



July 19, 2008

Trial will begin Monday in beef-plant fraud case

Defense says rep was owed money federal prosecutors say he stole

Jimmie E. Gates
kgates@clarionledger.com

A refrigeration company sales representative accused of pocketing funds for equipment at the failed Mississippi Beef Processors plant will try to convince a federal jury beginning Monday that he was owed the money, his attorney said.

After two delays, the trial of James Draper of Mount Juliet, Tenn., is scheduled for Monday in U.S. District Court in Oxford.

It is the first time someone charged in connection with the failed venture has gone on trial. Two others, plant owner Richard Hall Jr. and construction contractor Sean Carothers, pleaded guilty for their roles in an enterprise that cost Mississippi taxpayers about \$155 million in a state-guaranteed loan, a grant and other expenses.

"We expect the proof to show Mr. Draper performed work and service and also expended his own money," his attorney, Kenneth Coghlan of Oxford, said Friday. "He was owed the money."

The beef plant in Oakland closed in 2004, just three months after opening, costing about 400 people their jobs.

Draper is charged with interstate transportation of money obtained by fraud and money laundering.

Draper faces up to 30 years in prison and \$750,000 in fines on two charges.

Draper allegedly received a \$187,725 check from the state to purchase equipment for the plant, but items were not purchased, his indictment said.

"Draper did thereafter deposit said check into his own account as if a legitimate business transaction had occurred," court documents said.

He then gave Hall \$167,725 and kept \$20,000 for himself, according to the indictment.

On Wednesday, U.S. District Judge Mike Mills denied Draper's motion to dismiss one count of the indictment.

Draper argued the first count contains a factual error in whom the check was made payable to, and it should also be dismissed because the check was made payable to its rightful owner.

But Mills said the indictment makes no representation as to whom the check was made payable to.

"Instead, the indictment states that the check, identified by its amount, was sent to Richard N. Hall Jr.," Mills said in his ruling. "No matter whom the check was payable to, the transportation of the



check is the conduct made criminal ... Additionally, the government contends that Hall was the owner of Mississippi Beef Processors LLC and was engaged in the crime perpetrated by Draper. Thus the indictment is not defective as it contains no factual error."

Mills also dismissed Draper's contentions that transportation of the check could not be a crime because it was sent to the rightful owner.

Mills said the indictment alleges Draper and Hall obtained the funds fraudulently, which if proven, would show the funds were not rightfully in the possession of Draper, Hall or Mississippi Beef Processors.

Mills did give the defense a small victory by ordering some language about a scheme and artifice to defraud be stricken from the indictment.

Assistant U.S. Attorney William Lamar said in court papers that the government did not oppose removing the language from the indictment.

Both Hall and Carothers have been sentenced to prison for their involvement in the plant's collapse.

Hall is serving eight years for his role in the plant's failure.

Carothers, whose company built the beef plant, pleaded guilty in 2007 to paying kickbacks to the owner and was sentenced to 21 months.

Three Tennessee businessmen also have been charged in the case and are awaiting trial.

Robert Moultrie, chairman and chief executive of the Facility Group of Smyrna, Ga., and two other company executives, Nixon Cawood Jr. and Charles Morehead, are charged in a 16-count indictment with submitting invoices for work not performed and fraudulently inflating prices for the company.

The company helped design and manage construction of the plant.

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Trial to address Miss. Beef Processors plant fraud

Refrigerator company owner, James Draper, accused of involvement in \$187k money laundering scheme

By: Paul Quinn

Posted: 7/21/08

Trial to address Miss. Beef Processors plant fraud A jury trial is scheduled to begin today against the owner of a refrigeration company who allegedly pocketed state taxpayer money for work and equipment that was never produced.

James Draper, of Mount Juliet Tenn., will argue he was owed the \$20,000 he kept for services provided to the failed Mississippi Beef Processors plant, his attorney Ken Coghlan of Oxford, told the Clarion-Ledger last week.

Draper will be the first defendant to go to trial in the multiple indictments stemming from the failed beef plant.

Richard Hall, the beef plant owner, along with Sean Carothers, a construction company owner, pleaded guilty for their involvement in the enterprise which cost Mississippi taxpayers approximately \$155 million in expenses which includes a grant and state-guaranteed loans.

Hall is serving eight years for his role while Carothers is serving 21 months.

The indictment against Draper alleges he obtained a check from the state of Mississippi for \$187,725 between 2002 and 2003.

The state sent the check after Hall requested the money for refrigeration and other equipment for the beef plant.

"In truth and fact ... Neither Draper nor Hall had purchased the said equipment, and Draper did thereafter deposit said check into his own account as if a legitimate business transaction had occurred," the indictment said.

After depositing the money, Draper wrote a check to Mississippi Beef for \$167,725.

The factual background in Hall's plea agreement highlights this transaction as one of Hall's many schemes.

Draper is charged with interstate commerce violations for sending the \$167,725 check from Tennessee to Oakland Miss. He also charged with money laundering.



Potentially, Draper could receive 30 years prison and a \$750,000 fine for the two charges.

U.S. District Judge Mike Mills denied Draper's motions to dismiss July 16 because of a factual error in the indictment that says Draper paid Hall, when in fact the check was written to Mississippi Beef.

"Instead, the indictment states that the check, identified by its amount, was sent to Richard N. Hall Jr.," Mills said in his ruling. "No matter whom the check was payable to, the transportation of the check is the conduct made criminal ... Additionally, the government contends that Hall was the owner of Mississippi Beef Processors LLC and was engaged in the crime perpetrated by Draper. Thus, the indictment is not defective as it contains no factual error."

Mills also dismissed Draper's claim he did nothing illegal because he sent the money to its rightful owner, Mississippi Beef.

Mills did not dismiss, saying if it's proven the money was obtained from the state fraudulently then Draper, Hall or Mississippi Beef should not have been in possession of the money.

People close to the case have said Draper was merely working for his friend, Hall. Traveling all over the country, Draper tried to find equipment for the beef plant, and that the \$20,000 was money owed to him for his work.

Draper may have confessed to keeping the \$20,000, and said he was working for Mississippi Beef; however it is unclear if the confession said he knew Hall was defrauding the state.

Jury selection will begin at 9:40 a.m. in Court room one at the Oxford Federal Courthouse.

In other beef plant news, the bribery case against Robert Moultrie, CEO of Facility Group in Georgia, is set to begin August 25. Motion deadlines in that case is today.

Moultrie is accused of asking employees of Facility Group to contribute money to a top Mississippi political official's campaign, in hopes of getting work for the beef plant. It is widely believed, based on campaign contribution records, Ronnie Musgrove is the unnamed, unindicted political official. Musgrove has maintained he did nothing wrong.

Musgrove may be called to testify in the Moultrie case.

The indictment against Moultrie said he told his employees they would be re-paid for any contributions made to Musgrove in a scheme to conceal the fact the contributions came from Facility Group.

Moultrie, Nixon Cawood Jr. and Charles Morehead are also accused of submitting invoices for work not performed and fraudulently inflating prices for the company.



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SPECIAL SECTIONS



DJournal Sports Poll

Which football team do you think will win the SEC West?

Testimony ends in Draper trial

7/23/2008 6:23:55 AM
 Daily Journal

BY ERROL CASTENS
 Daily Journal Oxford Bureau

OXFORD - Testimony in the federal fraud and money laundering trial of James Draper ended Tuesday after the defendant said he knew nothing of plant owner Richard Hall's intentions to defraud the state of Mississippi.

Draper's charges stem from the failed Mississippi Beef Processors plant that the state helped fund in Oakland.

Draper, the refrigeration equipment salesman, deposited a \$187,725 check from the state for equipment that was never purchased, then turned over all but \$20,000 - an amount he said he was owed for expenses incurred in helping Hall research equipment purchases - to Mississippi Beef Processors. Hall allegedly then converted the \$167,725 to personal use. Hall created an invoice to justify the check.

FBI Special Agent T.J. Sypniewski said that when he interviewed Draper in 2005, despite Draper's initially "vaguely and weakly" denial of a knowing role in the scheme, the defendant acknowledged the check and the invoice were fraudulent.

"He knew it was bogus and not legitimate," Sypniewski said. "He was pretty remorseful from the beginning." Draper also signed a statement that acknowledged knowing the scheme was fraudulent.

Draper's defense hinges on his assertion that he accepted the check to try to buy used equipment for the beef plant, an endeavor that two witnesses affirmed.

On the stand, Draper admitted he lied to the FBI agents and State Auditor's Office representative who first interviewed him, then said he had felt pressured to sign Sypniewski's summary of their interview, which he now claims is wrong.

"I didn't think I was going to leave that room without signing that statement," Draper said. "I said ... if it ever comes to this, I've got people who can confirm the truth."

Assistant U.S. Attorney Jimmy Maxwell pointed out several false claims that Draper had made to investigators - that he'd owned and delivered equipment for which the \$187,725 was payment and that the equipment was later stolen.

Maxwell also noted Draper had agreed, more than two years after the transaction, to Hall's request that Draper create a promissory note to frame his check to Hall as a loan.

Draper said his writing of the check to Mississippi Beef Producers, not to Hall personally, was evidence he intended no fraud.

The trial will continue this morning at 10 with closing arguments and court instructions before jurors begin deliberation.

Contact Daily Journal Oxford Bureau reporter Errol Castens at (662) 281-1069 or errol.castens@djournal.com.

Appeared originally in the Northeast Mississippi Daily Journal, 7/23/2008, section A, page 5

10 Rules of Flat Stomach

Drop 9 lbs of Stomach Fat every 11 Days by Obeying these 10 Rules.
 FatLoss4idiots.com

"How To Lose Belly Fat"

Lose 1 Jean Size Every 7 Days. As Seen on CNN & Fox News!
 www.FireYourFat.com

Online Paralegal Training

Designed for College Graduates Request Brochure and Salary Survey
 www.AmericanParalegal.edu

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DJournal News Poll

Best thing to do on a hot day?

- Sit inside where it's cool
- Go swimming
- Got to a park and stay in shade
- Go to the mall and walk around
- Go to the public library

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Closing arguments to begin in Draper case

Federal jury will deliberate over defrauding claims

By: Paul Quinn

Posted: 7/23/08

Closing arguments are scheduled to begin Wednesday concerning the federal case against refrigeration company sales representative James Draper.

The indictment against Draper said he assisted failed Mississippi Beef plant owner Richard Hall in defrauding the state of Mississippi out of \$187,725.

During Monday's testimony at the U.S. District Court in Oxford, Hall said Draper knew the money was obtained under false pretenses, despite the fact Draper claimed he did not.

Upon receiving an expense check from the state of Mississippi for equipment and services performed at the Mississippi Beef Plant, Draper deposited the check into his personal bank account.

Draper then sent a check for \$167,725 to Mississippi Beef, claiming \$20,000 for himself.

During testimony Tuesday, Draper said he was owed the \$20,000 for work he performed for Mississippi Beef, and he returned the remaining money to the plant because he could not buy the equipment the state sent him the check for.

Hall has already pleaded guilty for his involvement in the beef plant enterprise that cost Mississippi taxpayers approximately \$155 million in expenses.

The factual background in Hall's plea agreement highlights this case as one of many similar defrauding schemes he has orchestrated in the past.

Draper said he would not have sent the money to Mississippi Beef if he knew Hall would misuse the funds.

"(Hall) never told me he was going to turn the money into personal funds," Draper said.

Draper said he wrote the check to Mississippi Beef, not Hall, to ensure the money went into the plant's business account, rather than Hall's personal bank account.

Hall testified that he requested the money from the state knowing the equipment was not available, but wanted the money for private use.

Hall sent a fraudulent invoice to the state on behalf of Draper.

When the beef plant closed, Mississippi investigators went to Draper's home in Tennessee to ask him

about the transaction.

Draper admitted that he lied to the investigators at the first meeting by saying the equipment was purchased and then stolen.

Draper said he called the FBI the same day to tell the truth and admit he lied to the investigators.

During a second meeting with investigators Draper said he tried to buy the equipment but when he could not he asked Hall what to do with the money.

Draper said he was then told by Hall to keep the money owed to him and send the rest to Mississippi Beef.

However, during a third FBI interview, Draper signed a confession saying he knew the transaction was fraudulent.

"I didn't want to sign it, but I had evidence and witnesses to prove I did nothing wrong," Draper said. "I didn't feel I would leave the (interrogation) room until I signed it."

Jury deliberations will begin shortly after closing arguments are presented.

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SPECIAL SECTIONS



Man convicted in plant fiasco to be released

7/22/2008 5:54:19 AM
 Daily Journal

BY PATSY R. BRUMFIELD
 Daily Journal

OXFORD - Sean Carothers will be set free early from federal prison to help the government prosecute others accused in the Mississippi beef plant scandal.

Carothers, who owned a construction company, is expected to be called as a government witness to explain how he contends a Georgia company and others devised and carried out a scheme to defraud the plant's owners, financiers, subcontractors and material suppliers.

Monday, his release was ordered by U.S. District Senior Judge Neal Biggers Jr., who reduced Carothers' sentence from 21 months to 12 months and one day, with the rest to be served on house arrest.

Carothers has been in a Pensacola, Fla., federal facility since Dec. 3, nearly 11 months after his guilty plea relating to a scheme to defraud Community Bank of Mississippi, which issued \$55 million in state-backed bonds to build the Yalobusha County plant.

Biggers also ordered Carothers to report to the U.S. Probation Service in north Mississippi within two days of his release.

On Jan. 16, 2007, Carothers pleaded guilty to using the U.S. mail in a 2002 conspiracy to defraud the bank with the plant's owner, Richard Hall Jr. Both men have been in prison for their misdeeds.

Carothers won the contract to build the plant, then estimated at about \$15 million. He hired Hall as his project processing engineer and they devised a scheme to inflate the contract to hide Hall's involvement.

Friday, U.S. Attorney Jim Greenlee asked Biggers for Carothers' early release for greater convenience in preparing its case, set for trial Aug. 25 in Oxford, against the Georgia executives and their companies. They are accused in another scheme to defraud the state of Mississippi and others related to the defunct beef processing plant.

In a motion filed Friday, Greenlee told Biggers that Carothers has "spent hundreds of hours" analyzing documents and helping the government build its case against The Facility Group of Smyrna, Ga.

Set for August trial are TFG, three subsidiaries and executives Robert L. Moultrie, Nixon Cawood and Charles Morehead.

They are accused of corruptly making contributions to an elected state official's campaign to win a state contract for the processing plant, then corruptly using the mail to falsely billing the project to reimburse the contributions.

TFG was hired by the state to evaluate the plant's construction and then to manage its construction.

Former Gov. Ronnie Musgrove appears to be the unnamed, unindicted public official named in their two sets of indictments. Now a candidate for U.S. Senate, he insists he has done nothing wrong.

Appeared originally in the Northeast Mississippi Daily Journal, 7/22/2008, section A, page 1

Mississippi Owes You Cash

Mississippi owes millions How much do they owe you?
www.CashUnclaimed.com/Mississippi/

Mississippi Foreclosures

Find Foreclosure Listing Providers.
 The Online Business Directory.
www.business.com

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DJournal Sports Poll
 Which football team do you think will win the SEC West?



- Alabama
- Arkansas
- Auburn
- LSU
- Mississippi State
- Ole Miss

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DJournal News Poll

Best thing to do on a hot day?

- Sit inside where it's cool
- Go swimming
- Got to a park and stay in shade
- Go to the mall and walk around
- Go to the public library

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SPECIAL SECTIONS



BEEF PLANT UPDATE: Carothers to get out of prison

7/21/2008 2:36:25 PM
 Daily Journal

By Patsy R. Brumfield
 Daily Journal

OXFORD - Sean Carothers, who pleaded guilty to defrauding the Community Bank of Rankin County during construction of the Mississippi Beef Plant, will be out of federal prison soon to help the government in its prosecution of others accused in the scandal.

Carothers has been in a federal prison in Pensacola, Fla., since soon after his March 2007 guilty plea.

His release was ordered today by U.S. District Senior Judge Neal Biggers Jr., who reduced Carothers' sentence to 12 months and one day, with the rest of be served on house arrest.

Biggers also ordered Carothers to report within two days of his release to the U.S. Probation Service in north Mississippi.

On Jan. 16, 2007, Carothers pleaded guilty to a scheme to defraud the bank with the plant's owner Richard Hall Jr. Both men have been in prison for their misdeeds.

Friday, U.S. Attorney Jim Greenlee asked Biggers for Carothers' 1/2 early release for greater convenience in preparing its case against three Georgia executives and their company, accused in another scheme to defraud the state of Mississippi and others related to the defunct beef processing plant in Yalobusha County.

In a motion filed Friday, Greenlee told Biggers Carothers had "spent hundreds of hours" analyzing documents and helping the government build its case against The Facility Group of Smyrna, Ga.

That case is set to go to trial Aug. 25 in Oxford.

For more details, read Tuesday's Daily Journal.

Appeared originally in the Northeast Mississippi Daily Journal, 7/21/2008, section 0 , page 0

Prison & Inmates Lookup
 Get Full Criminal Report On Past & Current Inmates - Within Minutes!
 Gov-Resources.com

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 Search Entire Smyrna MLS Mapped, Full Description. Reg Req.
 www.CMSells.com

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 Search Millions of MLS Listings. Find Your New Home in Smyrna Today.
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Miss. SuperTalk
Gallo Show
3/26/08
Early morning

[After miscellaneous preliminaries} . . . Gallo: "Congrats to the FBI"

Other voice: "Well that's their job"

Gallo: "Well, but I want to tell you something, the FBI and the US Attorney, they have been working on this for a long, long time."

Other voice: "We know."

Gallo: "If they've been working on this half as long as we've heard rumors that they've been working on this, they've been working . . . well we know how long it's been."

Other voice: "No, we know, 'cause they all come in here

Gallo [interrupting]: "back in the early 2000's."

Other voice [continuing]: "and say 'I can't say anything about that.'"

Gallo: "That's exactly right. Well now they can, . . . [unintelligible word] limited. But we have all the information on that, we have it covered in three different ways, if you have any insight or information or questions on it, then we will . . . I think we took the Cattlegate issue from Day One, and back in the early years began to spotlight this, when it began stinking, I mean, when it started stinking, we were there and it was one of the first things, we began -- to be honest with you -- feeling our oats and saying, wait a minute, this is wrong, and at the same time we had people calling us and saying, 'Wait, Paul, what y'all doing up thar? You know, this ain't the way things done in Mississippi.' We knew that something was really bad. We even had some very influential politicians say 'whoa, whoa, whoa, what are you doing? We expect the papers to do that, but we've never had a radio talk show do this.' So it was all new ground. All new ground, and it leads to where we are today."

"It is not good news for Ronnie Musgrove. When he was on with me, last week, last Tuesday -- and we're trying to 'recap' some of that audio -- but, I, well, I asked him, how does the Facilities Group play into this? And I will replay that, hopefully on tomorrow's show, but we got a lot of . . . changes and . . . stuttering and . . . you could tell that the rhythm of the conversation certainly changed. I don't know where this is going, but you remember the conversation?"

Other voice: Sure . . .

Exhibit 15

Miss. SuperTalk
Dave and JT show
3/26/08
Mid-day

After moo-ing intro – “Everybody remembers that wonderful beef plant? For those of you who do not know what happened yesterday, there were some indictments that came down -- and I don’t know how you couldn’t know - but some indictments that came down concerning the beef plant. Y’all remember the beef plant, don’t you?”

[Clip of audio from the past from a state legislator speaking]- “And I’m big on checking people out, we have got a perfect pedigree on the Halls. They good people.”]

“Y’all remember the beef plant, don’t you, the ole Nissan of rural Mississippi. The one that was such a great idea that was birthed right there on the Natchez Trace. We all remember that, don’t you? You know

[Different voice:] . . . I just always wondered what mile marker that came from. You know what I’m saying? Where? Wonder what mile marker that was – where that actually happened - somewhere between Tupelo and Jackson, Mississippi. But, uh, yeah, it was an interesting day yesterday. What did the guy say? [Laughs lightly]

[First voice:] . . . [Laughing] “Oh, the blog? Oh the guy said -- Well this all broke in the afternoon late yesterday --

[Different voice, interrupting] – We knew it was coming, we just couldn’t go with it ‘til it happened.

[Other voice]: One of the guys on the blog I read said ‘Good grief, can’t a guy eat his supper, you know, [both voices in unison] without a federal indictment coming down? Can I just have one night of rest?’

[Then announcer read from Associated Press story at length – including information about polygraph motion and statements by attorneys for Mr. Moultrie and the companies.]

Middle of program - Discussion of Arnold Lindsey (sp?) article and interviews from 2005. He apparently interviewed Musgrove who said he did not know any of the people involved with the project.

He quoted Dona G. Elder, a spokesperson for Facility Group, in 2005 as saying “We did not know either of them, Richard Hall or the agriculture commissioner. Musgrove, either.” [This had been a theme earlier – that the Facility Group executives said they didn’t know Musgrove]

Miss. SuperTalk
Gallo Show
3/27/08
Early morning

Gallo: Plus the latest in the Cattle Gate. Yesterday's announcement of three more indictments continuing to rock the senatorial campaign of former governor Ronnie Musgrove. What he is gonna do, what he is not gonna do. He is in cogitation now. They are thinking. We'll have some audio from last Tuesdays' interview. All that is coming up!

<...>

Plus the latest in the Cattle Gate yesterday's announcement of three more indictments continues to rock the senatorial campaign of former governor Ronnie Musgrove. We have some audio from the last Tuesday's interview with the former governor that's really interesting and we'll play that too. We are locked and loaded, ready to go...

[later in the show]

Gallo: Jimmy from Hattiesburg. Go ahead, sir

Caller: Hey man, good job. You explained it [unrelated] just like I would.

Gallo: Well, I mean, it's the truth! I am not making up stuff.

<...>

Jimmy: I am still mad at you for not letting me on with Ronnie Musgrove last week.

Gallo: He-he-he. Oh Jeez!

Jimmy: I am a forgiving person.

Gallo: Jeez! Jeez!

Jimmy: When are you going to have him back?

Gallo: Well, you know, we are lining it up. His, his, his campaign people made some indication yesterday that he might come on with me next week.

Jimmy: Oh, Id' love to... I wanna be on. I have a question or two.

Gallo: Here is the deal: did you hear, and I don't' think I have time now to play it. It's about three minutes, I believe, four minutes ...

Perez: We don't have three minutes.

Gallo: We don't have time to play it here. I will say this: if Jimmy from Hattiesburg. **If you want to hear the interview on Tuesday that I asked him about the Facilities Group.** I asked him if people are indicted and found to be guilty later, which would apply to these three people, would he return 60 to 65 thousand dollars. And it's very interesting what he said. I will say about the, about the interview and if you want to hear it it's posted. **The audio is posted at y'allpolitics.com.** My buddy Allan Lang's got it there and it is kind of remarkable. And for some of you, bloggers, who think that I had information prior to this because the questions were so pointed about something that happened days later. I am not going to say anything about that.

Perez: He-he-he...

Gallo: He-he-he... Are you crazy? But anyway... It is on y'allpolitics.com and **I did ask him about the contributions from those who may be indicted and later convicted and also asked him about the Facilities Group** and again the remarkable thing about that interview was that it was flowing and, boy, the staccato, the stumbling after the caller came in and opened up the interview to where he wanted to talk about Cattle Gate. It it... the mind set on the tempo of the speech pattern changed a hundred percent, so... We've got some stuff we've got to do. Do you have something you've got to do?

Perez: Yes, JT and Dave tomorrow...

<...>

[After a commercial]

G: But again, if you want to catch that audio on governor Musgrove, former governor Musgrove, go to y'allpolitics.com.

Miss. SuperTalk
JT and Dave
3/27/08
Mid-day

<...>

JT: Let's go to Matt Steffi is here with us from the MC School of Law. Matt, welcome back to the JT and Dave show. How are you?

Matt: I'm great! It's my pleasure to be here.

Dave: Thank you.

JT: I wanna talk to you about the indictments that came down yesterday; and, obviously, it was very interesting. Some of the things that happened there. But before we get to that I wanna quick question...I wanna follow up real fast with what went on in Oxford .

[some discussion of the Scruggs case without mention of the FG case]

JT: I see... Well, obviously these... The situation that came down yesterday with the Facilities Group...this is involved with the..eh..you know...

Dave: ...with Georgia business...

JT: Yeah, it's involved with these Georgia businessmen and it was unsealed. Each man indicted with one count of conspiracy to defraud the United States the other counts for each frauds and swindles. We've even seen things concerning polygraph tests and some other things that are in there. This is, this is kind of different and...and, you know, they are talking about the unnamed public official. Some newspapers and reports are trying to tie a former governor in with that but we refer to him as the "unknown public official". What's the situation with these indictments? It just seems like we in one, here comes another one...

Steffi: Well, I think that's exactly what happened. One after the other and, of course, judicial corruption that still going on in Jackson with the matters involving judge DeLaughter. But this is the whole different kettle of fish. I mean, this is old style corruption: I mean, payments to government officials in exchange for contracts. You know, in the North-East this is what, you know, the mob would allegedly do to obtain, you know, cement supply contracts or concrete supply contracts, or contracts to dispose of waste. The idea that you gonna get consulting contract for millions of dollars by putting money into the hands of a public official is a textbook public corruption.

JT: Do you think that we may see a public official involved in some public indictment coming down with this?

Steffi: It's possible. It's entirely possible. But sometimes what you see in these indictments is that people who are unindicted were the people who cooperated.

JT: Uhuh...

Steffi: And that may be the case. We don't know yet. You know, what we know is that the person is an "unnamed public official." We know that that person, whomever that person is, has not been indicted. Now, what we can surmise from that, you know, the question will be, why wouldn't you indict the public official who is, according to the indictment knowingly soliciting, accepting illegal money and conspiring to do so. The usual answer for that is that they are cooperating with the US Attorney. Now, that's all speculation but that's usually the explanation. Either you are waiting for the other shoe to drop, either the investigation's continuing which, reading this indictment, sound like they've got their arms around it. Or that person is, you know, unnamed unindicted co-conspirator, who may be cooperating with the authorities.

JT: Were you surprised...I mean we are getting in the middle of this of course, the polygraph side of it, which I don't follow that too much, 'cause you can't use polygraph in court, can you?

M: No, you can't, you know. But they are powerful investigatory techniques. You know, the US government relies heavily on them, and the intelligence and military services, the police rely on them, but they are not reliable enough to substitute for, say, the judgment of the jury. They're thought to be both unreliable and to interfere too much. But they are powerful investigatory techniques. They really are and they can tell you a lot. Now, they are not perfect but they can tell you a lot.

JT: You know, and we go back and we look at this thing and... What about all these people... Let me ask you this: what about all these employees, who supposedly or allegedly wrote checks, these \$1000 checks to this "unknown official's" campaign? And then they turned around and the Facilities Group, according to this indictment, paid them back \$1500 so that they could get their \$1000 back after taxes. What about all these people that did that? Wouldn't they... Is it possible that the charges could be brought up against them?

M: It's possible but it's also possible that the US Attorney is in his prosecutorial discretion decided that, you know, when somebody's boss comes and says, you know, write this check and we'll pay you back, and it's all accounting and it doesn't matter that there may have been no criminal intent. You know, they may not have been in on...

JT: Folks just trying to protect themselves and their unemployment?

M: Right. I mean. In this particular case we don't know who these people are. We can't make that kind of judgment about them that the US Attorney can. But, you know, people do what their bosses want all the time and particularly if they don't really understand or told it's paperwork or, you know, said "Oh, this is just red tape and don't worry about it." Maybe they lack the criminal intent. Maybe they were just kind of pawns in the scheme and...and the US Attorney might have thought that it would have been abuse of power to send them to prison too. But, yeah, the answer to your question is "yes." Is it conceivable that they could be charged—sure but you have to show that they had criminal intent.

JT: I imagine the state of Georgia would be interested in taking a look at those books too, don't you?

M: If I were an Attorney General of the state of Georgia I sure would be. I sure would be. "Cause you always ought to wonder: is this the only time these entities did that sort of thing? You know, because, you know, it's not uncommon and I heard your caller right before I got on. It is absolutely true that, you know, if you commit criminal history you are more likely to commit future crimes. So, I'd sure take a close look at them, if that was my job.

JT: I, I tell you this. This is just...just amazing. It's, it's... for how long this beef plant has been going on and on. Obviously when you see the situation, you know, Mississippi backed the loans, paid the debt but got nothing out of it, didn't even own the building. It's certainly left an unpleasant taste in a lot of people's mouths.

M: Well, you know, if you think on this, I am sure they do a lot of things differently. But, you know, one of the things...one of the reasons why bribing and corrupting public officials is a serious crime is that when you conceal what's really going on when public officials are not doing their jobs then all of a sudden you wake up to this kind of a result. You know, the government relies on transparency and accountability, on being able to look at public officials and know what they are doing and holding them accountable. And public corruption undercuts all that. So this is just backroom, off-the-books dealing and we are left holding the bag.

JT: A lot of people have probably forgotten too, I don't know if they remember but back in January Jim Hood actually filed a suit against Facility Group trying to get some money back from some of these for the subcontractors and people like that.

M: Absolutely, absolutely. And there is certainly civil [?] wrong-doing and there is certainly criminal wrong-doing. There is mal??? in the office. There's a lot of blame to go around. And ultimately you and I and all the rest of the citizens of the state are the injured parties. Not only is our trust in government is undermined but our pocketbooks are undermined. I mean, this is a lot of money. I mean, you had 45 million dollars here and there. And it amounts to *real* cash.

JT: Yeah, \$45 million is a lot of money to me.

M: Yes, to me too.

<...>

JT: It's always a pleasure to have you on the program, Matt. And I thank you for coming on with us here.

M: Any time.

JT: Professor over there at the MC School of Law and we thank you so much.

<...>

Caller: ... but that's not why I am calling.

JT: All right...

Caller: I call about the beef plant. I am still mystified as to how a state could guarantee a loan to a bank.

JT: and not own a building.

Caller: ...and not own a building. I've never in my life heard of that. I cannot fathom how that can even be legal on behalf of the state of Mississippi.

JT: Oh, but all the parties agree that it *is* legal.

Caller: He-he-he. I can't imagine why would you! Why would you guarantee the building if you gonna give it to them.

JT: Why would you build it if you are told it won't work? [*muffling the callers sentence*]

Caller: Of course, of course we are getting back to the real issue now. But, but, again I just cannot imagine what lapse of memory and lapse of mindset that people would have to do that on behalf of the people of Mississippi.

JT: Well, Jack

Caller: It really...it really...

JT: Jack, they passed bating bating of deer over corn at the both houses and people have told them a hundred times: "Don't' do it, it's wrong. Don't do it, it's wrong." And they've passed it. They did not learn anything out of the beef plant.

Caller: Obviously they didn't. In fact, I wrote a three-page letter to all the congressmen and senators and one of the things was about the beef plant and illegal immigration among other topics. I guess I'll send you and Dave a copy just for fun.

JT: Sure, do that.

Caller: OK. Thanks for listening.

Dave: Thank you.

<...>

Dave: Of course, the beef plant deal, we'll remember all that. That's still going on with the...

JT: These guys from Georgia...

Dave: ...unknown elected official.

JT: These guys from Georgia have very interesting political background too, from what I've been reading. We'll talk about it all after the break, don't go anywhere. We'll be right back.

Miss. SuperTalk
Gallo show
3/28/08
Early morning

[Interview with the Chairman of the Mississippi Democratic Party, Wayne Dowdy]

<...>

Gallo: ...You look at what's going on in the state of Mississippi regardless of party affiliation, Chairman Dowdy, Wayne Dowdy is with us, you look at this deal on Dickie Scruggs, all of that. And then Cattlegate – what's going on as far as the beef plant. It's a sad mess that we have going on in our state as far as trust in our, well, our trust in our public officials.

[From here the conversation was only about the Scruggs case and political donations from Scruggs.]

Miss. SuperTalk
Gallo Show
3/31/08
Early morning

An interview with Allan Lange, who writes Y'allpolitcs.com blog:

Lange: There is some smoke there, I mean to have this many campaign contributors on an organized event and those dollars being kind of declared dirty by the US Attorney. I think it's problematic and, I think, regardless of, kind of, what the outcome legally is for Ronnie Musgrove, everyone is going to remember a couple of things. One, we are about six months away from the end of the special election and two, there's going to be an enormous amount of money spent. This is going to be like not quite like the dollars in the gubernatorial election, but each side is going to have 4 or 5 million dollars to just beat each other's brains in and I think this is gonna be a huge topic. This is gonna be a fitness for leadership, sort of topic and Wicker is gonna hammer it. He is gonna be able to hammer it.

Host: When we look at the fact that apparently, the way I read this and the way I heard this was that the Facilities Group and Moultrie actually sent their plane to MS to pick up that "public official" and flew him back to Georgia where they had a get together, dinner or whatever it was, but later on the taxpayers of the state were charged for this through the Facilities Group.

Lange: Well, you know...

Host: Is that what you read into this ?

Lange: I actually did not read the part about the plane picking up the public official. I guess I was in the pleading. That's first I have heard of it. But, you know, Jim Greenlee and the US Attorney's office up in Oxford has got their stuff pretty tight right now.

Host: And that actually is there. It's one of the information that I received that the plane was sent for the public official *here* and it was not a state plane but the plane that Moultrie and the Facilities Group sent here but it was part of the charge that the Facilities Group had on their list of cost.

Lange: Yeah. I mean. These guys are rolling up indictments on these conspiracies and all that sort of stuff. There are two school of thought. One school of thought is that Musgrove has kind of contributed what he is going to contribute to the Grand Jury and that they have passed him over. And the other school of thought is that this guy, that they took into consideration his testimony and now are rolling these guys up and may roll back on him. There is no telling where this investigation is going to go .

Host: Can you see a way that Musgrove hasn't been interviewed or interrogated the deposition by the FBI?

Lange: I personally I don't. There have been a lot of rumors floating around that he testified to the Grand Jury and that he knows.... My sense is that they probably..., I guess, the US attorney theoretically could have indicted these guys without it but I I I

Host: And it was a sealed indictment

Lange: And it was stayed sealed for a month, which is not normal

Host: Kind of unusual. And then there is all this other stuff out there. It's latent...It's hibernating but it's out there if need be. Don't think the Wicker people will use it directly but I go back to the situation where Musgrove was embroiled in as far as the Manex (?) Foundation interview he had with me.

Replay of the earlier interview about a different issue involving Musgrove

Host: So, this was the infamous toe-sucking deal and it just got blown out of proportion to some people, to some people it needed more investigation but you'd agree it's out there?

Lange: It's out there. Real journalists from *Commercial Appeal*, *National Post* looked at it and reported on it.

Host: Or the interview that he did with me before the indictments came down on Tuesday before, on the 18th, I think before the indictments came out. I had asked him point blank several times, would you give the money back if it had been you as far as . Or should they give the money back. This was in relation to the chairman Herring] deciding that he was going to give a little of money back from Dickie Scruggs and asking the Democrats to do the same and I asked him two or three times, would he give money back if he happened to be in that situation. Well, now we know what 's what 59 or 65 thousand, somewhere around there?

Note: What the host is talking about here is that, after Dickie Scruggs was indicted for bribery, a Republican party official returned money that Scruggs had donated and made a public pronouncement about it, demanding the Democrats do so too.

Lange: It's a lot

Host: If you try to run for Senate. I mean, that would hit your kitty if you had to give *that* money back.

Lange: We are just started having a conversation on y'allpolitics.com and I think that he should give money back. When a candidate has a donor that has been indicted, particularly for fraud , you know. If they get indicted for something else, for a violent crime maybe, maybe not, but if it's for fraud, for purchasing influence. If they get indicted for that, that money has to go at least to charity, if not back to where it came from....

Host: I don't understand this Ronnie Shows thing. We'll talk to him at 7:05 but you think he's keeping us powder-dry or what's the situation with him?

Note: Shows had earlier qualified as a Democrat for the Senate race running against Musgrove and pulled out before the FG indictment was public.

Lange: I honestly don't know

Host: What's it going to do to the race if he decides not to stay in?

Lange: He could rise on a white horse later on if Musgrove gets bloodied up through all these issues with Cattlegate and with the Matix Foundation and DACC or DSCC or the Democratic Party, MS says, look Ronnie, you are too bloodied up to run this thing. Shows could come riding on a white horse later on.

Host: Here is another question that I do not understand even under medication. You know that Ronnie Musgrove knows that this is all is going on, that he understands as far as his status is, the Grand Jury, the investigation, as far as FBI is concerned – all of this. Why in the world would you put yourself in this spot to run for the senate if you didn't think you could work through all this?.... You are making yourself a bigger target.

Lange: There are a lot of people who know what is going on out there and they still run. I can't get into their heads. I guess you just wanna.

Lange: Since Scruggs scandal "took a dip" Cattlegate is going to be "scrubbed down pretty hard", with all the public documents, the campaign documentation discussed, where money went etc.

Host: What is the percentage that the unnamed official was not Ronnie Musgrove?

Lange: It's pretty close to a 0.

Miss. SuperTalk
JT & Dave Show
4/16/08
Midday

Start here

Host: Glad you are here with us. Did you hear about this?

2: I don't know.

1: I think, I think I know why this is.

2: Why? What is it?

1: Republican senator Roger Wicker, has raised five times more

[Gap in transcript of discussion of Musgrove and Wicker fund raising]

1: Let's see, Facilities Group,

2: Yeah, you can mark them off.

1: Yeah, Facilities Group, you can mark them off. I am trying to think who else

2: There was another big donor but I can't remember

1: I think he is in prison now, the former donor.

Yea! Yea!

Had a pretty good idea. Had a pretty good idea that he was [unintelligible mumble].

Miss. SuperTalk
Gallo Show
4/28/08
Early morning

Caller: ...same [?] idea to give the bank the beef plant after we paid for it. And why is it...Why have we not been told who did that. It's our money...

Phil Bryant: You know, it amazed me the time I was a state auditor, and an auditor's got to post-audit, as we call it to get back on the back side of these issues that somebody in the room during those early years, 1999 or 2000, apparently agreed to this. And I always ask people, did we have a lawyer in the room? Didn't, wasn't an Assistant Attorney General or some lawyer sitting in the room, that might have said, you know, if we are going to pay for the beef plant, just in case anything goes wrong, shouldn't it be the property of the state of Mississippi?

Gallo: That's always baffled everybody. I mean...It's, it's it just baffles

Phil Bryant: And I can't...I wish I could answer that. Once it started going bad everybody sort of said, "It was not my idea, it was theirs." It became an orphan pretty quickly... But you are absolutely right it would have made good sense. I tell people, you know, if I go and sign a note for my son to buy an automobile and he does not pay the notes, I get the automobile. That's always been our agreement and that's the way it worked in businesses in any project I have ever been around except this one. And it is frustrating but we have re-lived that old battle so many times...

Gallo: It's time really to move on and let the justice department finish this one up.

Phil Bryant: That's right. That's right.

Gallo: That's the way I look at it.

Phil Bryant: That's exactly right...

Gallo: Phill, we are going to get back to you. We are going to look at the Senate bill 2988. That's coming up.

Miss. SuperTalk
JT and Dave Show
5/23/08
Midday

1: Do you remember the beef plant? You know, the one that we've guaranteed to note on? Even though we didn't get anything in return at all? \$55 million. Do you remember \$55 million that a college buddy got for us after he got his \$14 million, or...?

2: Well, he might.

1: You know, the former attorney?

2: That's sort of hung up right now...

1: You all remember the beef plant, don't you?

2: Yeah, Yeah...

1: You remember, I am big on checking folks out, you know, all that stuff? Carothers, you know, Richard Hall.

2: [unintelligible name]

1: You remember the day, when the birds were singing and women were out there in the dresses? You all remember the beef plant? Robert Moultrie, 57 of Smyrna, GA, the chairman and chief executive officer of the Facility Group was indicted in March along with two other company executives for allegedly corruptly giving campaign donations to a Mississippi official to reward the official for the state's whoring of the Facility Group in '03 to manage the completion and design of the Mississippi beef processors' plant.

2: Which was already in trouble on construction.

1: Sure. The plant was opened for only a few weeks before it failed in '04 and left 400 people out of work. Mississippi was stuck with the \$55 million in state bank loans for the 140 000sq. ft plant. [...] indictment during the course of investigation Moultrie submitted to a polygraph examination in '06 conducted by the FBI. During the investigation he was asked, if he have ever had an agreement with anyone that his company would get on the beef project in return to making a contribution to Ronnie Musgrove's campaign. And whether anyone had ever told him that if his company would be provided work on the beef plant project in return for contributions to the question.

Moultrie answered "no" to both questions and was determined by Cormany that Moultrie's answers were not indicative of deception. The results were submitted to a former FBI polygraphist for quality control. A year later, in '07 after the government informed Moultrie and others about some four other developments in the investigation.

2: Oh-oh

1: Moultrie again underwent a polygraph test. This time he was asked if he had any type of agreement with anyone in his company would submit fraudulent bills on the MS beef contract. He answered, "no." Keifer's conclusion was: Moultrie was telling the truth.

His attorney representing Moultrie. asked court during the hearing to allow the results of the two tests to be presented as evidence during the trial. Mills did rule on May 13 denying the motion saying the science of polygraph examination is not sufficiently reliable and deemed to be admissible as evidence. How about that? The Mississippi official was not named in the indictments but a series of events outlined in the indictments match up with the campaign contributions Ronnie Musgrove reported in '03 when the Democrat then successfully served the second term as governor. Musgrove was not indicted. Indicted were though Nixon A. Cawood, 58 of Woodstock, GA, Charles K. Morehead, as well as Mr. Moultrie. Moultrie made an appearing in court on March 25 in Oxford and pleaded not guilty. They, of course, are out on bond at the moment. So just to pass that along to you.

2: They said it won't... Well...

1: But when has polygraph ever been used as evidence in a courtroom?

2: Exactly. That's the defense.

1: I mean, I have never heard of that. Have you?

2: No. Well, they are not reliable – it's a machine.

1: Yeah, what was it? Was it, somebody told me that what do you do...you put a tack in your shoe?

2: Yeah, yeah, yeah, something to divert your attention.

1: You step on it if you need to tell a lie.... Or step on it if you need to tell the truth or whatever...

2: Of course, if you are really, like, very wealthy, you can just buy your own polygraph and practice.

2: Really?

1: Why not?

2: I guess you have a good point there. I have never thought of it quite like that.

Yeah.

I never really thought about that...

No, you can't, you can't depend on.

Interesting...

Robert Moultrie, 67, of Smyrna; Charles K. Morehead, 57, of Lilburn and NixonCawood, 58, of Woodstock

Miss. SuperTalk
JT and Dave Show
6-25-08
Midday

Dave: The Georgia 3. All three are re-indicted today. In the main indictment they are accused of submitting fraudulent invoices to recover political contributions to an unnamed and unindicted public official's reelection campaign. Following this interview we wanna go into that and some sound likes (?) for maybe one of the players involved.

<...>

JT ...of knowing the MS beef plant was doomed to fail and not telling anybody. In Federal court documents stated today, as in a main indictment, they are accused of submitting fraudulent invoices to recover political contributions to an unnamed and unindicted public official's reelection campaign. They are also charged with conspiring and executing a scheme to obtain money by submitting invoices for work not performed and by fraudulently overstating and inflating cost associated with the plant construction. So this thing was bad, spoiled from the get-go!

Dave: Yes, apparently.

JT: As in the main indictment, they are accused of submitting fraudulent invoices for things that the taxpayers shouldn't have been charged for. But why do they charge those...eh-eh-eh in other words, they had some additional cost of political contributions. And instead of saying, look we'll pay for this, this is the cost of our operating, we'll do it on the legal side of the ledger... ah-ah-ah (and I don't know where the enticement or advice was coming from) but hey, just go on and we'll send them this (allegedly! On all of this!) we'll send them this bill and we'll cover that expense. This is not good news, folks.

The superseding indictment dated June 19 just appearing on a court's database accuses the Facilities Group of Smerna, GA, the executives, [three names are listed again] of corruptly making contributions to the re-election campaign to a public official to win a state contract on Yalobusha county beef producing plant. That part of the accusation is not new.

While no one publicly has identified the official as then governor Ronnie Musgrove, contributions by TFG and others match up with Musgrove's campaign financial reports from his field re-election campaign in 2003. Now a democratic candidate for the US Senate, governor Musgrove has maintained that he has done nothing wrong. But again, in this new information, in a brand-new 16-count indictment... This is, this is, this is not good news.

We had an interview that I did with governor Musgrove. And I'm trying to search for that as we speak. And I think I found it here but hang on. He talked about this and it's a couple of different parts of this. I'm just gonna play one. It's about 2 minutes. Just to give you a refresher. But, again, repeating, a new 16-count indictment accuses a previously indicted Georgia company and 3 executives of knowing the

beef plant was doomed to fail and not telling anybody— Federal court documents stated today, as being reported this morning in the *Daily Journal*. Here is that interview:

[Replaying parts of the interview]

Host: Have you been subpoenaed by the Grand Jury?

RM: No, I talked to everyone involved last year. Yeah, I mean just...

H: But recently you haven't...

RM: No, I mean, I think back when they were doing all the investigation, I think they talked to Phil Bryant, I mean, almost everyone involved in the whole process.

H: So, officially you have talked to the Grand Jury?

RM: I've talked to all of the involved and trying to answer the questions, and tell them everything that I knew.

H: You've received no information from them or no contact at all from them in the last two or three weeks?

RM: No.

H: As far as the contributions. What did they total? Was it 40 000 or 60 000? How much money are we talking about?

RM: Paul, every penny that I received, we reported it. And so whatever the reports all total up to is what it is. But it was probably somewhere around the 40-50 000 dollar mark. A number of people gave me that much or more, you know, so I had a number of very large contributors.

H: Is there some contemplation on your part of returning those dollars after the indictments?

RM: Everyone of the contributions that I received, to my knowledge, were legal, are legally reported. Certainly, all of these are allegations. There will be a trial and we will see what happens as a result of what all comes out.

H: But officially you are not gonna return the money?

RM: Well, I mean, again, they are just allegations. We don't know will [muffled] everything pay out...play out.

H: If there happen to be conviction would you contemplate returning the money?

RM: Well, depending on what...what...yes. Depending on what... Well, let me withdraw that. I don't know that I'd return anything to the Facility Group [laughs], if they have been actually convicted. It looks like to me that what the second allegation is, is that somehow there is some allegation that they

concocted some scheme to charge the state of Mississippi. Now, certainly, that's was after I was out of the office. I know absolutely nothing about that. But if they or anyone else has taken steps to defraud the state of Mississippi, then, certainly, they need to be punished for that.

H: Well, well, let's talk about that. You never took a company plane?

RM: I never took a state plane. I thought that's what...

H [*interrupts*]: No, no, the company plane.

RM: Oh, I don't know about tha...Yes, I was provided but, I mean, I didn't do anything...

H [*interrupting, soothingly*]: I, I understand that. But what I'm saying, well, you did take a company plane over to meet with them.

RM: I don't know, Paul whether it was a company plane or a charter plane. All...I but yes, I was there and I flew over there and flew back. And it wasn't on state plane. And it was...it may have very well been their plane or it could've been a charter plane. I have no idea.

H: Were you aware at some point that they charged that back in their expense report to the state of Mississippi and the taxpayers?

RM: Absolutely not. If I understand what is going on, and, again, I don't know, all of that was done after 2004. I mean, when I was out of office. I mean, I don't know anything that happened internally about what kind of bills they were submitting to the MDA, or what were they approving or paying, what the state auditor was doing at that time. That's just all when I was out of office.

H: What kind of contact did you have with Bob Rohrlack at that time, as far as staying in touch? Do you have any at all, as far as MDA is concerned?

RM: No, not really.

[*End of 5-5-08 interview recording*]

JT: So, to be honest with you, folks, I don't know what the time line is on this. I mean, because we are talking about the owls [??] agreements, signatures, everything, *prior* to him leaving the governor's office. What went on and, to be honest with you, just to see a lot of these things happen, or transactions happen, or were ascertain *after* he left office. Let's not negate the fact which one of these things were done *before* he left office. Or just were not, or agreed upon, were not executed later. And therefore, the timeline is most, most important in this. But, again, repeating, in a story this morning from the *Daily Journal*, a 16-count indictment accuses, etc., etc. [*Repeats the whole thing again*]

<...>

Host: **We need to go back and to check the Facilities Group itself.** It is amazing everything that could possibly go wrong with this project went wrong. We chose the wrong people to operate the plant, we

chose the wrong people to come up and clean up a mess by choosing the wrong people to run the plant. We had the wrong people *choosing* the wrong people, to be honest with you. And only in the state of Mississippi, and maybe Louisiana, can some of these people not only be re-elected but some of them with a pretty good majority. Only in MS.

Only in MS would Lester Spell would still be the Commissioner of Agriculture, even though you hardly hear from him anymore, sitting quiet for the next four years. Only in MS could a state-wide official change the parties and still be re-elected. After committing something such as this! Only in MS would a guy who pounded his fist and told the people who had objections to this “You will get this done!” —Billy McCoy. And let people sitting across the desk, whether it was Bob Rohrlack or other folks, know that I am the boss, I am powerful. This is gonna be done. This is the Nissan of North MS. This is for our farmers in the state, and by damn, it will be done! Do not go against me! Only in MS would that person be reelected and reappointed by the members of the MS House as the Speaker. And put us in a situation we are in today. Only in MS could you have that same person wanting to rape, molest, mutilate, and embarrass the freedom of speech by trying to shut us up for saying exactly what we were saying this morning. It’s amazing!

The end of the article is what appears to be new char...new in these charges that Caywood and the Facility Group (Caywood – one of the officials there) learned about March 6, 2003 from one of its *design engineers* that National Beef Producers considered the operation a money pit and that it might not be economically viable in the long run without enough live stock to support the kill facility for more than 24 months.

So, come on folks, this is another indication that if if the people in this state, if Steve Holland, Bo Eaton, Tommy Reynolds – all of these folks, Billy McCoy – all of folks in charge of this. If these folks. You you you almost have to be a deaf-mute, to be honest with you not to be getting this information. From the survey or surveys from Mississippi State, who said, if this would happen, if that would happen, then this could be successful. And then telling them, why we wanted to, we wanted to be more of optimistic on that. Take this out, take that out.

So, again, information this morning, that even the people of the Facilities Group, the GA Group knew that this thing was going on. Why wouldn’t you come back and say, you know, we have a chance to make some money on this thing. We have a chance to make some money on this thing. Let’s don’t tell anybody it’s a money pit. You know, we’ve got MS State survey now we find out we have some industry leaders, engineers, design engineers from the National Beef Producers, **who were feeding information back to the Facility Group saying,**

- **Hey guys, this is a money pit, what the heck you are doing?**

- Shh-Shh, we’ve got a chance to make some money. And to help it out I need a help of some contributions to a particular political over there. How are we going to cover this cost?

Don’t’ worry about it! Don’t worry about it! You’ve got a piece of paper – that’s all I need. Got a pen? We’ll take care of that! Need an invoice? – Create it! We’ll take care of it!

And now we are looking at, well, people playing politics. What's happening in November! Chickens are coming home to roost! ...

<...>

JT: Yes, we have a beef plant story today. You know, Dave,

Dave: Yeah?

JT: It's a great day in MS when JT and Dave get to do another beef plant story. Stay with us we'll be right back.

Jt: Today folks. Times 16, times 3. A beef plant story here today.

D: And there is a lot of *deja vieu* involved in it.

JT: Deja vu? That sort of ...

D: "All over again."

JT: Yeah, that's one.... That's right, deja vu, That's when you feel like you've been there before.

D: Yeah. All over again. That's weird isn't it?

JT: Yeah because the case they are making sounds awful.

D: Awful familiar.

JT: Yes, it does.

<...>

[*Mooing as on March 26, beginning of the program*]

JT: Yeah!

D: The phantom cows.

JT: There they are. There they are. You hear them?

D: Now you see them, then you didn't

JT: [muffled]

[Play a recording] And I'm big on checking folks out.

D[*as though to himself*]: Aha.

Recording: We have got a perfect pedigree in Halls

JT: Right...

D [*as though to himself*]: Yeah...Absolutely

Recording: They are good people.

D: Right.

JT: That's right. Good people.

D: [*muffled*] 55 million.

JT: Ah, the JT and Dave show.

[*The cows are continuously mooing throughout this intro*]

JT: A new 16-count in [*interrupts himself, joyfully*]: Boy, there is a lot of stuff going on up in Oxford, isn't it!

D: Yeah. Let's preface this.

JT [*idiotically joyfully*]: Man, I can't wait to be there tomorrow!

D: Let's preface this by saying that two days before this happened, the traveling salesman, who is involved in trial, suddenly his trial was moved to back. 48 hours later, *this* comes out. Just interesting timelines.

JT: A new 16-count indictments accuses a previously indicted Georgia company and three executives...are you ready for this?

D: I'm ready!

JT: Are you all sitting down for this, folks?

D [*laughs*]

JT: A new 16-count indictments accuses a previously indicted Georgia company and three executives of *knowing* that the MS beef plant was doomed to fail and [*drops his voice*] not telling anybody. Of course, you know, it's easy [*screams parodying the accused apparently*]:

- See, I told y'all. They didn't tell us! We should have known!
Well, ...

D: That' *bull*.

JT: When you hire someone as the Facility Group was hired and paid upfront, they are supposed to tell you the viability and so for, and so on. 'Cause that's why you hire them as a consultant. Right?

D [*agrees*]: U-hum.

JT: And if they see that this isn't gonna work, they are supposed to tell you as a consultant: "This is not gonna happen."

D: [*agrees*]: U-hum.

JT: "This is not gonna work. You need to stop and pay us now." But instead of doing that,

D: Well, read the story.

JT: As in their March indictment, they are accused of "submitting fraudulent invoices to recover political contributions to an unnamed and unindicted public official's reelection campaign." Which, of course, all fingers point toward Ronnie Musgrove.

D: We don't know that for sure, but that's what they point toward.

[*the mooing stops finally at this point*]

JT: They are also charged with "executing a scheme to obtain money by submitting invoices for work not performed and fraudulently overstating and inflating cost associated with the plant's construction. The superseding indictment, dated June 19, would appear Tuesday on a court database re-accuses [*three names are listed again*] of corruptly making contributions to the official's campaign to win a state contract for the beef processing plant, and then billing the project to reimburse those said contributions. The Facility Group was hired by the state to evaluate the plant's construction and then do the management of this construction. The men are scheduled to be around [??] on the new charges Tuesday. They were set for an August 25 trial on the old 16-count indictment. It was not apparent Tuesday how that date might be affected." Of course, the plant was built in Yalobusha County. You know, Tomy Raynolds land.

D: U-huh.

JT: That's the same guy who wouldn't let us vote on the voter ID.

D: U-huh.

JT [*reads*]: "The plant built in Yalobusha County opened on August 4 and failed three months later leaving 400 people unemployed. And costing the state of MS \$55 million in loan defaults" [*the form of debt is mentioned for the first time here*]. "Two men associated with the plant's construction and operation were sentenced to prison for their own actions in the scandal." That would be Richard Hall, Jr. and Sean Carrothers.

D: Right.

JT: Has Jim Hood brought any state charges against Carrothers, again?

D: Not a one! Not a single one!

JT: Not a one. I was just checking.

D: Not one! Not a single one!

JT: I was just checking. "While the unnamed official has not been publicly recognized by the government, contributions by the Facility Groups, Caywood, Moultry, and Morehead match up with the \$50 000 and then governor Ronnie Musgrove's campaign finance reports from his failed re-election campaign in '03." Of course, you know now. He is a democratic candidate for the US Senate. He maintains, [*dramatically lowers the voice and pronounces ve-ry-slow-ly*] has done nothings wrong.

D: Well, he did report the contributions.

JT: Governor Musgrove believes that anyone, who defrauds the state of MS should be prosecuted to the fullest extent of the law. The new indictment says again that to avoid MS's limit of \$1000 per candidate per election on corporate contributions. They used company employees as "straw" contributors who gave to an unnamed political campaign and then were reimbursed by the company

D: With a bonus, remember?

JT [whining loudly into his nose]: But nobody did anything wrong!

"What appears to be new are charges that Caywood and the Facility Group learned in early March of '03 from one of its design engineers that National Beef Producers considered the operation a, quote, 'money pit,' and that it would not be economically viable in the long run without enough live stock to support the kill facility for more than about 24 months. Beef producers feel the operation won't last 2 years, if it ever gets started."

D: That was 5 years ago.

JT: "...the government's claims the engineer's memo stated. The memo also speculated the state could face *serious* problems with its earned secured loan. The new indictment states that the Facility engineer Group... the Facility Group engineer further warned, 'if we go in without controlling/ controlled and effective plan we could be blamed for the failure.' The engineer then requested that Caywood, quote 'please, guard the confidential information'."

D: Well, there were some more people that tried to tell them that it wouldn't work. It started with USDA study back in Louisiana. And then, of course, the study by MS State University. Remember? Remember?

JT: I've told you! It's awful familiar sound!

D [*after a long pause*]: Remember? So, that's kind of consultant I want!

JT: Y'all never forget y'r old beef plant, hah?

D: Isn't that something? Hire somebody to consult you and tell you, you know, what's what. If this is true, they have just shook us down.

JT: And, again, too, you also have to remember that the same people that were involved with the beef plant. You know, the people who berthed it on the Natchez Trace,

JT: Yeah, thought it up.

D: Are the same people who are holding up a special session and won't let people vote. That'd be your Speaker of the House, Billy McCoy. All right, 'cause, I mean, we've seen it in print. He said him and Steve Holland I believe it was Steve Holland, who said they were on the Natchez Trace and they berthed up the beef plant.

D & JT: We have no market for cold cow whatsoever. No market whatsoever. And that turned out to be absolutely true.

JT [*laughs*]: Even after they've tried to make one. Even after they've tried, even after they've tried to make one.

D: It turned out to be true. There is no market for a cold cow.

JT: Meanwhile, the second time the Federal trial for the TN refrigeration Company sales representative charged with pocketing funds has been delayed.

D: U-hm.

JT: James Traper [??] Scheduled in Tupelo, I believe it was yesterday. But Mike O'Mills rescheduled it for July 21. No reason why. He faces 30 years in prison. [*etc, the rest of the story*]

JT: Nothing like a good old beef plant story, isn't Ronnie? Welcome to the program. Hello?

[*start the discussion of how interesting the fact is that the re-indictment comes out 48 hours after the trial of the salesman*]