

Balducci: The eye of a legal storm

12/22/2007 6:52:29 AM
Daily Journal

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Daily Journal Oxford Bureau

NEW ALBANY – Some people in this Union County seat wonder how their town ended up identified with Timothy Balducci, a confessed bribery conspirator-turned-informant.

A former public defender, a special assistant state attorney general and a trial lawyer, the 1991 University of Mississippi Law School graduate moved here less than a year ago to establish a law practice after leaving The Langston Law Firm in Booneville, where he and his family had lived several years.

The government claims it was while building his own firm that he plotted to bribe Circuit Judge Henry Lackey of Calhoun City to rule in favor of Oxford mega lawyer Richard “Dickie” Scruggs’ firm for legal fees related to Hurricane Katrina insurance settlements.

Balducci was federally indicted Nov. 28 on six counts in an alleged bribery conspiracy. Indicted with him were Scruggs, his attorney son Zach, Oxford legal associate Sidney Backstrom and former State Auditor Steven A. Patterson, who worked with Balducci in his New Albany office.

They all pleaded not guilty, but hours after Balducci’s pleas, he changed his mind, pleaded guilty to one count and reportedly agreed to help prosecutors. His whereabouts are not known publicly, but he reportedly is under federal protection.

Why New Albany?

Balducci may have left Booneville because while Langston at times referred to him as a “partner,” Langston reportedly does not share ownership of the firm with his associates. That may not have set well with Balducci, often described as ambitious.

But why he chose New Albany, instead of some other county seat or even a bigger city, isn’t clear. According to Union County officials, Balducci has had a part in only one case in circuit court – a lawsuit seeking compensation for damage to a recreational vehicle – and two uncontested divorces in chancery court.

“I’ve never heard anybody say why he moved here,” said one New Albany attorney who asked not to be identified. Another wondered if it were to benefit from what he said was the New Albany legal community’s “squeaky clean” reputation.

Some speculate Balducci’s move was prompted by his practice partner, Steve Patterson, who had lived here as a child and had moved back to re-establish roots. Patterson had worked in various

financial and politically connected capacities since he was forced to resign as state auditor over an illegal car tag.

They set up shop at 207 E. Main St.

Balducci seems to have been the legal brains, while Patterson's long-time political connections worked the Mississippi byways and reached to the nation's capital, where they maintained an office on storied Pennsylvania Avenue.

The firm named several prominent attorneys "of counsel" – associated with but not regular employees of the firm – including former U.S. Magistrate Judge Norman Gillespie, former Hinds County District Attorney Ed Peters, former Gov. Bill Allain and former Chancery Judge Rodney Shands.

The firm Patterson Balducci PLLC stirred controversy, however, when local residents came to believe Patterson and investigator Beau Buse were also attorneys.

After longtime New Albany attorney Tom McDonough noted publicly that Patterson was not an attorney, Patterson responded in a letter, "Piss ants often try to disrupt picnics, but rarely do. Be assured you will not disrupt mine."

Steve Livingston, as president of the Union County Bar Association, issued a formal complaint to the Mississippi Bar Association about the issue in July but, as of a few days ago, had received no response.

In the spotlight

When Balducci changed his plea to guilty and became a government informant Dec. 4, he agreed to cooperate with federal authorities in their continuing investigation. He has not spoken with media representatives, which gives energy to speculation that he and his family may be in the federal Witness Protection Program.

Some say it's merely federal protection, perhaps the government's oversight to ensure he testifies, when and if a trial gets under way.

Area attorneys lament the tarnish being added to their image by Balducci's admitted misdeeds and the alleged misdeeds of his co-indictees.

"I think it affects the legal profession in the whole state of Mississippi. It makes us look bad," Livingston said. Whether the charges are "true or not true, it's still mud thrown on us."

Who is Tim Balducci?

Born in Cleveland, Miss., on Nov. 17, 1967, Timothy Reese Balducci grew up in Shelby, the son of a Delta banker, and earned his bachelor of arts degree with honors at Delta State University, where he was a member of Pi Kappa Alpha fraternity. After graduation he completed Ole Miss law school. He was licensed to practice in four states and the District of Columbia, no simple feat.

Some law school classmates, none of whom claimed to know Balducci well, had varying recollections of him.

"At that time I knew him to be a very honest person, and competent and diligent," said Oxford attorney Jay Westfaul. "He was a very kind person."

Ed Ellis, a Pensacola, Fla., attorney, had a different view.

"I never got along with him," said Ellis. "I just never thought he was that trustworthy."

The Scruggses, Backstrom and Patterson might say the same in hindsight, if they were talking publicly.

In their Nov. 28 indictment, Balducci is alleged to have:

- Called Judge Lackey on March 28 and asked to meet him later in the day, when Balducci "made an overture" to the judge to resolve the Katrina legal-fees case.
- Called Judge Lackey on May 3 to ask for what he considered a more favorable approach to settling the case.
- Talked to Judge Lackey on May 9 to say he was highly trusted by Scruggs and his close confidante in the bribery scheme.
- Agreed on Sept. 21 to pay Judge Lackey \$40,000 on behalf of Scruggs and the firm for the favorable ruling, then called Backstrom about the transaction.
- Discussed the bribe with Patterson on Sept. 27,
- Delivered \$20,000 in cash to the judge Sept. 27.
- Told Patterson on Sept. 27 "All is done, all is handled and all is well."

It was on Sept. 27 the government says it nailed Balducci with a recorded conversation and video of his visit with Lackey.

His co-defendants insist on their innocence. Scruggs' defense attorney, John Kecker of California, has termed Balducci a Scruggs "wannabe" who was acting on his own to impress everybody else.

Ole Miss Law School Professor emeritus Guff Abbott recalled of Balducci, "He was just a nice young fellow, and as I remember, he was really smart."

On the Booneville street where the Balduccis' former home – a 5,400-square-foot, \$524,900 colonial – still stands waiting for a buyer, several neighbors remember Tim and Jennifer Balducci, an Amory girl, and their sons, now ages 11 or 12, as "nice neighbors."

"Their twin boys used to play with my grandson," said one woman who lives nearby. "They loved football."

Debbie Wright remembers that the Balduccis would invite the whole neighborhood to their New Year's Eve parties, mixing with some of the highest-profile lawyers in the region.

"It usually wasn't a music-and-dancing party; it was just to mix and mingle," she recalled. "One year they hosted a wedding, where (the couple) got married right at midnight."

Wright described Jennifer Balducci, who was a stay-at-home mother when they lived in Booneville, as "laid back" and "down to earth."

Different face

Tim Balducci's legal work, however, was hardly "laid back." Shortly after passing the bar, he and classmate Kent Smith set up a practice in Oxford, where they took on the role of public

defenders.

For a time he also had an interest in an Oxford company named Off-Square Leasing at 405 S. Lamar Blvd., where an accounting firm now holds sway just south of the famed Square.

While he was with Joey Langston's high-powered firm in Booneville, Balducci worked as a special assistant attorney general on a state case against pharmacy giant Eli Lilly and to recover taxes from Bernie Ebbers' once-touted MCI/WorldCom. Balducci later partnered with Langston to sue Phil Bryant, state auditor and lieutenant governor-elect, over fees from the MCI/WorldCom case.

A window into who Tim Balducci considered himself to be was published quite literally in black and white on his company Web site, www.timbalducci.com, which has been taken down.

"Tim has gained a reputation as an aggressive advocate, but an honest adversary," the Internet site said in describing him as "a successful trial lawyer."

"Tim has quite a reputation as a premier criminal defense attorney," too, it proudly boasted. He and Patterson had plans bigger than Union County, though.

The Web site touts their Washington, D.C., office, which it said, "concentrates its national and international representation of clients to cases concerning governmental regulations, federal compliance and litigation resolution."

They also were recent heavy contributors to the presidential campaign of Sen. Joseph Biden, D-Dela.

One can only wonder what pushed Balducci to his admitted bribery attempt. Ambition. The need to be accepted by other important people professionally, especially after a possible rebuff from Langston's firm?

"I was just so shocked – I would never have thought that of him," said Lafayette County Circuit Clerk Mary Alice Busby. "He was always very caring, always jolly, very smart. I just thought he was going to be one of the best young trial lawyers in the state. He had a rapport with the juries."

What surprised Busby even more was just how Balducci fell from grace.

"We all love Judge Lackey," she said. "We couldn't believe Tim would ever try to bribe him. Evidently there was a side of Tim that we didn't know. We just never saw it."

Lackey himself admitted both anger at and concern for Balducci when Lackey first decided to confide in federal law enforcement officials.

"I worried what would become of this young man, his wife, his children," Lackey told the Wall Street Journal soon after their indictments. "He was one of the brightest legal stars on the horizon that I'd come across, and I worried a great deal about the consequences."

What's next for Balducci?

Tim Balducci observed his 40th birthday just nine days before his life and career came crashing down with the federal indictment. Observers of the case speculate he was under the government's "direction" by that time. He may already have known his cherished legal career, his well-heeled life, his political connections and his comfortable lifestyle were over.

Balducci's plea agreement includes helping federal investigators and prosecutors in building their case against Patterson, the Scruggses and their associate Backstrom.

According to Mississippi Bar Association counsel Adam Kilgore, those under indictment are still free to practice law, although the Scruggs firm has turned over Katrina work to other members of the Scruggs Katrina Group, recently re-named the Katrina Litigation Group.

Attorney General Jim Hood says Balducci's status as a special assistant attorney general was strictly as an employee of The Langston Law Firm.

"His only involvement with our office is in whatever tasks he was assigned by his employer," Hood told the Daily Journal.

Hood's chief of staff, Geoffrey Morgan, added, "To my knowledge, Timothy Balducci has not handled any part of the Eli Lilly case since on or about Dec. 1, 2006, when he left the Langston Law Firm."

More details about Balducci's background, both personal and professional, will emerge at the upcoming trial, which was moved Friday from Jan. 22 to Feb. 25. And as the government's key witness, the once-promising attorney will find himself at the center of a firestorm, one likely to make headlines around the nation.

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