any
17 oral argument, Mr. Keker, I'll give you a little time to talk
18 about it.

19 MR. KEKER: Your Honor, we're prepared to have you
20 rule. I think we've briefed them, as you say, thoroughly. But
21 I wanted to thank the probation office for their courtesy and
22 consideration. We may disagree with them a lot about a lot of
23 those points, but they certainly treated us fairly. And, so,
24 we're ready to have you rule on them.

25 THE COURT: Very well.

1 **MR. KEKER:** If you'd like to hear argument about any
2 particular part, I'm prepared; but I don't think it matters so
3 much for this sentencing. It may matter for some others. And
4 that's kind of the -- one of the reasons that we were so
5 anxious to put in what we thought was the accurate part of the
6 record because it may affect some other people more than it
7 affects Mr. Scruggs.

8 **THE COURT:** All right. I appreciate that. What does
9 the Government say about it?

10 **MR. DAWSON:** If the Court please, summarily, we would
11 also not feel the need for any argument. However, we would
12 like to offer into evidence, as we previously indicated to the
13 clerk, two exhibits. They're on the table there. We've
14 provided copies to opposing counsel and advised them earlier
15 that we would be offering these documents.

16 They are the *Jones v. Scruggs* initial suit, that's Exhibit
17 No. 1, along with the attachments, which is the SKG agreement.
18 And Exhibit 2 is a March the 6th, 2007, letter from the Scruggs
19 Law Firm to Mr. Jones and his firm concerning the splitting of
20 the fees and positions that they would take; and that was sent
21 to them nine days before the lawsuit was filed that gave rise
22 to this crime. So --

23 **THE COURT:** Well, I may -- you're talking about
24 exhibits and so on. If you're going to introduce them, I'd
25 have to stop and read them. If you want to -- there is a

1 pretty serious question about -- in the formulation of the
2 guidelines about the expected benefit that the defendant was
3 looking at when he wanted to -- when he bribed Judge Lackey to
4 send this case to arbitration rather than dispose of it in
5 circuit court in Lafayette County.

6 And of course, the perceived or the expected or intended
7 benefit is a fact on which the guidelines are partially based.
8 So if you're going to offer exhibits, I'd just as soon you tell
9 me what your argument is on that issue.

10 MR. DAWSON: All right, sir. And in addition to
11 that, we also would like to ask the Court to take judicial
12 notice of its files and records, the pleadings, the
13 attachments, the testimony, and hearings that have gone on in
14 the pretrial phase of this case, including the guilty plea. In
15 other words, the Court would have before it all that was
16 necessary to consider.

17 Now, the two exhibits that I've referred to do nothing
18 more than augment the figures that are in the presentence
19 report concerning the evaluation of the intended loss. So to
20 that extent, there is nothing new except that it does augment
21 and corroborate the figures that are used by the presentence
22 report in the calculations --

23 THE COURT: You mean you're telling me these exhibits
24 are just duplicative of what's already in the presentence
25 report?

1 MR. DAWSON: They corroborate the presentence report,
2 Your Honor.

3 THE COURT: Okay.

4 MR. DAWSON: It was not clear to us that the
5 presentence report actually had the lawsuit from which they
6 said, for example, that the basis of the lawsuit was -- or the
7 corpus of the lawsuit was \$26.5 million. So I just wanted to
8 make sure that that was in the record.

9 THE COURT: Well, I'm prepared to, you know, rule on
10 the objections based on what I've already read in the reports.

11 MR. DAWSON: Yes, sir.

12 THE COURT: And if that's agreeable to both the
13 defendant and the Government, I'm ready to do that.

14 MR. DAWSON: Yes, sir. Thank you.

15 THE COURT: All right. Of course, the intended
16 benefit at issue is an interesting issue; but to some extent,
17 it's a distinction without a difference. Because in
18 calculating the guidelines, the Court -- as counsel well
19 knows -- can consider either the amount of the bribe, in this
20 case, that was paid, \$50,000 -- 40,000 actually delivered and
21 \$10,000 more written, transferred to Balducci to supposedly
22 give to Judge Lackey.

23 Or on the other hand, which is preferable, is to calculate
24 the benefit that the defendant expected to receive as a result
25 of the bribe. And this case is really not about so much the

1 amount of money that was given to Judge Lackey, state circuit
2 court judge; but it's about the effect of that bribe, of what
3 the purpose of it was, to corrupt the ruling and the actions of
4 the circuit court.

5 The Government is arguing that the benefit -- perceived
6 benefit is somewhere around \$4 million because that is
7 approximately the difference between the amount of money that
8 Jones had been offered by Mr. Scruggs and the amount of money
9 that was sued for, the difference is approximately \$4 million.

10 So the Government has argued that that is the -- that is
11 the amount of the -- that should be considered in calculating
12 and arriving at the presentence -- at the perceived benefit.

13 And on the other hand, the defendant is objecting to that
14 and argues that \$50,000, the amount of the bribe, should be
15 considered because the amount of the benefit that would have
16 been obtained by transferring to arbitration is not easily or
17 accurately calculated for the reason that there's no way to
18 know for sure what would have happened if the case had been
19 left in circuit court. There's no way to know for sure what
20 would have happened if it had gone into arbitration. So the
21 defendant argues that we should fall back on the amount of the
22 bribe.

23 Well, that is -- would be an easy way to look at it, just
24 take the \$50,000 and take that as the amount that would be used
25 in calculating the guidelines. The Court does not feel that

1 \$50,000 is -- is a reasonable figure to use in calculating the
2 seriousness of this crime. And there's no doubt that the
3 defendant in this case expected and perceived more than a
4 \$50,000 benefit when he went to the extent to pay \$50,000 and
5 risked prison time to get the case transferred to arbitration.

6 That wouldn't make sense. It was worth a lot more than
7 \$50,000 to the defendant to get that done. It's obvious he did
8 not want his case heard by a local jury. He wanted it heard by
9 arbitrators that would be picked from a national arbitration
10 board. And to do that, he was willing to risk conviction,
11 prison, loss of his license, to take it out of circuit court
12 into the field of arbitration.

13 So based on that, the benefit that the defendant intended
14 to receive, in this Court's opinion, was high. And of course,
15 the law is clear that the defendant -- I mean, that the Court
16 is not burdened with the responsibility of determining exactly
17 what the benefit was. The guidelines are basically -- are
18 basically the same whether the benefit was \$50,000 or \$70,000;
19 and then it jumps up to 120.

20 If -- just taking the \$50,000, the guidelines go up from
21 46 to 57 months. If you just jump from 50 to 70, the
22 guidelines are 57 to 71 months. So it really -- it makes no
23 difference as far as the guidelines are concerned, as far as
24 this case is concerned, whether the Court considers \$50,000 or
25 \$100,000 or 4 million.

1 The Court is limited by this plea agreement and this plea
2 to 60 months, regardless of what the guidelines are. And, so,
3 to go through the exercise of calculating the guidelines, which
4 the Court does in all criminal cases in determining sentence,
5 the Court is going to calculate the guidelines in this case
6 based on a \$400,000 perceived benefit to be gained by the
7 defendant.

8 That's kind of the figure that I think nobody could argue
9 with as being too high. Or if it was any lower than that, it
10 would make no difference what the guidelines are; so the Court
11 is going to use that amount in calculating the guidelines,
12 along with the criminal history and the other factors that are
13 used.

14 There are other objections; and basically, they fall into
15 three categories. The defendant's perceived benefit expected
16 falls into the category of Mr. Scruggs' role in the offense,
17 whether he was a leader or not, and whether there are five or
18 more people involved in this -- participating in this scheme to
19 bribe. The Court overrules those objections.

20 The Court finds that there were five or more people
21 involved. The defendants question whether Zack Scruggs is one
22 of the five. The Court finds that, although he has not been
23 convicted or pled guilty as a conspirator, the statute does not
24 require a conspirator -- five people to be conspirators. The
25 statute requires that at least five be participants in aiding

1 in the crime in some way.

2 And the Court finds that Zach Scruggs was a participant.
3 He looked at the order, proposed order, made comments on it
4 before it was to be submitted to Judge Lackey; and he was there
5 when this scheme first started. Some people have called that
6 first meeting a scheme to earwig. Some have called it the
7 first part of the conspiracy.

8 But whatever it was, when the defendant and these others,
9 Zach Scruggs and Mr. Backstrom and Mr. Patterson and
10 Mr. Balducci, got together for the purpose of sending Balducci
11 over to talk to Judge Lackey, in this Court's mind, that was
12 the starting of the scheme to corrupt the integrity of the
13 Lafayette County Circuit Court.

14 Whether money was talked about or whether it was a job
15 that was talked about, a monthly stipend to have your name on
16 the letterhead was talked about, they were sending somebody who
17 was not a lawyer in the case over to see a judge to try to
18 persuade him to rule in favor of Mr. Scruggs for whatever
19 reason. And the Court finds that there were five or more
20 people and that was the attempt -- the start of the scheme to
21 corrupt.

22 There's no doubt in the Court's mind that Mr. Scruggs,
23 Mr. Richard Scruggs, was a leader and a planner. He says he
24 came into the scheme late; but regardless of when he came into
25 it, he was the money man. He's the man that wrote the checks.

1 When Balducci went -- the record shows when Balducci went
2 to see Judge Lackey and Judge Lackey brought up words to the
3 effect of "instead of a job, what about some money; are you
4 willing do that, Balducci said yes and thought he could.

5 But the record shows that he immediately left Judge
6 Lackey's office and called the Scruggs Law Firm. And he's
7 testified he asked to talk to Backstrom. He asked to have
8 permission -- or asked Backstrom what he thought about this
9 money instead of -- supplying money. Backstrom said he'd have
10 to get back with him. And he got back with him and said no
11 problem.

12 So the Court concludes that Backstrom -- I don't think --
13 that Backstrom didn't make that decision on his own. Or else
14 he could have told him right then; he wouldn't have had to get
15 back with him. So there's ample evidence to show, and the
16 Court finds, Mr. Scruggs was a planner and a leader in this
17 affair.

18 Now, the defendants have also objected to the inclusion in
19 the presentence report of the 404(b) evidence that was
20 presented involving the testimony of certain persons, including
21 Joey Langston, Scruggs' former lawyer and friend; and also,
22 Balducci and Patterson; that they were part of another case in
23 which they bribed a judge, corrupted a judge, in another case
24 in another court.

25 And they have -- the defendants object to that being

1 included in the presentence report. The Court is going to
2 sustain that objection and order it stricken from the court
3 because it does not -- or is irrelevant to the computation of
4 the guidelines in this case.

5 And that's something the defendant will probably have to
6 answer to later. It's not going to be a matter that the Court
7 is going to consider in this case. The other objections will
8 be overruled. The defendants have asked for certain lines --
9 individual lines in the presentence report to be deleted and
10 some new lines added. Those matters do nothing -- they do
11 nothing that would aid the Court in determining the guidelines,
12 so those are also overruled.

13 And based on these considerations, the Court has
14 calculated the guidelines to be, as I said, slightly over
15 60 months, at the low end of the money figure, and will base
16 the sentence on that.

17 The guidelines in this circuit are used to start off as
18 the presumptively reasonable basis of a sentence. In the ninth
19 circuit, Mr. Kecker's home court, the guidelines are not
20 considered that important; they're one factor along with many
21 others that the courts consider. In this circuit, the rule is
22 that the guidelines are considered the presumptively correct
23 sentence and to go up or down from there requires a good
24 reason.

25 Let's see. I may have left those guidelines back in the

1 back. Do you have a copy of it, Mr. East?

2 MR. EAST: (Passing document.)

3 THE COURT: The Court finds in this case, therefore,
4 that the offense level -- using a \$400,000 perceived benefit,
5 which I said is probably low, the offense level is 31. The
6 defendant has a criminal history category of one, which shows
7 no previous criminal convictions.

8 Under the guidelines, it calls for an imprisonment range
9 of 108 to 135 months. Of course, in this case, the defendant
10 is -- sentence will be restricted to a maximum of 60 months.
11 And the guidelines call for a supervised release range of two
12 to three years, and a fine range of 15,000 to 150,000 dollars.

13 The Court does find in these circumstances, in this case,
14 there is a reason to depart upward in the fine range. The
15 Court is still limited by the \$250,000 maximum under the
16 statute. But for the purpose of requiring the defendant to pay
17 his own costs of incarceration, the Court will depart upward
18 from the \$250,000 guideline range and impose upward from that
19 standpoint for the purpose of providing that the defendant will
20 pay his own costs of incarceration.

21 Now, with that done, I appreciate counsel not going into a
22 long argument, because the Court -- I think the record has been
23 made very clearly by counsel for both defendant and the
24 Government as to what the law is regarding these guideline
25 ranges and what the findings of fact are and what the

1 conclusions of law are. All right.

2 Even though it may be a moot point, there's some question
3 in the Court's mind -- the Court is -- the presentence report
4 gave the defendant credit for three points for acceptance of
5 responsibility based on some matters that have been brought to
6 the Court's attention. The Court would like to inquire into
7 that.

8 Is there anything else before we -- before I ask the
9 defendant and Mr. Kecker and the Government if you have any
10 statement to make to the Court, before we get into that;
11 anything else we need to take up?

12 MR. KEKER: No, Your Honor.

13 MR. DAWSON: No, Your Honor.

14 THE COURT: All right. Okay. Then, Mr. Kecker, let
15 your client come up before the Court.

16 MR. KEKER: You want me up here with him, Your Honor?

17 THE COURT: Yes, sir.

18 (Parties complying.)

19 THE COURT: All right, Mr. Scruggs, of course, this
20 is a very unpleasant duty for me this morning; but it's
21 certainly one that needs to be performed. Is there anything
22 you wish to state to the Court prior to sentencing?

23 THE DEFENDANT: There is, Your Honor.

24 THE COURT: All right. You may do so.

25 THE DEFENDANT: If I may. I could not be more

1 ashamed than to be where I am today, mixed up in a judicial
2 bribery scheme that I participated in. I realized that I was
3 getting mixed up in it. And I will go to my grave wondering
4 why.

5 I have disappointed everyone in my life, my wife, my
6 family, my son, particularly; my friends, many of whom were
7 kind enough to come up today and to write to the Court. I
8 deeply regret my conduct. I'm sorrowful for it. It is a scar
9 and a stain on my soul that will be there forever. And I thank
10 you for letting me speak to the Court.

11 **THE COURT:** Mr. Keker?

12 **MR. KEKER:** I -- just briefly, Your Honor. It is
13 certainly a grim moment. And on a personal level, I have not
14 known Dick Scruggs that long, but I have come to admire him and
15 like him and believe that he is the man that's described in
16 these letters; and that this conduct is not Dick Scruggs.

17 I think it would take a Falkner or a Walker Percy to
18 understand how people -- how these kinds of things happen. But
19 there's a passivity about Dick Scruggs in this instance that I
20 think I'm beginning to understand, but I just don't understand
21 it about how it all happened.

22 He has fallen about as far as a man can fall. I think you
23 heard he recognizes that. It's just -- it's terribly
24 upsetting. The only thing I'm asking you for is something that
25 we've talked about with the Government before when we were

1 doing this. It's not part of the agreement, but they told me
2 they wouldn't object to these requests.

3 And one of them is, for medical reasons, for family
4 reasons, for reasons of just letting him get settled down
5 rather than shuttled around, we would ask that he self -- that
6 you let the Bureau of Prisons designate a place for him to go,
7 and he self report to that. So we're asking that that happen
8 rather than he be put into custody today.

9 And the second thing that we're asking for is 30 days to
10 get the money for the fine together. We heard what you said;
11 we expect it to be a \$250,000 fine. But that can be paid, but
12 we'd like 30 days.

13 And the third thing that I would ask for is that you
14 recommend to the Bureau of Prisons -- recognizing, as we all
15 do, that they're not bound by anything that you recommend --
16 but that you recommend the camp at Pensacola, which is a place
17 that would make it easier for Mrs. Scruggs to visit him because
18 she has relatives nearby and friends nearby; and it would be a
19 lot easier. So we're asking for that recommendation.

20 Those are the three things, self-surrender, 30 days to pay
21 the fine, and recommendation of the camp at Pascagoula --
22 excuse me -- Pensacola. I don't know why I keep saying that.
23 That's all I have, Your Honor.

24 **THE COURT:** All right. Well, I -- they sound
25 reasonable, although I question why you need 30 days to get up

1 the \$250,000 when it's in your checking account but --

2 MR. KEKER: There's actually cash flow issues that I
3 can explain to you if you wanted me to. But the money you've
4 heard about comes in somewhat regularly, and I've been told
5 that 30 days would be --

6 THE COURT: Okay. All right. Mr. Dawson, anything
7 you wish to add for the Government?

8 MR. DAWSON: Very briefly, Your Honor. Only that the
9 difficulty that we all feel with this case from day one has
10 always been the nature of the offense as Mr. Scruggs has
11 acknowledged. Beyond that, we believe that the sentencing is
12 entirely within the discretion of the Court, and we would not
13 undertake to comment further.

14 THE COURT: Very well. Well, this has gone a lot
15 quicker than I thought it would and I was prepared for it to
16 go, and I appreciate counsel allowing that to happen. As I
17 said, Mr. Scruggs, this is a very unpleasant duty for me. But
18 you're not the first person within your means and stature and
19 professional standing who's stood where you stand now, having
20 been convicted of felonious criminal conduct.

21 And -- because I've had -- I've had the unpleasant duty
22 before to sentence lawyers to prison, also doctors, and also
23 ministers of the gospel, business executives, owners of
24 businesses, bankers, not only bank tellers but bank presidents.

25 So it's all -- it's all been very unpleasant and very

1 unusual. But your case, I believe, is the saddest of any of
2 these others that I've just mentioned. And it's the saddest
3 because these other cases, every one of them, these bankers and
4 lawyers and doctors, all thought they needed money or they did
5 need money. And they were willing to risk their freedom and
6 their profession to get some money.

7 And yet you -- you neither thought you needed money or did
8 need money; yet you committed a reprehensible crime which, in
9 my opinion, is one of the most reprehensible crimes that a
10 lawyer can commit, the corruption of the rule of law which he's
11 sworn to uphold.

12 And you did that just to give yourself a better position
13 in a lawsuit than you would have gotten had you not done it.
14 Or you thought you were giving yourself a better position.
15 It's -- as you say, I don't know why you did it. I don't know
16 what your motives were in choosing to commit this crime.

17 I've heard it described by some that it was greed. I've
18 heard some describe and say it was avarice. I've heard some
19 say that you did it simply because you thought you could, that
20 you'd done it before and you thought you could do it -- and you
21 felt you could do it again. And I'm going to leave it up to
22 others to ascribe to you the motive that you had in your mind
23 when you chose to do it.

24 I do not have to know why you done it; I just have to know
25 that you did it. And there's no doubt that you did it. I've

1 heard the tapes. I've heard you say you did it. One of the
2 worst crimes a lawyer can commit. You took an oath -- I'm not
3 going to read the oath, but I did get it out to see the oath
4 and read the oath that you took as an officer of the Court.

5 And you solemnly swore that you would demean yourself as
6 an attorney which gave you the privilege of practicing before
7 the Court. You had the authority as an attorney, as a member
8 of the bar, to do powerful things. You could subpoena people.
9 You could issue subpoenas to come and be -- for people to be
10 taken up and brought in and placed somewhere.

11 You had the ability to -- the power to file suits against
12 persons. You didn't have to get permission from anybody; you
13 could just file. But you said that you would demean yourself
14 as an attorney and counsel of the Court to the best of your
15 learning and ability, that you will not use your authority as a
16 member of the bar for the purpose of perpetrating any falsehood
17 for money. That you will support the Constitution of the
18 United States as long as you continue a citizen thereof, so
19 help you God.

20 Well, you've not only attempted to corrupt the Court, you
21 violated that oath. Now, to me, that is more serious than a
22 man on the street bribing a judge. Because the man on the
23 street, a party, for example, who comes into court and has a
24 case in the court and tries to bribe a judge is not as serious
25 as a lawyer trying to bribe a judge, because the man on the

1 street hasn't taken an oath; the lawyer has.

2 And I personally was shocked when I first learned about
3 this situation with you and your law partners. I was shocked
4 as I learned the evidence as it developed. And when I saw
5 how -- when you were approached with this scheme, I saw how
6 easily and quickly you entered into it. And it made me think
7 that this, perhaps, is not the first time you've done it
8 because you did it so easily. You didn't really take time to
9 think about it.

10 And there is evidence before the Court that you have done
11 it before. So -- but I'm not considering that as other
12 evidence, as I said, in your case. That's something that
13 will -- I have no doubt is being looked at, at this time.

14 You attempted to bribe Judge Lackey. You found out that
15 Judge Lackey is not a man to bribe. You picked the wrong man
16 to try to bribe. Another thing that doesn't make any sense --
17 well, it makes your crime more reprehensible is the justice
18 system has made you a rich man; the court system has made you a
19 rich man. And yet you have attempted to corrupt it.

20 And I received these letters from your friends about how
21 sentencing would affect you and your wife and your daughter,
22 and I have sympathy for you in that respect. Your wife, I
23 understand, is a fine lady; and her health is very delicate.
24 But there's no question that your wife and daughter are going
25 to be better provided for in your absence than anybody else

1 I've ever heard that has come before the Court.

2 MR. KEKER: Maybe Mr. Scruggs ought to sit down, Your
3 Honor.

4 THE COURT: All right. (Pause.) Well, Mr. Scruggs,
5 you'll receive a transcript of this sentencing hearing. And
6 I'll tell you now that, you know, there might be some things
7 that you can do to help yourself in the future; and you can
8 read about it. You may not remember what I'm saying, but
9 there's some people who you're involved with who I have become
10 intrigued in this situation of what's going on.

11 When I see, from this case and others, that people who are
12 not lawyers are getting considerable amounts of money from a
13 legal settlement and -- you know, it intrigues me as to how --
14 what they're doing to earn it, if anything. They're not
15 lawyers, so they're not receiving any settlements.

16 If you come -- you know, Balducci said that you know where
17 a lot of bodies are buried. If you want to uncover some of
18 those bodies, it might help you in the future in this case and
19 this sentencing.

20 But based on these considerations, Mr. Scruggs, and
21 pursuant to the Sentencing Reform Act of 1984, it is the
22 judgment of the Court that you be committed to the custody of
23 the Bureau of Prisons to be imprisoned for a term of 60 months
24 on Count 1 of this indictment. And the Court will recommend to
25 the Bureau of Prisons that you be housed in a facility that can

1 afford you the opportunity to participate in both mental health
2 and drug treatment programs.

3 Upon release from imprisonment, you shall be placed on
4 supervised release for a term of three years on Count 1. There
5 are certain strict conditions of conduct that you must abide by
6 while you're on supervised release. I'm not going to go over
7 those with you, but the probation officer will at the time you
8 are released.

9 It's further ordered that you should pay a fine in the
10 amount of \$250,000 to the court clerk's office, a lump sum
11 payment of \$250,000 will be due in 30 days. And that will be
12 for the purpose of -- as one person who wrote a letter said, he
13 thought sending you to prison would be a waste of the
14 taxpayer's money. To alleviate any concerns for that person,
15 the taxpayers won't have to pay for your incarceration; you'll
16 pay for it yourself.

17 It's further ordered that you should pay the usual
18 assessment. And with your excellent representation during this
19 case, you know you have the right to appeal any sentence that
20 is imposed illegally or as a result of a miscalculation of the
21 guidelines. You'll be given 30 days if you wish to report
22 yourself in 30 days, within 30 days. You'll be given that
23 opportunity.

24 So that we'll have your understanding of that, I have here
25 a form that you agree that you will surrender yourself to the

1 institution that's designated for your service on the date that
2 the Court sets. So we'll have your agreement for that, I'll
3 ask you to sign that; and your attorney can witness it.

4 (Parties complying.)

5 THE COURT: Okay.

6 MR. KEKER: It's signed, Your Honor.

7 THE COURT: All right. Let me have that. All right.
8 Give me a calendar. (Pause.) All right. It's ordered that
9 the Court will -- that the Court will allow this defendant to
10 remain out on his present bond, and your reporting date will be
11 August 4th by twelve o'clock noon.

12 And I will recommend that the Pensacola institution be the
13 place designated. Of course, it depends on how many people are
14 there; and it depends on the Bureau of Prisons' situation. But
15 normally, they will respect those requests. Best of luck to
16 you.

17 MR. KEKER: Thank you, Your Honor.

18 THE DEFENDANT: I hope to come out of this a better
19 man, Your Honor. Thank you.

20 THE COURT: I think you will. Good luck.

21 THE DEFENDANT: Thank you, sir.

22 MR. DAWSON: Thank you.

23 THE COURT: All right. If there's nothing further,
24 Court will be in recess.

25 (THE SENTENCING ENDED AT 10:46 a.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T I O N

"I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter, June 27th, 2008."

/s/ Rita Davis Sisk_____
RITA DAVIS SISK, RPR, BCR, CSR #1626
Official Court Reporter