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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF MISSISSIPPI

UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF MISSISSIPPI

UNITED STATES OF AMERICA

v.

CRIMINAL NO. 3:08CR014

ROBERT MOULTRIE, ET AL.

Factual Basis

Through eyewitness and documentary evidence, the United States would establish that Robert Moultrie would and did make and cause to be made a payment, in the form of a campaign contribution to the re-election campaign of a public official from the State of Mississippi, as a gratuity that was made with the intent to reward or influence the agent's performance of his official acts in connection with the management of the design and construction of the Mississippi Beef Processors project, in violation of 18 U.S.C. 666(a)(2).

In 2000, members of the Mississippi Legislature, the Mississippi Development Authority and the Land, Water, Timber Resources Board, in an ill-conceived plan, chose Richard Hall to construct and manage and beef processing plant to be located in Yalobusha County, Mississippi. Hall was given \$5,000,000 in grant money to begin the project. However, Hall was unable to obtain permanent financing. In February, 2002, the Legislature passed legislation to guarantee a then \$21,000,000 loan package backing Community Bank.

Hall was soon well over his budget and the project was significantly behind schedule. In January, 2003, Hall requested an addition \$5,500,000. Community Bank sent a notice of adverse financial condition and ceased funding the project. The bank and MDA decided that the project needed a general manager and contacted The Facility Group of Smyrna, Georgia.

In March 2003, the State and bank officials chose Facility Construction Management Inc. (FCMI) to manage the project to completion. In July, 2003, a construction management contract between FCMI, the Bank, and MDA was finalized and executed. FCMI then managed the design and construction of the beef plant through its completion. They turned the plant over to Hall in August, 2004, leaving a basically functioning plant.

Between May and July, 2003, Robert Moultrie, Chairman and Chief Executive Officer of The Facility Group, began planning a fund raiser for the public official, then Mississippi Governor Ronnie Musgrove, at his residence in Atlanta, Georgia, in order to obtain his good will. Moultrie and Nick Cawood, President and Chief Operating Officer of The Facility Group, invited several FCMI employees to attend the fund raiser and donate \$1,000 each. Cawood told the employees that they would be reimbursed for these contributions through bonuses to their salaries. The fund raiser was held on July 23, 2003 and raised approximately \$50,000 for Musgrove's campaign. Subsequently, the company reimbursed their employees.

In July, 2003, Moultrie caused to be created The Facility Group Political Action Committee. In August, 2003, to complete the amount contemplated in the July fund raiser, Moultrie caused the PAC to issue a \$20,000 check to Musgrove's campaign. However, in September, 2003, Musgrove contacted Moultrie for another campaign contribution of \$25,000. At the time, The Facility Group was aware of potential problems in the design and construction of the plant. Moultrie and Cawood subsequently had a conversation about giving this contribution to Musgrove intending to influence and reward him for the performance of his official duties should his assistance be needed on any potential problems on the project. On or about September 30, 2003, Moultrie caused the PAC to issue another check for \$25,000 to the campaign of the public official.

On August 23, 2004, the Mississippi Beef Processors plant finally opened for business. While there were problems with removing the waste materials from the processing of the cattle, the plant functioned. Those problems were worked out and Hall began processing hundreds of head of cattle a day. However, the plant experienced significant financial, operational and other shortfalls due to the mismanagement of Richard N. Hall, Jr. and Mississippi Beef Processors, LLC. As a result of these administration problems the plant closed approximately three months later on November 17, 2004. At that time more than 18,000 head of cattle had been processed at the plant.

The Government would also prove that in 2003, the MDA received in excess of \$10,000 in federal assistance and provided oversight of funds administered by the Mississippi Land, Water and Timber Resources Board. In addition, the public official, then Governor Musgrove, was authorized by law to appoint the Director of the Mississippi Development Authority as well as certain members of the Mississippi Land, Water and Resources Board and had lawful authority to veto legislation concerning the funding of the Mississippi Beef Processors Project.

Finally, we would ask the Court to take judicial notice that Yalobusha County, Mississippi, the site of the beef plant is within the Northern Judicial District.