

U.S. Department of Justice

Press Release on Alabama Gambling Vote-Buying Scheme

WASHINGTON – Eleven individuals, including four current Alabama state legislators, three lobbyists, two business owners and one of their employees, and an employee of the Alabama legislature have been charged for their roles in a conspiracy to offer to and to bribe legislators for their votes and influence on proposed legislation, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division and Assistant Director Kevin Perkins of the FBI's Criminal Investigative Division.

The defendants are charged in an indictment returned by a grand jury on Oct. 1, 2010, in Montgomery, Ala., which was unsealed today. Various defendants are charged with a variety of criminal offenses, including conspiracy, federal program bribery, extortion, money laundering, honest services mail and wire fraud, obstruction of justice and making a false statement. They will make initial appearances today in U.S. District Court for the Middle District of Alabama before U.S. Magistrate Judge Terry F. Moorer.

"Today, charges were unsealed against 11 legislators, businessmen, lobbyists and associates who, together, are alleged to have formed a corrupt network whose aim was to buy and sell votes in the Alabama legislature in order to directly benefit the business interests of two defendants, **Milton McGregor** and **Ronald Gilley**," said Assistant Attorney General Lanny A. Breuer of the Criminal Division. "The people of Alabama, like all our citizens, deserve to have representatives who act in the public's interest, not for their own personal financial gain. Vote-buying, like the kind alleged in this indictment, corrodes the public's faith in our democratic institutions and cannot go unpunished."

"The allegations in today's indictment underscore the commitment of the FBI, the Department of Justice, and the Alabama Bureau of Investigation to continue to pursue those in public office who undermine the public's trust and engage in unethical and corrupt practices," said Assistant Director Kevin Perkins of the FBI's Criminal Investigative Division.

According to the indictment, **Milton E. McGregor** owned a controlling interest in Macon County Greyhound Park Inc., also known as **Victoryland**, in Macon County, Ala., and Jefferson Country Racing Association in Jefferson County, Ala., as well as ownership interest in other entertainment and gambling facilities in Alabama that offered or sought to offer electronic bingo gambling machines to the public. **Ronald E. Gilley** owned a controlling interest in the **Country Crossing** real estate, entertainment and gambling development in Houston County, Ala., which also sought to offer electronic bingo gambling machines to the public.

During the 2009 and 2010 Alabama state legislative sessions, McGregor and Gilley, along with others, allegedly promoted the passage of pro-gambling legislation that would have been favorable to the business interest of individuals operating electronic bingo facilities, including themselves. From February 2009 through August 2010, McGregor, Gilley and their co-

defendants allegedly conspired to commit federal program bribery by corruptly giving, offering and agreeing to give money and other things of value to Alabama state legislators and staff with the intent to influence and reward them in connection with pro-gambling legislation. The indictment alleges that Alabama state legislators, including co-defendants State Senator **Larry P. Means**, State Senator **James E. Preuitt**, State Senator **Quinton T. Ross Jr.**, and Senator **Harri Anne H. Smith** corruptly solicited, demanded, accepted and agreed to accept money and things of value from their co-conspirators and others, intending to be influenced and rewarded in connection with pro-gambling legislation.

Specifically, the indictment alleges that Gilley, his primary lobbyist, **Jarrod D. Massey**, and State Senator Smith, sought to bribe a member of the Alabama House of Representatives during the 2009 legislative session, promising hundreds of thousands of dollars in campaign support in exchange for the legislator's favorable vote on pro-gambling legislation. Similarly, in 2010, McGregor, Gilley and Massey allegedly sought to bribe a member of the Alabama Senate, offering the legislator \$1 million, to use at the legislator's discretion, funneled through a public relations job. According to the indictment, McGregor, along with lobbyist **Robert B. Geddie Jr.**, also provided a \$5,000 campaign contribution to a member of the Alabama House of Representatives in exchange for his vote on pro-gambling legislation during the 2010 legislative session.

The indictment also alleges that State Senator Means, who had abstained from an earlier vote on the pro-gambling legislation in 2010, solicited bribes from McGregor, Gilley, Massey and others, and, in one specific instance, sought \$100,000 in return for voting in favor of the legislation. According to the indictment, McGregor, his lobbyist **Thomas E. Coker**, Gilley, Massey, Gilley's employee **Jarrell W. Walker Jr.**, and others allegedly bribed State Senator Preuitt, who had voted no in the earlier vote on the legislation, promising \$2 million in campaign contributions and the use of country music stars in Preuitt's reelection campaign, among other things of value in exchange for his vote in favor of the pro-gambling legislation. Gilley, Massey, Walker and others also allegedly discussed purchasing a large number of vehicles from Preuitt's auto dealership in exchange for Preuitt's vote.

State Senator Ross also is alleged to have solicited significant campaign contributions from McGregor, Gilley, Massey and others. According to the indictment, Ross allegedly pressured McGregor for campaign contributions the day before and the day of the vote on the pro-gambling legislation. In addition, State Senator Smith, who previously introduced an anti-gambling bill during the 2008 legislative session, voted in favor of the pro-gambling legislation in 2010 and allegedly lobbied other legislators to support the legislation in exchange for promises and payments of hundreds of thousands of dollars from Gilley and others. The indictment also alleges that Joseph R. Crosby, an employee of the Alabama Legislative Reference Service who received \$3,000 per month from McGregor, took official action on behalf of McGregor, including making changes to the pro-gambling legislation that would benefit McGregor.

In a related case, **Jennifer D. Pouncy**, 34, of Montgomery, Ala., pleaded guilty on Sept. 28, 2010, before U.S. Magistrate Judge Charles S. Coody to one count of conspiracy for her role in the scheme. According to information stated during her plea hearing, Pouncy admitted that she

offered State Senator Preuitt \$2 million for his vote on the pro-gambling legislation, based on orders from Massey. Pouncy also admitted that Massey and Gilley authorized her to offer \$100,000 to State Senator Means in return for his support for the pro-gambling legislation. Pouncy's guilty plea was unsealed this morning, and a sentencing date has not been set.

The defendants named in the indictment unsealed today were charged with the following crimes:

- **Milton E. McGregor**, 71, of Montgomery, Ala., was charged with one count of conspiracy, six counts of federal program bribery, and 11 counts of honest services mail and wire fraud;
- **Ronald E. Gilley**, 45, of Enterprise, Ala., was charged with one count of conspiracy, six counts of federal program bribery, 11 counts of honest services mail and wire fraud, and four counts of money laundering;
- **Jarrod D. Massey**, 39, of Montgomery, Ala., was charged with one count of conspiracy, five counts of federal program bribery, and 11 counts of honest services mail and wire fraud;
- **Thomas E. Coker**, 70, of Lowndesboro, Ala., was charged with one count of conspiracy, two counts of federal program bribery, and 11 counts of honest services mail and wire fraud;
- **Robert B. Geddie Jr.**, 60, of Montgomery, Ala., was charged with one count of conspiracy, one count of federal program bribery, 11 counts of honest services mail and wire fraud, and one count of obstruction of justice;
- **Jarrell W. Walker Jr.**, 36, of Lanett, Ala., was charged with one count of conspiracy, one count of federal program bribery, and 11 counts of honest services mail and wire fraud;
- **Harri Anne H. Smith**, 48, of Slocomb, Ala., was charged with one count of conspiracy, two counts of federal program bribery, one count of extortion, 11 counts of honest services mail and wire fraud, and four counts of money laundering;
- **Larry P. Means**, 63, of Attalla, Ala., was charged with one count of conspiracy, two counts of federal program bribery, two counts of attempted extortion, and 11 counts of honest services mail and wire fraud;
- **James E. Preuitt**, 75, of Talladega, Ala., was charged with one count of conspiracy, one count of federal program bribery, one count of attempted extortion, 11 counts of honest services mail and wire fraud, and one count of making a false statement;
- **Quinton T. Ross Jr.**, 41, of Montgomery, Ala., was charged with one count of conspiracy, two counts of federal program bribery, two counts of attempted extortion, and 11 counts of honest services mail and wire fraud; and
- **Joseph R. Crosby**, 61, of Montgomery, Ala., was charged with one count of conspiracy, one count of federal program bribery, and 11 counts of honest services mail and wire fraud.

The conspiracy charge carries a maximum penalty of five years in prison and a \$250,000 fine. The federal program bribery charges carry a maximum penalty of 10 years in prison and a \$250,000 fine. Each count of extortion, honest services mail and wire fraud, money laundering and obstruction of justice carries a maximum penalty of 20 years in prison and a \$250,000 fine. The false statement charge carries a maximum penalty of five years in prison and a \$250,000 fine. The indictment also contains a notice of forfeiture as to defendants Smith and Gilley.

An indictment is merely an allegation and defendants are presumed innocent unless and until proven guilty in a court of law.

The case is being prosecuted by Senior Deputy Chief Peter J. Ainsworth and Trial Attorneys Eric G. Olshan, Barak Cohen and E. Rae Woods of the Criminal Division's Public Integrity Section; Senior Litigation Counsel Brenda K. Morris of the Criminal Division; and Assistant U.S. Attorneys Louis V. Franklin and Steve P. Feaga of the Middle District of Alabama. The case is being supervised by the Criminal Division's Public Integrity Section, and is being investigated by the FBI's Montgomery Field Office.