

No. 11-\_\_\_\_

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IN THE  
**Supreme Court of the United States**

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DON EUGENE SIEGELMAN,  
*Petitioner,*

v.

UNITED STATES OF AMERICA,  
*Respondent.*

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**Petition for Writ of Certiorari to the  
United States Court of Appeals  
for the Eleventh Circuit**

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**PETITION FOR WRIT OF CERTIORARI**

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## QUESTIONS PRESENTED

1. Under *McCormick v. United States*, 500 U.S. 257, 273 (1991), a connection between a campaign contribution and an official action is a crime “only if the payments are made in return for an explicit promise or undertaking by the official to perform or not to perform an official act.”

Does this standard require proof of an “explicit” *quid pro quo* in the sense of actually being communicated expressly, or can there be a conviction based instead only on the inference that there was an *unstated* and *implied* agreement connecting a campaign contribution and an official action?

2. Do 18 U.S.C. § 666 and “honest services” law (under 18 U.S.C. § 1346) cover campaign or referendum contributions as alleged bribes at all?

3. Does the “intent” clause of 18 U.S.C. § 1512(b)(3) require proof of the specific intent to interfere with communications to law enforcement, or is it satisfied by proof of an intent to engage in a “coverup” more generically?

**PARTIES TO THE PROCEEDING BELOW**

The parties in the Court of Appeals were Don Eugene Siegelman (Petitioner), as Defendant-Appellant; Richard Scrushy, as Defendant-Appellant; and United States of America (Respondent), Appellee.

There were other defendants in the District Court, Paul Michael Hamrick and Gary Mack Roberts, but they were not parties in the Court of Appeals.

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**PETITION FOR WRIT OF CERTIORARI**

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Petitioner Don Eugene Siegelman respectfully prays that a writ of certiorari issue to review the decision of the United States Court of Appeals for the Eleventh Circuit, *United States v. Siegelman*, 640 F.3d 1159 (11th Cir. 2011). This Court vacated an earlier opinion and remanded for further consideration in light of *Skilling v. United States*, 130 S.Ct. 2896 (2010). *United States v. Siegelman*, 561 F.3d 1215 (11th Cir. 2009), *vacated*, 130 S.Ct. 3542 (2010). The second appellate opinion is largely the same as the first; we respectfully seek this Court's review again.

### **OPINIONS BELOW**

The opinion of the Court of Appeals, 640 F.3d 1159, is in the Appendix at 1a-60a. The order denying rehearing is at 61a. The order and opinion of the United States District Court for the Middle District of Alabama, denying motions for judgment of acquittal, is at 64a-71a. The relevant jury instructions as given are at 62a-63a.

### **JURISDICTION**

This Court has jurisdiction under 28 U.S.C. § 1254(1). The Court of Appeals issued its decision on May 10, 2011, and denied Governor Siegelman's timely application for rehearing on November 9, 2011.

### **STATUTES INVOLVED**

The statutes at issue are in the appendix, 72a-74a.

### **STATEMENT**

Petitioner, Don Siegelman, was the Governor of Alabama from 1999 to 2003. He had previously served as Alabama's Lieutenant Governor, Secretary of State, and Attorney General.

In 2005, Governor Siegelman was indicted along with other defendants in the United States District Court for the Middle District of Alabama. The jury rejected most charges, but convicted Governor Siegelman on seven counts.

Six of those counts were 18 U.S.C. §§ 1341 and 1346 "honest services" mail fraud, 18 U.S.C. § 666 bribery, and conspiracy charges, all relating to Governor Siegelman's appointment of co-defendant

Richard Scrushy to the State's Certificate of Need (C.O.N.) Board. The theory of the prosecution was that Governor Siegelman's exercise of his appointment power was linked to contributions that Scrushy had raised to support a referendum campaign. The campaign, which Governor Siegelman supported, would have established a State lottery to fund public education. The seventh and final count of conviction was an obstruction of justice charge under 18 U.S.C. § 1512(b)(3).

This Petition presents important questions of law, raising the concern that Governor Siegelman has been convicted for things that are not crimes. Answers to these questions are important, not only for the sake of Governor Siegelman, but for the sake of all elected officials throughout the nation, and of all who contribute to electoral or issue campaigns.

#### **A. The charges relating to the C.O.N. Board appointment, and Questions 1 and 2.**

First, the case presents the question whether campaign contributions (in an electoral or, as in this case, a referendum campaign) can be prosecuted as bribes under 18 U.S.C. § 666 and 18 U.S.C. § 1346 ("honest services") – and, if so, what linkage between contribution and official action must be proven in order to constitute a crime.

Government officials often appoint major political contributors to boards, ambassadorships and the like. Officials often take other actions as well, such as legislative votes or executive action, that benefit people who have given them campaign contributions. Some degree of linkage between campaign contribution and action can be inferred in many cases, if not all. It is a fact that some find unfortunate. Others,

untroubled, see it as the fruit of constitutionally protected expression or just as the way the world works. But it is a simple fact: money is the lifeblood of modern politics, and most if not all officials are responsive in at least some degree to those who contribute.<sup>1</sup>

What degree or type of linkage is enough to take a case across the line from politics into crime? This Court answered this question, as to the Hobbs Act, in *McCormick v. United States*, 500 U.S. 257, 273 (1991): there is a crime “only if the payments are made in return for an explicit promise or undertaking by the official to perform or not to perform an official act. In such situations the official asserts that his official conduct will be controlled by the terms of the promise or undertaking.” The Court’s key words there include “explicit,” “asserts,” and “terms” – words that (especially when taken all together) convey, at least to many readers, the understanding that only an overtly spoken *quid pro quo* communication between the contributor and the official amounts to a crime.

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<sup>1</sup> As the *Washington Post* put it recently, “Wealthy donors who bundle contributions for candidates have long exercised inordinate influence in U.S. politics, often being rewarded with cushy ambassadorships or powerful positions in Washington. But recent changes in the landscape of campaign-finance law have given these donors even greater influence with candidates and their advisers.” See “The 2012 election brings a new kind of fundraiser: The super bundler,” *Washington Post*, August 16, 2011. See also “Embassy Openings for Open Wallets,” *Washington Post*, January 19, 2011 (discussing those ambassadorships that are “the traditionally-for-sale category” and stating that “the really plum ones are likely to go for upward of \$1 million”).

This case involves other federal statutes, yet it implicates the same concerns and considerations that drove *McCormick*. It calls upon the Court to decide whether these statutes even cover electoral or (here) issue-referendum campaign contributions, when the history shows that the Congress in enacting these statutes did not mean to be addressing this difficult and constitutionally-sensitive area. And, if these statutes do cover campaign contributions, the case calls upon this Court to clarify what the *McCormick* standard is; for it should be uncontroversial that the *McCormick* standard applies under these laws, if these laws do cover campaign contributions at all. Does *McCormick* require proof of an actual communication by the official, promising or agreeing that the action will follow the contribution? Or can there be a conviction based instead only on the inference of an unspoken state-of-mind agreement linking the two? If it is the latter, as the court below held in this case, then prosecutorial discretion to select high-profile targets for investigation and prosecution is extraordinarily broad.

The allegation, again, was that there was an unlawful connection between Governor Siegelman's appointment of Scrushy to the C.O.N. Board, and Scrushy's raising of contributions for a referendum campaign that Governor Siegelman supported.

Scrushy was the CEO of one of Alabama's, and the nation's, leading healthcare corporations. He had served on Alabama's C.O.N. Board through appointment by three previous Governors. Several seats on the Board are reserved by law to health care provider representatives. [5a, 640 F.3d at 1165 & n.5].

One of Governor Siegelman's initiatives, during his campaign and his administration, was a State lottery, with the proceeds to support education. Other States had instituted such programs with great success. Under Alabama law, creating such a program would require a vote of the people. There was, therefore, an issue-advocacy or referendum campaign on the question. Governor Siegelman raised contributions to a fund supporting the pro-lottery side of that referendum campaign. [4a, 640 F.3d at 1165].

Scrushy raised and made substantial contributions to the lottery campaign. And Governor Siegelman re-appointed Scrushy to the C.O.N. Board.

What connection, if any, was there between the contributions and the appointment? The key parts of the prosecution's evidence came through the testimony of Governor Siegelman's former aide Nick Bailey, who was testifying under a cooperation agreement with the government and hoping for a reduced sentence himself. Taking Bailey's testimony as true, one could conclude that Governor Siegelman sent word to Scrushy that he wanted Scrushy to contribute substantially to the lottery campaign. And one could conclude that Bailey told Governor Siegelman that Scrushy wanted reappointment to the C.O.N. Board. One could also conclude that Scrushy or his colleagues saw the contribution as the key to obtaining the reappointment.

In terms of what Governor Siegelman knew or said about any connection between the contribution and the appointment, again the high-water mark of the prosecution's evidence came through Bailey's testimony. Bailey testified that he "reminded the Governor periodically of the conversations that [Bailey] had

with [Scrushy associate] Eric Hanson and the conversations that the Governor had with Eric Hanson about what Mr. Scrushy wanted for his contributions, and that was the CON Board.” [6a, 640 F.3d at 1166]. And Bailey testified that after Scrushy made the first substantial contribution, Bailey and Governor Siegelman had a conversation. As the Court of Appeals recounted it, “Bailey asked, ‘what in the world is he [Scrushy] going to want for that?’ Siegelman replied, ‘the CON Board.’ Bailey then asked, ‘I wouldn’t think that would be a problem, would it?’ Siegelman responded, ‘I wouldn’t think so.’” [8a, 640 F.3d at 1167].<sup>2</sup>

In other words, there is certainly no evidence beyond a reasonable doubt that Governor Siegelman actually promised Scrushy, or overtly stated to or agreed with him, that an appointment to the C.O.N. Board would be given in exchange for contribution to the lottery campaign. The Court of Appeals did not suggest that there was such evidence. Instead it held, as we will discuss in more depth below, that *McCormick* does not require such evidence.

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<sup>2</sup> The conflict within Bailey’s testimony, as recounted above, demonstrates how unsteady the proof of a *quid pro quo* can be, while still passing muster under the view of the law taken by the court below. Bailey first has himself telling Governor Siegelman repeatedly what Scrushy wanted; but then, quite oddly, he has himself asking Governor Siegelman what Scrushy wanted. In neither version is there evidence that Governor Siegelman actually promised Scrushy the appointment in return for the contribution. If shaky proof such as this will suffice instead of proof of an actual *quid pro quo* communication by the official to the donor, then proof of the crime is markedly easy and the range of potential prosecutorial targets is troublingly wide.

Governor Siegelman presented and preserved his contention about the applicable legal standard following *McCormick*, in terms of both jury instructions and sufficiency of the evidence. He proposed jury instructions that would have told the jury of the necessity of proof beyond a reasonable doubt of an “explicit *quid pro quo*” connection between the contributions and the appointment. And he objected to the District Court’s instructions on the grounds that they failed to include that element. The District Court’s “honest services” fraud instructions required no proof of a *quid pro quo* arrangement at all, but instead allowed conviction upon the mere conclusion that Governor Siegelman “intended” to act “as a result of” campaign contributions. [62a]. The District Court’s § 666 instructions told the jury that there must be proof that the official and the contributor “agree that the official will take specific action in exchange for the thing of value.” [16a, 640 F.3d at 1170]. But, over Governor Siegelman’s objection, the District Court refused to tell the jury that such “agreement” must be of the “explicit” sort, as contrasted with being just a matter of an unspoken state of mind that is inferred from the circumstances. On appeal, Governor Siegelman continued to press the argument, both as to jury instructions and as to sufficiency of the evidence; and he argued that the statutes at issue do not cover referendum campaign contributions at all.

The Court of Appeals did not deny that the *McCormick* standard applies to campaign-contribution cases under the “honest services” statute and § 666, just as it does under the Hobbs Act. Nor did the Court of Appeals deny that the *McCormick* standard applies to cases involving referendum contributions, just as it does to office-election campaigns.



The Court of Appeals also did not suggest that the evidence was sufficient, or that the jury instructions were correct, if Governor Siegelman was correct on the content of the *McCormick* standard. The Court of Appeals did not suggest that the conviction could be affirmed if the law requires proof beyond a reasonable doubt of an actual overt *quid pro quo* promise or undertaking.

Instead, the Court of Appeals affirmed the conviction on these counts by disagreeing with Governor Siegelman on the content of the *McCormick* standard. The crux of the court's reasoning was that when this Court in *McCormick* required an "explicit promise or undertaking," an "explicit *quid pro quo*," the word "explicit" did not mean "express," or actually spoken.

*McCormick* uses the word "explicit" when describing the sort of agreement that is required to convict a defendant for extorting campaign contributions. Explicit, however, does not mean *express*. Defendants argue that only "proof of actual conversations by defendants," will do, suggesting in their brief that only express words of promise overheard by third parties or by means of electronic surveillance will do.

But *McCormick* does not impose such a stringent standard.

[16a-17a, 640 F.3d at 1171 (emphasis in original)].

The Court of Appeals took *McCormick*'s word "explicit" to mean only that there must be an agreement, express *or* implied, linking the contribution to some "specific" official action. But the Court insisted that the agreement does not have to be actually communicated expressly; it is enough, said the Court,

if the jury can infer the existence of an unspoken agreement from the surrounding circumstances.

Since the agreement is for some specific action or inaction, the agreement must be *explicit*, but there is no requirement that it be *express*.

[17a-18a, 640 F.3d at 1171 (emphasis in original)]. The Court of Appeals stated, “Furthermore, an explicit agreement may be ‘implied from [the official’s] words and actions.’” [18a, 640 F.3d at 1172 (brackets in original)].

So in the Eleventh Circuit, the “explicit” aspect of *McCormick*’s standard does not mean “express,” actually stated, or overtly communicated. Furthermore, according to the decision below, a promise that is merely “implied,” rather than being verbally expressed, can nonetheless be deemed “explicit” within the meaning of *McCormick*. As we will show below, there is a clear split in authority between the decision below and the decisions of other Circuits; and this is a question on which ambiguity and regional difference are especially intolerable.

### **B. The § 1512(b)(3) charge, and Question 3.**

Other than the counts pertaining to the C.O.N. Board appointment, the sole remaining count of conviction charged one act as obstruction of justice under 18 U.S.C. § 1512(b)(3): that Governor Siegelman caused his then-aide Nick Bailey to write him a check for \$2,973.35, with a notation on the check saying “balance due on m/c.” This was the purchase price for the remaining interest in a motorcycle that,

upon the completion of this transaction, Bailey had bought in full from Governor Siegelman.<sup>3</sup>

The Court of Appeals viewed Bailey's purchase of the motorcycle as part of an effort to "cover up" a "pay-to-play" payment that another person, Lanny Young, had allegedly made. [2a, 640 F.3d at 1164]. (On the merits, the jury had rejected all charges alleging that there was actually such a "pay to play" scheme with Young.) The theory is that this purchase of the motorcycle was not *bona fide*. The theory is that what was really going on was that Young had, earlier, indirectly given money to Governor Siegelman through Bailey, and this check was part of an effort to make it seem in retrospect as though that alleged indirect transfer had been a loan to Bailey so that he could buy the motorcycle.

The Court of Appeals, affirming the denial of Governor Siegelman's motion for judgment of acquittal, set forth its view of the facts pertaining to the § 1512(b)(3) charge at 640 F.3d at 1168, and 1177-80 (10a-11a, 30a-37a). The Court opined that there was sufficient evidence to conclude that Governor Siegelman had persuaded Bailey, and engaged in misleading conduct towards Bailey's lawyer, in regard to the check from Bailey to Governor Siegelman. (Persuading, and engaging in misleading conduct, are two of the types of acts that can constitute a violation of § 1512(b)(3), if done with the intent that the law prohibits.) And the Court deemed the evidence sufficient to show that the check was part of a "coverup" of an earlier payment from Young. That colloquialism – "coverup" or "cover up," repeated at

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<sup>3</sup> Governor Siegelman had earlier bought the motorcycle for himself. [10a, 640 F.3d at 1168].

least sixteen times in the appellate opinion – was the centerpiece of the Eleventh Circuit’s portrayal of the facts.

The third question for this Court asks whether the facts portrayed by the Court of Appeals, even if true, make out a violation of the statute. As we will show, the Court of Appeals upheld the conviction only by giving the statute a broad coverage that is inconsistent with the statute’s plain text. The statute has a precise and narrower coverage; it involves a required element of proof the Eleventh Circuit did not even suggest was satisfied here. That is the element that the statute itself provides: “with intent to ... hinder, delay, or prevent ... communication to a law enforcement officer or judge ...” By adopting the loose colloquialism “coverup” in place of adherence to the text of the statute’s “intent” clause, the Court of Appeals departed from the law.

## **REASONS FOR GRANTING THE PETITION**

**A. The first question presented is of enormous importance to all elected officials and campaign contributors, is the subject of a Circuit split, and is a question on which ambiguity in the law is intolerable; the second question, which is closely related, is of enormous practical and legal importance as well.**

On the first question presented, there is disagreement among the federal Circuit Courts about the legal standard that makes a crime of the alleged connection between a campaign contribution and an official action. By virtue of the decision below, the Circuits are now divided as to whether this Court’s

decision in *Evans v. United States*, 504 U.S. 255 (1992), dilutes the “explicit *quid pro quo*” standard of *McCormick v. United States*, 500 U.S. 257, 271 & n.9, 273 (1991), in cases involving campaign contributions. Can officials and contributors be convicted for bribery or extortion, in a pure campaign-contribution case, only upon circumstantial proof of some *implied* and *unspoken* linkage between a campaign contribution and an official action? The Eleventh Circuit holds that they can. The question of whether that court is correct is extremely important to the law of democracy.

As explained above, the standard of *McCormick* is that a linkage between a campaign contribution and an official action is criminal “only if the payments are made in return for an explicit promise or undertaking by the official to perform or not to perform an official act. In such situations the official asserts that his official conduct will be controlled by the terms of the promise or undertaking.” *Id.* at 273.

This Court, in *McCormick*, recognized how important it is, that there be a clear line in this campaign finance context to divide the lawful from the unlawful. That was one of the avowed goals of *McCormick* itself: to ensure that there is clarity as to where that line is. The Court noted that officials routinely serve constituents; that campaigners must necessarily raise money through contributions; and that there will be situations in which official action affecting a contributor will follow close in time to a contribution. *McCormick*, 500 U.S. at 272. The Court applied a “clear statement” rule to Congress, inferring that Congress would speak clearly about such situations if it wished to forbid them in a criminal statute. *Id.* at 272-73. And this Court, upon adopting the stringent

“explicit promise or undertaking” standard, again emphasized the value of clarity in the law: “This formulation defines the forbidden zone of conduct with sufficient clarity.” *Id.* at 273.

The opinion in *McCormick* certainly suggests that proof of an overt – explicit, express – *quid pro quo* communication between the official and the donor is required. This requirement emerges from the phrase “explicit *quid pro quo*,” 500 U.S. at 271 & n.9, from the phrase “in return for an explicit promise or undertaking by the official,” *id.* at 273, and from the word “asserts” (a word that certainly denotes an overt and clear statement): “the official asserts that his official conduct will be controlled by the terms of the promise or undertaking,” *id.* Those words taken together – including “explicit,” “asserts,” and “terms” – certainly convey to many readers the requirement of an overt clear definitive communication of exchange. The requirement of an actual overt communication also inheres in the Court’s reasoning about the importance of creating a line of real clarity. And this is certainly how the dissent read the opinion as well. *Id.* at 282 (Stevens, J., dissenting).

The year after *McCormick*, this Court decided *Evans*; and as a result of *Evans*, what was made clear in *McCormick* became arguably less clear. The question that this Court took up in *Evans* was something entirely separate from the *McCormick* “explicit *quid pro quo*” question. It was “whether an affirmative act of inducement by a public official, such as a demand, is an element of the offense of extortion ‘under color of official right’ prohibited by the Hobbs Act.” *Evans*, 504 U.S. at 256. *Evans* was not petitioned, briefed, or argued as a case about the meaning of, or possible

alteration of, the *McCormick* “explicit *quid pro quo*” standard for cases involving contributions.

But in the end, this Court’s decision in *Evans* included a short passage mentioning *McCormick*:

We reject petitioner’s criticism of the instruction, and conclude that it satisfies the *quid pro quo* requirement of *McCormick v. United States*, 500 U.S. 257 (1991), because the offense is completed at the time when the public official receives a payment in return for his agreement to perform specific official acts; fulfillment of the *quid pro quo* is not an element of the offense.

*Evans*, 504 U.S. at 268. And Justice Kennedy, concurring in part and concurring in the judgment, wrote a separate opinion that included views on *quid pro quo* as an element of all Hobbs Act extortion cases. *Id.* at 272-78. Included in the separate opinion was the view that the *quid pro quo* does not have to be stated “in express terms” in order to amount to a crime. *Id.* at 274.

After *Evans*, there are now competing schools of thought about the nature of the “explicit *quid pro quo*” requirement under *McCormick*, in cases involving campaign contributions. In some Circuits, the prosecution is required to prove that there was an explicit, meaning “express” or actually stated, promise or agreement by the official that he would take the official action in exchange for the contribution. An inference about unspoken states of mind or implied understandings is not enough in those Circuits, in a case involving campaign contributions rather than some personal payment to the official. These Circuits take *Evans* as allowing conviction based on an unspoken *quid pro quo* agreement in

cases that do *not* involve campaign contributions; but they require proof of a true “express” *quid pro quo* in cases (like this one) that involve campaign contributions.

The Second Circuit, for instance, explained that this is the law in *United States v. Ganim*, 510 F.3d 134 (2nd Cir. 2007) (Sotomayor, J.). The Second Circuit understood *McCormick* as holding that “proof of an express promise is necessary when the payments are made in the form of campaign contributions.” *Ganim*, 510 F.3d at 142. The Court continued, *id.* at 143, that it had “harmonized” *McCormick* and *Evans* by recognizing that outside the campaign contribution context there still must be proof of a *quid pro quo*, but not an explicit one. *Evans* “modified [the *quid pro quo*] standard in non-campaign contribution cases,” *Ganim*, 510 F.3d at 143, such that in cases that do not involve campaign contributions, the *quid pro quo* can be “implied” as contrasted with express. *Id.* The Sixth Circuit is in the same camp, as reflected in *United States v. Abbey*, 560 F.3d 513, 517-18 (6th Cir. 2009).<sup>4</sup>

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<sup>4</sup> The Government may say that cases like *Ganim* and *Abbey* are dictum insofar as they require proof of a truly “explicit,” spoken or express, *quid pro quo* in campaign-contribution cases, because those cases themselves were not campaign-contribution cases. But that argument would be misplaced. Where the Circuits in question have stated that requirement in a published opinion, prosecutors in those Circuits surely must not and surely will not charge people with crimes on a looser standard. Surely no one can be convicted in those Circuits for obeying the law as those Circuits have described it, even if some lawyer might call the description dictum.



The competing view, exemplified by the decision below, insists that the contributor and the official can both be convicted if the jury could find that there was an *unspoken, merely implied*, exchange of contribution for a certain official action. The Eleventh Circuit takes *Evans* as having diluted the “explicit *quid pro quo*” standard in *all* cases – those involving campaign contributions as well as those involving personal payments to the official. Based on that understanding, the Eleventh Circuit treats *McCormick*’s “explicit *quid pro quo*” standard as *not* requiring proof of an “express” promise or agreement linking the contribution and official action. [16a-17a, 640 F.3d at 1171]. In the Eleventh Circuit’s view, there can be conviction if there is proof from which the jury could *infer* an *unspoken* agreement, on the part of the official and the contributor, linking the contribution and the action. “Explicit,” declared the Eleventh Circuit, does not mean “express”; and so the official and the contributor can be convicted and jailed even where there was no promise or agreement spoken. [16a-18aa, 640 F.3d at 1171-72].

The Eleventh Circuit suggested that its view of *Evans* is supported by Sixth Circuit precedent. [18a, 640 F.3d at 1171, citing and quoting *United States v. Blandford*, 33 F.3d 685, 696 (6th Cir. 1994) (“*Evans* instructed that by ‘explicit’ *McCormick* did not mean express”)]. But not even the Sixth Circuit believes that, anymore. Instead, as noted above, the Sixth Circuit is among those Courts that treats *Evans* as having adopted a less stringent, non-“explicit,” *quid pro quo* standard for cases that do *not* involve campaign contributions. Cases involving campaign contributions still require the heightened showing, one that is not diluted by *Evans*. See *Abbey*, 560 F.3d at 517 (treating *Blandford*’s analysis of *Evans* as

dictum); *id.* at 517 (“Not all *quid pro quos* are made of the same stuff. ... *Evans* modified the standard in non-campaign contribution cases ...”); *id.* at 517-18 (reflecting that in non-campaign contribution cases, the difference is that the *quid pro quo* agreement does not have to be explicit).

So we have this stark conflict as to whether proof of an “express,” stated *quid pro quo* agreement is required, in cases involving campaign contributions. And the Ninth Circuit has followed still another path: that only the official’s promise of official action must be explicit. If the official says out loud what action he is going to take, then the linkage between that promise and the campaign contribution can rise to the level of crime even if the linkage is not stated, and perhaps even if it is only a “causal[]” connection. *United States v. Inzunza*, 638 F.3d 1006, 1014 (9th Cir. 2011). So in the Ninth Circuit, the “*quid*” has to be express, see *United States v. Kincaid-Chauncey*, 556 F.3d 923, 936-37 (9th Cir. 2009) (following cases including *Ganim*, *supra*, which equate “explicit” with “express”). But the “*pro*” and the “*quo*” do not. The Ninth Circuit “confess[ed] considerable uneasiness in applying this standard to the acceptance of campaign contributions because, in our flawed but nearly universal system of private campaign financing, large contributions are commonly given in expectation of favorable official action.” *Inzunza*, 638 F.3d at 1013. Again there is confusion, lack of clarity, and lack of uniformity as to where the line lies, between politics and crime. And the evidence in this case does not even reach the Ninth Circuit’s standard, as there was not even proof of an express promise in this case.

The same lack of clarity appears in scholarly commentary. For instance, a recent treatise begins with the bedrock understanding that in cases involving campaign contributions, a true “express” *quid pro quo* conditioning official action on the campaign contribution must be proven. “In the modern American political system, giving money to a political candidate who promises to support (or oppose) a particular policy is an exchange of money for the exercise of political authority, yet that is a legal campaign contribution and not a crime, unless the candidate expressly conditions performance on the payment.” Peter J. Henning and Lee J. Radek, “*The Prosecution and Defense of Public Corruption: The Law and Legal Strategies*,” p. 2 (Oxford University Press, 2011) (footnote omitted). Yet the same volume later recognizes the decision in this case, and particularly the Eleventh Circuit’s rejection of “express” as the touchstone, as part of an unclear body of law on the topic. *Id.* at 115.

Other commentators, too, have recognized the importance of the issue, the lack of clarity in the law, and the need for resolution.

Cases like *Siegelman* raise the question whether the acceptance of otherwise lawful campaign contributions puts a public official in jeopardy of criminal prosecution when, even in the absence of any express agreement, the official acts in a manner consistent with the desires of his contributor. ... [T]hree other federal circuits, unlike *Siegelman*, have construed *McCormick* and *Evans* to require express *quid pro quo* to criminalize campaign contributions.

John L. Diamond, “*Reviving Lenity and Honest Belief at the Boundaries of Criminal Law*,” 44 U. Mich. J. L.

Reform 1, 21 (2010); *see also* Ilissa B. Gold, “*Explicit, Express, and Everything in Between: The Quid Pro Quo Requirement for Bribery and Hobbs Act Prosecutions in the 2000s*,” 36 Wash. U. J. L. & Pol’y 261 (2011).

It is important, for the sake of all elected officials, candidates, and campaign contributors, that there be clarity and uniformity on the answer to this question of what it takes to turn a campaign contribution into a bribe. As the Court of Appeals admitted in this very case, the answer to this question will implicate, and affect, core First Amendment values and interests.

Siegelman and Scrushy’s bribery convictions in this case were based upon the donation Scrushy gave to Siegelman’s education lottery campaign. As such, the convictions impact the First Amendment’s core values – protection of free political speech and the right to support issues of great public importance. It would be a particularly dangerous legal error from a civic point of view to instruct a jury that they may convict a defendant for his exercise of either of these constitutionally protected activities. In a political system that is based upon raising private contributions for campaigns for public office and for issue referenda, there is ample opportunity for that error to be committed.

[13a-14a, 640 F.3d at 1169-70 (footnotes omitted)].

The question is important, as reflected above, in part because of its First Amendment implications. Where campaign finance is recognized as a realm of constitutionally protected expression, the line between crime and constitutional rights must be

made clear. Likewise, because of the First Amendment aspect of the question, this Court should view the factual record with much closer scrutiny, to ensure that the application of the law to the facts is constitutionally sound. The issues are important not only to Governor Siegelman, but to all public officials who raise or receive campaign contributions and to all citizens who contribute. Every interested person should be able to know in advance where the line is, between politics and crime. Raising campaign funds, and donating to campaigns, are expressions of constitutional rights under the First Amendment. Moreover, seeking governmental action is itself a constitutional right under the First Amendment's "petition" clause. And officials must take action, including action that affects contributors. If the definition of relevant crimes is different from one Circuit to the next, and if the definitions are uncertain, then officials and citizens take all these actions at their peril. The exercise of constitutional rights will be chilled by this lack of clarity.

The question is also important because of due process concerns, including both prongs of due process that this Court reemphasized in *Skilling*: (1) giving fair and definite notice of the boundaries of criminal law, in advance, so that people can comport themselves accordingly and will not be imprisoned for doing things that were not clearly unlawful; and (2) reducing the danger of prosecutions that are arbitrary or discriminatory by limiting the range of prosecutorial discretion in choosing targets. *See Skilling*, 130 S.Ct. at 2927-28; *id.* at 2933.

As to the first of these, Governor Siegelman stands convicted on a standard that was not the law even in the Eleventh Circuit before his case, and is not the law in other Circuits even now. This is intolerable in any case, and is certainly intolerable in a case where the relevant legal task is not just drawing a line between the unlawful and the lawful, but drawing a line between the unlawful and the First Amendment. “It is simply not fair to prosecute someone for a crime that has not been defined until the judicial decision that sends him to jail.” *Sorich v. United States*, 555 U.S. 1204, 1207 (2009) (Scalia, J., dissenting from denial of certiorari). So even if the Court disagreed with us on the standard in the end, still Governor Siegelman’s conviction should be vacated based on this due-process notice problem.

As to the second due process concern, the Eleventh Circuit approach marks an extreme expansion of the range of prosecutorial discretion to choose among high-profile political targets (whether officials, contributors, or both). The Eleventh Circuit, by allowing prosecutors to seek indictment based not on words that are spoken but on states of mind that are inferred, grants an enormous amount of discretion. This standard requiring no proof of an actually spoken *quid pro quo* gives prosecutors the authority to decide which governmental officials are to be trusted to have made decisions for legitimate reasons, and which ones should be prosecuted because their thoughts are believed to have been inappropriate. There is an intolerable risk that this discretion will be exercised arbitrarily or discriminatorily, whether such misadventures are conscious or subconscious. Every elected official, we dare say, can be suspected of having done something for someone because of a campaign contribution. But of course

not every elected official will be investigated, much less prosecuted. The danger of arbitrariness (or worse) is too great to tolerate, especially in a realm that gives prosecutors the power to affect the very course of democracy at the local, state and national levels. This heightened degree of prosecutorial discretion is dangerous not only because it can lead to unjust prosecutions, but because it can undermine public confidence in the prosecutorial function. When the line between law and politics is unclear, the public does not and cannot have faith that all prosecutors choose their targets legitimately.

Moreover, there is good reason to believe that the Eleventh Circuit was wrong on the merits, as a matter of interpretation of this Court's precedents. In holding that the word "explicit" merely requires that the *quid pro quo* agreement be about a "specific" action, 17a, 640 F.3d at 1171, the Eleventh Circuit was fundamentally taking the side of the dissent in *McCormick*. See *McCormick*, 500 U.S. at 282-83 (Stevens, J., dissenting) (contending that an "implicit" linkage between a contribution and a "specific" action was enough to constitute a crime). Likewise, the Eleventh Circuit's view cannot be squared with *McCormick*'s further description of the cases in which a crime has occurred: "In such situations the official asserts that his official conduct will be controlled by the terms of the promise or undertaking." *Id.*, 500 U.S. at 273. Here, even on the description by the Court of Appeals, there is simply no evidence that Governor Siegelman ever "assert[ed]" any such thing. Having in mind an intention to do something, but not speaking it directly and out loud as a promise, does not count as "assert[ing]" that one will do it. In short, the decision below represents exactly the view that this Court rejected in *McCormick*.

*Evans*, in turn, did not dilute the *McCormick* standard for campaign-contributions cases. In concluding that *Evans* changed *McCormick*, the court below has read too much into the pertinent passage of *Evans*. As the United States Court of Appeals for the District of Columbia Circuit recently said, in addressing another prosecutorial effort to read too much into that passage of *Evans*:

The question in *Evans* was “whether an affirmative act of inducement by a public official, such as a demand, is an element of the offense of extortion” prohibited by 18 U.S.C. § 1951. *Id.* at 256. The statement relied upon by the government was nothing more than an answer by the Court to that question. *Id.* at 268.

*United States v. Dean*, 629 F.3d 257, 260 (D.C. Cir. 2011).

In addition to the First Amendment and due process concerns already discussed, the questions presented here are also vitally important to yet another facet of the law of democracy: separation of powers. This is seen in the second question presented, i.e., whether campaign contributions can be prosecuted as bribes at all under § 666 and § 1346. The better answer is that they cannot. Especially in such a constitutionally-sensitive area, it must be up to the Congress – not to courts hearing the arguments of aggressive prosecutors – to create the offenses and declare their elements. If there are to be federal criminal laws setting the boundaries of influence through campaign contributions, we should let Congress set them. We should expect that if Congress wants to create such laws, it will do so with the care that the constitutional and practical sensitivity of the issue demands. We should expect that if



the Congress takes up the question, there will be public attention and debate as well, about where the line lies between crime and constitutional right. We should expect most of all that if there are to be such laws, they should be clear in what they provide, about where the line is.

But in § 666 and “honest services,” we have laws that the Congress simply never envisioned, never debated, never wrote, and never enacted with any eye towards campaign contributions. Take “honest services” first, the statute (18 U.S.C. § 1346) that this Court saved through narrowing in *Skilling*. When enacting that law (before *McCormick*, and so without the *McCormick* standard in mind), Congress had no reason to contemplate the treatment of campaign contributions as “honest services” bribes, because that was not part of the doctrine’s core in pre-*McNally* caselaw. It is only the pre-*McNally* core that survives after *Skilling*. *Skilling*, 130 S.Ct. at 2928. Did that core include campaign contributions as bribes? The Government’s brief in *Skilling*, upon which this Court relied as having identified the pre-*McNally* “solid core,” *see id.*, 130 S.Ct. at 2930, gives the answer (perhaps, in retrospect, unwittingly and now to the Government’s regret): “the vast majority (if not all) pre-*McNally* honest-services cases did involve self-enrichment schemes.” Brief of United States in *Skilling*, No. 08-1394, p. 51. Campaign contributions, especially contributions to a referendum campaign, are quite different from “self-enrichment schemes” and are not included in “honest services” after *Skilling*.

Take § 666 next. Like § 1346, this statute was enacted before *McCormick*, and therefore without *McCormick* in mind. This Court has looked at the legislative history of § 666, in *Sabri v. United States*, 541 U.S. 600, 606-07 (2004) and *Salinas v. United States*, 522 U.S. 52, 58-59 (1997). There is no indication that Congress meant to wrestle with, or that it even occurred to anyone in Congress to think about, the issue of campaign contributions as § 666 bribes. It would have been a big legislative step: the creation and definition of a federal criminal-law standard for state campaign finance. Whether to take such a step would have been discussed and debated, in Congress and elsewhere, if it was being contemplated. Surely at least Congress would have told us what the standard was, as to when campaign contributions are bribes under § 666, if contributions were covered at all.

There can be a good debate over whether these laws should cover campaign contributions, as a matter of policy – and, if so, what the standard should be. Some may support the Eleventh Circuit standard as a matter of policy. Others may support application of the laws to campaign contributions as bribes, but only in cases of truly spoken, express, *quid pro quo*. Others will see that the dangers of prosecutorial discretion outweigh any benefits – and that too much constitutionally-protected campaign support will be chilled by the fear of prosecutorial aggressiveness. This is a debate that should happen in Congress; until it does, prosecution should not occur under a court-generated standard in this important and constitutionally sensitive area. The Court should grant review on this second question as well, to allow resolution of the case through a holding

that declines to extend these laws to cover campaign contributions.<sup>5</sup>

**B. On the third question presented, the decision below is contrary to the text of § 1512(b)(3), is contrary to the decisions of other courts, and is untenable in light of this Court’s decisions in *Fowler* and *Skilling*.**

The third question presented, about the reach of 18 U.S.C. § 1512(b)(3), also deserves this Court’s consideration. This would resolve a split in lower court authority, as shown below. But frankly the question is so easily answered – and the Eleventh Circuit’s treatment of the issue is so devoid of reasoned attention to the question – that it could also be viewed as a necessary exercise in error-correction. The bottom line is that Governor Siegelman stands convicted under § 1512(b)(3) despite the fact that (even accepting the Eleventh Circuit’s portrayal of the facts) there was not a bit of evidence that he had the “intent” that the statute covers.

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<sup>5</sup> To be abundantly clear about our position: if the statutes at issue in this case do cover campaign contributions, then the *McCormick* standard plainly applies, for the very reasons that *McCormick* itself was decided. (If the Government disagrees, then that would make this Court’s review all the more important, since the disagreement would leave even more confusion in this area of law where there ought to be clarity.) We recognize that one logical implication of our argument on the second question presented may be that this Court in *McCormick* should not have read the Hobbs Act as covering campaign contributions at all. But this case does not present the question of whether *McCormick* should be overruled, since this case involves no Hobbs Act charges.

The Court of Appeals upheld the conviction on this count, portraying the evidence as allowing the inference that Governor Siegelman engaged in an effort to “cover up” an earlier, allegedly improper, payment from Lanny Young.<sup>6</sup> This “coverup,” according to the Court of Appeals, consisted of the creation of documents, including the check that was the gravamen of this count. In what sense was it allegedly a “coverup”? According to the Court of Appeals, it was in the sense that it was an effort to convey the impression that (rather than giving money to Governor Siegelman) Young had merely lent money to Bailey to buy the motorcycle.

The theory of the prosecution was that Governor Siegelman persuaded Bailey to write the check, and that he and Bailey misled Bailey’s counsel about the nature of it. That is how the prosecution sought to meet the first element of the statute, which requires proof of persuasion, misleading, or other sorts of acts. On full review, we believe the Court would see that neither of those facts can fairly be inferred from the evidence; there was, for instance, not actually any evidence that Governor Siegelman even asked, much less persuaded, Bailey to write this check.

But whether the charge was that he “persuade[d]” or “engage[d] in misleading conduct,” the statute also required proof of a particular intent: the intent to “hinder, delay, or prevent the communication to a law enforcement officer or judge of the United States of information relating to the commission or possible commission of a Federal offense.” This statute, in other words, prohibits efforts to stop or keep people

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<sup>6</sup> As noted above, the jury rejected the charges relating to the earlier payment itself.

(by persuasions, threats, or trickery) from providing information to law enforcement, or at least to slow them down from doing so. That is the plain meaning of the “intent to hinder, delay or prevent” portion of the statute.

There are other statutes that cover, more generally, improper attempts to influence what people say in certain contexts. *See, e.g.*, 18 U.S.C. § 1512(b)(1). Those statutes might cover efforts to induce people to give information to law enforcement that they would not otherwise have given, but this is not such a statute; Congress decided not to use the word “influence” in § 1512(b)(3). There are also other obstruction statutes that cover misleading acts involving documents in certain contexts. *See, e.g.*, 18 U.S.C. § 1512(c)(1). There are other obstruction statutes that are drawn as catch-all provisions, but only in contexts that are inapplicable here. *See* 18 U.S.C. § 1512(c)(2) (catch-all provision regarding corruptly influencing an “official proceeding”). Congress knows how to write the obstruction statutes it wants, to cover the behavior it wants to criminalize, as broadly or narrowly as it chooses.

Rather than focusing on the words of the “intent” clause of the statute, the Court of Appeals was satisfied with its conclusion that the intent was to engage in a “cover up.” But that is not what the statute demands. Some “coverups,” it is true, might involve keeping witnesses from conveying information to law enforcement. But not all “coverups” are of that sort. All sorts of things might be called a “coverup”: trying to throw someone off the scent, or to create a document that gives a misimpression, or to hide something. But that is not what this statute encompasses. “Coverup” is not a legal term, under federal law; it is

a colloquial term that covers many sorts of things. If there was a “coverup” in this case, was it of the sub-species that is based on keeping people from telling law enforcement what they know? The Court of Appeals did not say, and it cited no evidence that it was.

The Court of Appeals thus went astray by failing to adhere to the words of the statute, and in particular its clause about the required “intent.” The Court of Appeals allowed the colloquialism “coverup” to substitute for adherence to this portion of the statute’s plain text. In that, the Court of Appeals departed from the holdings of other courts. Consider, for instance, *United States v. Hertular*, 562 F.3d 433 (2nd Cir. 2009). There, the Second Circuit recognized that a conviction under this statute “requires ‘a specific intent to interfere with the communication of information’.” *Id.* at 443, citing *United States v. Genao*, 343 F.3d 578, 586 (2d Cir. 2003). By contrast, as recognized in *Hertular*, an intent to “hinder or prevent ... simply the filing of an indictment” is *not* enough to come within the statute. 562 F.3d at 443. It is the intent to hinder, delay or prevent communication to law enforcement – *not* a perceived intent to “cover up” or avoid indictment in a more generic sense – that makes this crime.

The decision below is also untenable under this Court’s decision in *Fowler v. United States*, 131 S.Ct. 2045 (2011). Addressing another subsection of § 1512, this Court emphasized the necessity for prosecutors to prove the particular sort of intent that the subsection’s particular words require. *Id.* at 2049. There was a wrinkle of difficulty in determining exactly what that required element of intent was, in *Fowler*, under § 1512(a)(1)(C), and this Court

resolved it. Still, the fundamental point was clear: prosecutors must prove the particular intent that the subsection requires. Here, the analogous matter of interpretation should not have presented any difficulty: the words of § 1512(b)(3) are clear. Yet the Eleventh Circuit did not follow them.

This failure to follow the statutory language also implicates the due process doctrine that this Court reemphasized in *Skilling*, 130 S.Ct. at 2927, 2933 & n.44: due process requires fair, definite and specific warning of what is made criminal. Where a court departs from the language of the statute in favor of a loose and more expansive paraphrase, that fair warning is lost. When responding to this Court's order that it reconsider the case in light of *Skilling*, the Court of Appeals failed to adhere to this aspect of *Skilling*.

The Eleventh Circuit did not suggest that there was evidence to come within the actual words of the "intent" clause of the statute. There is absolutely no suggestion, for instance, that Bailey would have given information to law enforcement, such that Governor Siegelman formulated the intent to hinder, delay or prevent him from doing so. Nor is it plausible to suggest that Governor Siegelman had that intent as to Bailey's counsel, the person allegedly misled. There is simply no way that Bailey's own lawyer would have gone to law enforcement to inculcate Bailey and Siegelman with information that he possessed, such that Bailey and Siegelman would have misled him in order to stop him; that is the antithesis of a lawyer's role. Even the Court of Appeals was unwilling to make such far-fetched suggestions. But only that sort of far-fetched suggestion, or something else equally lacking in evidentiary

foundation and unmentioned by the Court of Appeals, could bring the case within § 1512(b)(3), once one focuses (as the Court of Appeals did not) on the words of the statute.

This case involves a stark absence of proof of *any* intent to hinder, delay, or prevent communications to law enforcement. The absence of such proof was so stark that the Court of Appeals did not claim that there was such proof. Only by departing from the plain text of the statute could the Eleventh Circuit affirm Governor Siegelman's conviction on this count.

For these reasons, we respectfully submit that this question 3 is deserving of certiorari even on its own. But most assuredly, if the Court grants the writ as to questions 1 and 2, then the Court should grant the writ as to question 3 as well. Otherwise there would be the troubling likelihood of a grave injustice: that Governor Siegelman would finally obtain exoneration on the core charges against him, only to face imprisonment on an afterthought charge that was not actually supported by the law and the evidence.



**CONCLUSION**

All of the charges in this case represent a troubling example of aggressive prosecutorial expansion of the criminal laws, beyond what Congress has provided. By granting review, this Court would have the opportunity to right an injustice, to exonerate a man who has committed no crime, and to clarify the law in a manner that will be important to all candidates, elected officials, and politically engaged citizens. For the foregoing reasons, this Court should grant review.

Respectfully submitted,

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## **APPENDIX**

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**APPENDIX A**

IN THE UNITED STATES COURT OF APPEALS  
FOR THE ELEVENTH CIRCUIT

[Filed May 10, 2011]

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No. 07-13163

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D.C. Docket No. 05-00119-CR-F-N

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UNITED STATES OF AMERICA,  
*Plaintiff-Appellee,*

versus

DON EUGENE SIEGELMAN, RICHARD SCRUSHY,  
*Defendants-Appellants.*

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Appeals from the United States District Court  
for the Middle District of Alabama

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(May 10, 2011)

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ON REMAND FROM THE UNITED STATES  
SUPREME COURT

Before TJOFLAT, EDMONDSON, and HILL, *Circuit  
Judges.*

PER CURIAM:

This case is before us on remand from the Supreme Court of the United States for reconsideration in light of *Skilling v. United States*, 561 U.S. \_\_\_, 130 S. Ct.

2896 (2010). The parties were ordered to re-brief the case; oral argument was heard.

I.

Don Eugene Siegelman is the former Governor of Alabama. Richard Scrushy is the founder and former Chief Executive Officer of HealthSouth Corporation (“HealthSouth”), a major hospital corporation with operations throughout Alabama. The defendants were convicted of federal funds bribery, in violation of 18 U.S.C. § 666(a)(1)(B), and five counts of honest services mail fraud and conspiracy, in violation of 18 U.S.C. §§ 1341, 1346, and 18 U.S.C. § 371. Siegelman was also convicted of obstruction of justice, in violation of 18 U.S.C. § 1512(b)(3).

The bribery convictions were based on allegations that the defendants made and executed a corrupt agreement whereby Scrushy gave Siegelman \$500,000 in exchange for Siegelman’s appointing him to Alabama’s Certificate of Need Review Board (the “CON” Board). The honest services mail fraud convictions were also based in part upon these bribery allegations, but two of the counts also alleged that Scrushy used the CON Board seat to obtain favorable treatment for HealthSouth’s applications. The conspiracy count alleged that Scrushy and Siegleman conspired to violate the honest services statute. Siegelman’s obstruction of justice conviction is based on allegations that he corruptly influenced another to create a series of sham check transactions to cover up a separate “pay-to-play” payment to him.<sup>1</sup>

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<sup>1</sup> The obstruction of justice allegations involved conduct unrelated to the Siegelman-Scrushy bribery, mail fraud and conspiracy charges.

This is an extraordinary case. It involves allegations of corruption at the highest levels of Alabama state government. Its resolution has strained the resources of both Alabama and the federal government.

But it has arrived in this court with the “sword and buckler” of a jury verdict. The yeoman’s work of our judicial system is done by a single judge and a jury. Twelve ordinary citizens of Alabama were asked to sit through long days of often tedious and obscure testimony and pour over countless documents to decide what happened, and, having done so, to apply to these facts the law as the judge has explained it to them. And they do. Often at great personal sacrifice. Though the popular culture sometimes asserts otherwise, the virtue of our jury system is that it most often gets it right. This is the great achievement of our system of justice. The jury’s verdict commands the respect of this court, and that verdict must be sustained if there is substantial evidence to support it. *Glasser v. United States*, 315 U.S. 60, 80 (1942).

Furthermore, to the extent that the verdict rests upon the jury’s evaluations of the credibility of individual witnesses, and the reasonable inferences to be drawn from that testimony, we owe deference to those decisions. In our system, the jury decides what the facts are, by listening to the witnesses and making judgments about whom to believe. This they have done, and, though invited to do so,<sup>2</sup> we shall not substitute our judgment for theirs.

This is not to say that the judgment below is inviolable. Having determined what the facts are, a

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<sup>2</sup> The defendants assert that this is a case in which we owe no deference to the jury’s findings of fact, but we disagree.

jury applies the law as the judge instructs them. The defendants' lawyers assert that there were errors in those instructions. They also contend that the court committed other legal mistakes during the course of the trial. Our duty as an appellate court is to answer properly presented questions from the parties in the case as to whether the law was correctly interpreted by the district court. With this in mind, we have reviewed the claims of legal error in the proceedings below, and our opinion as to their merit follows. First, however, we recount the facts as the jury found them.<sup>3</sup>

## II.

Don Siegelman was elected Governor of Alabama in 1998 on a campaign platform that advocated the establishment of a state lottery to help fund education in Alabama. After his election, he established the Alabama Education Lottery Foundation (the "Foundation") to raise money to campaign for voter approval of a ballot initiative to establish a state lottery. Darren Cline, the Foundation's fundraising director, testified that Siegelman "called the shots" on the lottery campaign. The lottery initiative was eventually defeated in a referendum held in October of 1999.

On March 9, 2000, the Foundation borrowed \$730,789.29 from an Alabama bank in order to pay down debt incurred by the Alabama Democratic Party for get-out-the-vote expenses during the lottery

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<sup>3</sup> Where the jury need not have found a particular fact to be established in order to reach their verdict, we indicate who testified to that fact.

campaign. This note was personally and unconditionally guaranteed by Siegelman.<sup>4</sup>

Richard Scrushy, the CEO of HealthSouth had served on the CON Board under three previous governors of Alabama. The CON Board is an arm of the State Health Planning and Development Agency and exists to prevent unnecessary duplication of healthcare services in Alabama. The Board determines the number of healthcare facilities in Alabama through a process that requires healthcare providers to apply for and obtain a certificate of a healthcare need before opening a new facility or offering a special healthcare service. The CON Board decides which healthcare applications will be approved for an announced healthcare need, choosing between competing applications and ruling on objections filed by an applicant's competitor. The Governor of Alabama has sole discretion to appoint the members of the CON Board, who serve at his pleasure.<sup>5</sup> Scrushy had supported Siegelman's opponent in the just prior election.

Nick Bailey was one of Siegelman's closest associates and had worked on Siegelman's campaign for governor. Cline testified that "whatever [Bailey] told me that the Governor wanted was what the Governor said." Cline also testified that "if the Governor wanted to get something done, then [Bailey] went ahead—blindly went ahead and did it."

Bailey testified that, after Siegelman's election in 1998, Siegelman met with Eric Hanson, an outside

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<sup>4</sup> There was another personal guarantor, but each was individually liable.

<sup>5</sup> Three of the nine seats on the Board are reserved for health care industry providers.

lobbyist for HealthSouth, and told Hanson that because Scrushy had contributed at least \$350,000 to Siegelman's opponent in the election, Scrushy needed to "do" at least \$500,000 in order to "make it right" with the Siegelman campaign. Bailey testified that Siegelman was referring to the campaign for the lottery initiative, and that Hanson was to relay this conversation to Scrushy. Bailey also testified that, in another conversation, Hanson told Bailey that Scrushy wanted control of the CON Board.

Mike Martin is the former Chief Financial Officer of HealthSouth. He testified that having influence over the CON Board was important to Scrushy and HealthSouth because it determined the number of healthcare facilities in the state, thereby affecting HealthSouth's ability to grow. He testified that Scrushy told him that to "have some influence or a spot on the CON Board," they had to help Siegelman raise money for the lottery campaign. Scrushy said that if they did so, "[they] would be assured a seat on the CON Board." Martin testified, "[W]e were making a contribution . . . in exchange for a spot on the CON Board."

Bailey testified that lobbyist Hanson "made it clear to him that if Mr. Scrushy gave the \$500,000 to the lottery campaign that we could not let him down" with respect to the CON Board seat. Bailey also testified that he "reminded the Governor periodically of the conversations that [Bailey] had with Eric Hanson and the conversations that the Governor had with Eric Hanson about what Mr. Scrushy wanted for his contributions, and that was the CON Board."

Martin also testified that Scrushy told him that HealthSouth could not make the payment to the lottery campaign, nor could he do it personally because



“we [HealthSouth] had not supported that and that his wife, Leslie, was against the lottery, and it would just look bad if HealthSouth made a direct contribution to the lottery, so we needed to ask—he instructed me in particular to ask our investment banker, Bill McGahan, from [the Swiss bank] UBS, to make the contribution.”

Bill McGahan did not want to make such an “out of the norm” donation and hoped the matter would “go away.” Over the next two weeks, Martin called McGahan at least once a day to ask him about the status of the UBS donation, and told McGahan that Scrushy was going to fire UBS if it did not make the contribution. Finally, Martin testified, Scrushy himself called McGahan to “put more pressure” on him to make the contribution.

McGahan testified that he did not want UBS to make such a large contribution directly, so he told Martin that he would get Integrated Health Services (“IHS”) of Maryland to make the donation to the lottery campaign in exchange for UBS reducing an outstanding fee that IHS owed UBS. IHS agreed to this arrangement and donated \$250,000 to the Foundation in exchange for a reduction of \$267,000 in the fee it owed UBS.

The IHS “donation” was in the form of a check dated July 19, 1999, made payable from itself to the Foundation. Martin testified that Scrushy told him it was important that he, Scrushy, hand deliver the IHS check to Siegelman, so Martin delivered the check to Scrushy so that he could do so.

Some time later,<sup>6</sup> Siegelman and Scrushy met in Siegelman's office. Bailey testified that after Scrushy left, Siegelman showed the IHS check to Bailey and told him that Scrushy was "halfway there." Bailey asked, "what in the world is he [Scrushy] going to want for that?" Siegelman replied, "the CON Board." Bailey then asked, "I wouldn't think that would be a problem, would it?" Siegelman responded, "I wouldn't think so."

Siegelman appointed Scrushy to the CON Board on July 26, 1999—one week after the date on the IHS check.<sup>7</sup> Siegelman directed Bailey to contact the Board chair-designee to tell her that Siegelman wanted Scrushy to be vice-chair of the CON Board, and the Board so chose. Bailey testified that Siegelman made Scrushy vice-chair "[b]ecause [Scrushy] asked for it." Scrushy stayed on the Board until January of 2001, at which time Siegelman appointed Thom Carman, HealthSouth's vice-president, to the remainder of Scrushy's term. Siegelman subsequently re-appointed Carman to a full term. While Carman was on the Board, HealthSouth successfully applied for and received Certificates of Need for a mobile PET scanner and a rehabilitation hospital.

Darren Cline, the Foundation's fundraising director, testified that Siegelman gave him the IHS check and told him it was from Scrushy. Cline was concerned about the amount of the donation from one person, and Siegelman told him to hold the check. In November of 1999, however, at Siegelman's direction,

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<sup>6</sup> Bailey told the FBI that Scrushy gave the check to Siegelman in a meeting on July 14, 1999, but testified at trial that he did not remember exactly when the meeting was.

<sup>7</sup> Seven other Board members were appointed that day.

Bailey retrieved the check and opened a new checking account in the Foundation's name at a Birmingham bank. Bailey made an initial deposit of \$275,000 – the \$250,000 IHS check and a \$25,000 check from another company. Cline was never told.

On March 9, 2000, the Foundation borrowed, from the same Birmingham bank, \$730,789.29 to repay the Alabama Democratic Party's debt in connection with the lottery initiative and Siegelman guaranteed the loan. At that time, the Foundation had over \$447,000 in its checking account at the bank, \$250,000 of which had come from the IHS check deposited in November of 1999. On March 13, 2000, \$440,000 was debited from the account to pay down the Foundation's loan.

In May, Siegelman and Bailey traveled to HealthSouth's headquarters in Birmingham, where Siegelman met privately with Scrushy in Scrushy's office. At that meeting, Scrushy gave Siegelman a check issued by HealthSouth for \$250,000 payable to the Foundation.<sup>8</sup> On May 23, 2000, the \$250,000 check was applied directly against the Foundation's loan balance.

The Foundation was required to disclose contributions received and expenditures made in statements filed with the Alabama Secretary of State. It failed to file timely any disclosure regarding any funds received until July of 2002, after Alabama newspapers questioned whether the financial dealings between the Foundation and the Alabama Democratic Party

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<sup>8</sup> HealthSouth's political contributions coordinator testified that she did not know about the donation until she read about it in the newspaper. The Foundation's fundraising director testified that he was not present when Scrushy gave Siegelman either of the checks.

had been properly reported and the Secretary of State's Office had written a letter to the state Attorney General's Office about the Foundation's non-disclosure of the payoff of the Democratic Party's campaign loan. All funds received were then reported.

Lanny Young was a long-time business associate of Siegelman's who testified that he was part of a "pay-to-play" arrangement with Siegelman existing over many years. He testified that he would provide money, campaign contributions, and other benefits in return for official action, as needed, that benefitted Young's business interests. He testified that in January of 2000, Siegelman asked him for \$9,200 to buy a motorcycle. The evidence was that Siegelman had already purchased the motorcycle. Young testified that he and Bailey worked out the details for the transaction.

Bailey testified that he did not want Young to give the money directly to Siegelman, so Bailey told Young to write the check to him, Bailey, which he deposited into his own account. He then wrote a check to Lori Allen, Siegelman's wife, which he gave to Siegelman and which was deposited into Siegelman's bank account that same day. There was testimony that a check written to the IRS for fourth quarter estimated taxes would not have cleared the account but for the \$9200 deposit.

By June of 2001, Siegelman was well aware of the federal-state investigation into the Foundation's finances and his dealings with Young. Bailey and Young each testified that, in an effort to cover up Young's \$9,200 payment to Siegelman, Bailey gave Young a check for \$10,503.39, on which he noted "repayment of loan [the \$9,200] plus interest" in order to make it appear that he had borrowed the

\$9,200 from Young. Bailey also wrote a check to Siegelman for \$2,973.35 with the notation “balance due on m/c” to provide a reason for his borrowing money from Young, which was to purchase the motorcycle from Siegelman. Bailey testified that he did not borrow the money to buy the motorcycle, but that Young’s \$9,200 had gone through him to Siegelman and “we used the motorcycle to cover it up.” Bailey testified that Siegelman was aware of and approved Bailey’s writing of the \$10,503.39 check to Young.

Bailey testified that he gave Siegelman the \$2,973.35 check at the office of Siegelman’s attorney, who, along with Bailey’s own attorney, was present for the transfer. Neither lawyer was told that the purpose of the transaction was part of the coverup of the \$9,200 payment from Young to Siegelman. Siegelman accepted the check, and provided Bailey with a bill of sale for the motorcycle, which the attorneys helped finalize. Bailey testified that he lied about the transaction to the lawyers, that he and Siegelman knew that the federal investigation was going on, and that he later lied to federal investigators about the transaction to protect himself and Siegelman.

On December 12, 2005, a grand jury returned a second superseding indictment against Siegelman and Scrushy and two other defendants.<sup>9</sup> Both Siegelman and Scrushy were charged with federal funds bribery, honest services conspiracy and honest services mail fraud.<sup>10</sup> Siegelman was also charged

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<sup>9</sup> The superseding indictment replaced an earlier version of the indictment.

<sup>10</sup> The federal funds bribery statute criminalizes the taking of a bribe by an official of a state agency that receives over \$10,000 in federal funds annually. 18 U.S.C. § 666. Honest services mail

with multiple counts of racketeering conspiracy, racketeering, honest services wire fraud, obstruction of justice and extortion.

Trial on the indictment began on May 1, 2006. On June 29, 2006, the jury convicted Siegelman and Scrushy on the bribery, conspiracy and honest services mail fraud counts, and Siegelman was convicted of one count of obstruction of justice. The jury acquitted Siegelman on the remaining twenty-two counts. The other two defendants were acquitted on all counts against them.

Siegelman and Scrushy were each sentenced to approximately seven years in federal prison.<sup>11</sup>

On appeal, Siegelman and Scrushy together allege nine errors in the trial proceedings. With respect to the bribery, conspiracy and honest services mail fraud counts against them, defendants assert that the court's instructions erroneously failed to require the jury to find a *quid pro quo* in order to convict; that, in any event, there was insufficient evidence of any *quid pro quo*; that the bribery counts were barred by the statute of limitations; and that the trial court erroneously admitted hearsay to prove these counts. Defendants also allege that there was juror misconduct requiring the grant of a new trial and that the procedures used to select their grand and petit juries

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fraud criminalizes the mailing of a letter in connection with a scheme to defraud a state agency of an official's honest services in the performance of his official duties. 18 U.S.C. §§ 1341 and 1346. The conspiracy count charged the defendants with agreeing to violate the honest services statute. 18 U.S.C. § 371.

<sup>11</sup> Siegelman and Scrushy were denied bond pending appeal, but a panel of this court subsequently released Siegelman pending resolution of this appeal.

violated the Jury Selection and Services Act of 1968 and the United States Constitution. Siegelman contends that there was insufficient evidence that he obstructed justice and that the district court abused its discretion in sentencing him by upwardly departing from the Sentencing Guidelines. We shall consider each of these allegations of error in turn.

### III.

#### 1. *Counts 3 and 4: Federal Funds Bribery.*

The bribery statute under which defendants were convicted makes it a crime for a state official to corruptly agree to accept anything of value from another person “intending to be influenced” in that person’s favor in an official action. 18 U.S.C. § 666(a)(1)(B).

Siegelman and Scrushy’s bribery convictions in this case were based upon the donation Scrushy gave to Siegelman’s education lottery campaign.<sup>12</sup> As such, the convictions impact the First Amendment’s core values—protection of free political speech and the right to support issues of great public importance. It would be a particularly dangerous legal error from a civic point of view to instruct a jury that they may convict a defendant for his exercise of either of these constitutionally protected activities.<sup>13</sup> In a political

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<sup>12</sup> Although the conspiracy and mail fraud counts (Counts 5-9) alleged a broader scheme for Scrushy to self-deal once on the CON Board, they also incorporated the bribery scheme alleged in Counts 3 and 4.

<sup>13</sup> Arguably, the potential negative impact of these statutes on issue-advocacy campaigns is even more dangerous than it is to candidate-election campaigns. Issue-advocacy campaigns are a fundamental right in a free and democratic society and contributions to them do not financially benefit the individual politician in the same way that a candidate-election campaign con-

system that is based upon raising private contributions for campaigns for public office and for issue referenda, there is ample opportunity for that error to be committed.

The Supreme Court has guarded against this possibility by interpreting federal law to require more for conviction than merely proof of a campaign donation followed by an act favorable toward the donor. *McCormick v. United States*, 500 U.S. 257 (1991). In reviewing a Hobbs Act prosecution for the federal crime of extortion under color of official right, the Court said:

Serving constituents and supporting legislation that will benefit the district and individuals and groups therein is the everyday business of a legislator. It is also true that campaigns must be run and financed. Money is constantly being solicited on behalf of candidates, who run on platforms and who claim support on the basis of their views and what they intend to do or have done. Whatever ethical considerations and appearances may indicate, to hold that legislators commit the federal crime of extortion when they act for the benefit of constituents or support legislation furthering the interests of some of their constituents, shortly before or after campaign contributions are solicited and received from those beneficiaries, is an unrealistic assessment of what Congress could have meant by making it a crime to obtain property from another, with his consent, “under color of official

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tribution does. Defendants assert, and we do not know otherwise, that this is the first case to be based upon issue-advocacy campaign contributions.



right.” To hold otherwise would open to prosecution not only conduct that has long been thought to be well within the law but also conduct that in a very real sense is unavoidable so long as election campaigns are financed by private contributions or expenditures, as they have been from the beginning of the Nation.

*Id.* at 272.

To avoid this result, the Court made clear that only if “payments are made in return for an *explicit* promise or undertaking by the official to perform or not to perform an official act, are they criminal.” *Id.* at 273 (emphasis added). The Court quoted the Court of Appeals for the Fifth Circuit, which had said that:

A moment’s reflection should enable one to distinguish, at least in the abstract, a legitimate solicitation from the exaction of a fee for a benefit conferred or an injury withheld. Whether described familiarly as a payoff or with the Latinate precision of *quid pro quo*, the prohibited exchange is the same: a public official may not demand payment as inducement for the promise to perform (or not to perform) an official act.

*Id.* (quoting *United States v. Dozier*, 672 F.2d 531, 537 (5th Cir. 1982)).

While the Supreme Court has not yet considered whether the federal funds bribery, conspiracy or honest services mail fraud statutes require a similar “explicit promise,” the Seventh Circuit Court of Appeals has observed that extortion and bribery are

but “different sides of the same coin.” *United States v. Allen*, 10 F.3d 405, 411 (7th Cir. 1993).<sup>14</sup>

The district court in this case instructed the jury that they could not convict the defendants of bribery in this case unless “the defendant and the official *agree* that the official will take specific action in exchange for the thing of value.” (emphasis added). This instruction was fashioned by the court in direct response to defendants’ request for a *quid pro quo* instruction, and was given in addition to the Eleventh Circuit’s pattern jury instruction for § 666 bribery cases. So, even if a *quid pro quo* instruction was required, such an instruction was given.

Defendants, however, assert that this instruction was inadequate under *McCormick*. Defendants assert that the instruction failed to tell the jury that not only must they find that Siegelman and Scrushy agreed to a *quid pro quo*, the CON Board seat for the donation, but that this agreement had to be *express*. We disagree that *McCormick* requires such an instruction.

*McCormick* uses the word “explicit” when describing the sort of agreement that is required to convict a defendant for extorting campaign contributions. Explicit, however, does not mean *express*. Defendants argue that only “proof of actual conversations by defendants,” will do, suggesting in their brief that only *express* words of promise overheard by third parties or by means of electronic surveillance will do.

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<sup>14</sup> We acknowledge, as the defendants point out, that several district courts, in unpublished opinions, have extended the *McCormick* rationale to the bribery and honest service statutes. The government points to no contrary authority, relying instead on inapposite authority not involving campaign contributions.

But *McCormick* does not impose such a stringent standard. One year after *McCormick*, the Supreme Court approved the following jury instruction:

However, if a public official demands or accepts money in exchange for [a] specific requested exercise of his or her official power, such a demand or acceptance does constitute a violation of the [federal extortion statute] regardless of whether the payment is made in the form of a campaign contribution.

*Evans v. United States*, 504 U.S. 255, 258 (1992). The Court held that the instruction “satisfies the *quid pro quo* requirement of *McCormick v. United States*.” *Id.* at 268. The Court said that the “Government need only show that a public official has obtained a payment to which he was not entitled, knowing that the payment was made in return for official acts.” *Id.*

The instruction approved in *Evans* required that the acceptance of the campaign donation be in return for a *specific* official action – a *quid pro quo*.<sup>15</sup> No generalized expectation of some future favorable action will do. The official must agree to take or forego some specific action in order for the doing of it to be criminal under § 666. In the absence of such an agreement on a specific action, even a close-in-time relationship between the donation and the act will not suffice.

But there is no requirement that this agreement be memorialized in a writing, or even, as defendants suggest, be overheard by a third party. Since the agreement is for some specific action or inaction, the agreement must be *explicit*, but there is no

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<sup>15</sup> The Latin means “something for something,” BLACK’S LAW DICTIONARY 1282 (8th ed. 2004).

requirement that it be *express*. To hold otherwise, as Justice Kennedy noted in *Evans*, would allow defendants to escape criminal liability through “knowing winks and nods.” 504 U.S. at 274 (Kennedy, J. concurring). *See also United States v. Blandford*, 33 F.3d 685, 696 (6th Cir. 1994) (“*Evans* instructed that by ‘explicit’ *McCormick* did not mean *express*”); *accord United States v. Giles*, 246 F.3d 966, 972 (7th Cir. 2001); *United States v. Tucker*, 133 F.3d 1208, 1215 (9th Cir. 1998); *United States v. Hairston*, 46 F. 3d 361, 365 (4th Cir. 1995).<sup>16</sup>

Furthermore, an explicit agreement may be “implied from [the official’s] words and actions.” *Evans*, 504 U.S. at 274 (Kennedy, J., concurring). As Justice Kennedy explained:

The criminal law in the usual course concerns itself with motives and consequences, not formalities. And the [jury] is quite capable of deciding the intent with which words were spoken or actions taken as well as the reasonable construction given to them by the official and the payor.

*Id.* *See also United States v. Massey*, 89 F.3d 1433, 1439 (11th Cir. 1996) (holding that bribery conviction under general federal bribery statute, 18 U.S.C.

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<sup>16</sup> Nor is this court’s prior holding in *United States v. Davis*, 30 F.3d 108 (11th Cir. 1994), to the contrary. In *Davis*, we acknowledged that, after *McCormick*, “an explicit promise by a public official to act or not act is an essential element of Hobbs Act extortion, and the defendant is entitled to a reasonably clear jury instruction to that effect.” *Id.* at 108. We reversed *Davis*’ conviction not only because his jury did not receive a reasonably clear instruction, but because the court in that case “informed the jury that ‘a specific *quid pro quo* is not always necessary for a public official to be guilty of extortion.’” *Id.*

§ 201, may be supported by “inferences drawn from relevant and competent circumstantial evidence”).

In this case, the jury was instructed that they could not convict the defendants of bribery unless they found that “the Defendant and official *agree[d]* that the official will take *specific* action in *exchange* for the thing of value.” This instruction required the jury to find an agreement to exchange a specific official action for a campaign contribution. Finding this fact would satisfy *McCormick*’s requirement for an explicit agreement involving a *quid pro quo*. Therefore, even assuming a *quid pro quo* instruction is required to convict the defendants under § 666, we find no reversible error in the bribery instructions given by the district court.<sup>17</sup> Furthermore, the evidence of a corrupt agreement between Siegelman and Scrushy to exchange the CON Board seat for a campaign donation was sufficient to permit a reasonable juror to find such a *quid pro quo*.

2. *Counts 5, 6, 7, 8, 9: Honest Services Mail Fraud & Conspiracy*

Counts 6, 7, 8 and 9 charge Siegelman and Scrushy with violations of 18 U.S.C. §§ 1341 and 1346, which criminalize the use of the mails “to deprive another of the intangible right of honest services.” Count 5 charges the defendants with a conspiracy to commit these “honest services” offenses, in violation of 18 U.S.C. § 371. Both defendants were convicted of all these counts.

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<sup>17</sup> *Skilling* did not deal with federal funds bribery under § 666 at all and, so, does not affect our consideration of these counts of conviction.

After the defendants were convicted, the Supreme Court had the opportunity to consider the reach of these honest services criminal statutes. In *Skilling v. United States*, 561 U.S. \_\_\_, 130 S. Ct. 2896 (2010), the Court held that Congress intended these statutes to reach only those schemes to defraud the public that are based upon allegations of bribery and/or kickbacks.<sup>18</sup> After *Skilling*, therefore, prosecutions based upon any other theory – for example, self-dealing – are not permitted. The defendants contend that *Skilling*, and other errors, require that their honest services convictions be overturned.

*A. Counts 6 and 7: The Bribery of Siegelman as Honest Services Fraud*

Counts 6 and 7 charge that Scrushy’s bribery of Siegelman deprived the public of the right to the defendant’s honest services. Thus, there is no *Skilling* error here – a bribery (or kickback) scheme is required under *Skilling* and one was alleged.

Notwithstanding this fact, the defendants assert that their convictions on these counts must be reversed because the jury was not instructed that the

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<sup>18</sup> Deprivation of an intangible right to honest services was a lower court sanctioned theory of prosecution under the mail fraud statute – § 1341 – at one time. In *McNally v. United States*, 483 U.S. 350, 360 (1987), however, the Supreme Court held that the mail fraud statute reached only schemes to defraud another of tangible property. Congress responded almost immediately by enacting § 1346, which broadened mail fraud to reach schemes to defraud another of the intangible right to honest services. After twenty years of widely diverging theories as to what could be prosecuted as a deprivation of honest services, the Court in *Skilling* clarified that Congress intended to reenact only that portion of the *pre-McNally* case law that was aimed at bribery and kickback schemes. 130 S. Ct. at 2905.

government was required to prove a *quid pro quo* in order to convict them on a bribery theory of honest services fraud.<sup>19</sup> We find no merit in this contention.

The honest services fraud alleged in Counts 6 and 7 of the indictment is predicated upon the same pay-to-play scheme that was alleged in the § 666 bribery counts – Counts 3 and 4.<sup>20</sup> Without deciding whether a *quid pro quo* must be proved in an honest services bribery prosecution,<sup>21</sup> we hold that any error in the

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<sup>19</sup> This is the same argument defendants asserted as to the § 666 bribery instructions.

<sup>20</sup> Count 6 charges mail fraud in connection with the mailing of a letter appointing Thom Carman as Scrushy’s replacement on the CON Board. Count 7 charges a mailing in connection with Carman’s reappointment to the Board.

<sup>21</sup> *Skilling* limited § 1346 to bribery and kickback schemes, holding that, in the absence of such narrowing, the statute would provide insufficient notice of what conduct is prohibited by it. The Court’s rationale reminds us that even the narrowed honest services statute must provide constitutionally adequate notice of what conduct is prohibited.

Since a campaign donation – unlike bags of cash delivered to the official himself – is protected First Amendment activity and, indeed, the normal course of politics in this country, due process requires that the potential campaign donor have notice of what sort of conduct is prohibited. Absent an explicit agreement to “buy an appointment” there is nothing inherently corrupt about a donation followed by an appointment. It is the corrupt *agreement* that transforms the exchange from a First Amendment protected campaign contribution and a subsequent appointment by a grateful governor into an unprotected crime.

In *McCormick*, which interpreted the extortion under color of official right statute, the Court required such an agreement – a *quid pro quo* – in order to prove that the official and the campaign contributor *corruptly agreed* to a *specific exchange*. In so doing, the Court protected both the First and the Fifth Amendments by reading the statute to require an agreement to swap money for office, thereby putting both government officials and

honest services instructions as to Counts 6 and 7 was harmless. Since Counts 6 and 7 re-allege the pay-to-play scheme charged in Counts 3 and 4, the jury instructions as to all these counts may be read in tandem. On Counts 3 and 4, the jury was instructed that they could not convict Scrushy of bribing Siegelman unless they found that the defendants “agree[d] that the official will take specific action in exchange for the thing of value.” Having been instructed they must find a *quid pro quo* to convict of the bribery alleged in Counts 3 and 4, and having done so, any error in the honest services instructions as to Counts 6 and 7 was harmless. *See Cupp v. Naughten*, 414 U.S. 141, 148-48. (1973) (jury instructions must be evaluated as a whole). Therefore, we shall affirm defendants’ convictions on Counts 5, 6 and 7.<sup>22</sup>

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potential contributors on notice that such an agreement would subject them to prosecution.

Although *Skilling* refers us to the *pre-McNally* bribery cases as examples of the fact patterns that would supply notice of what constitutes an honest services bribery violation, none of these cases was a campaign donation case. After *Skilling*, it may well be that the honest services fraud statute, like the extortion statute in *McCormick*, requires a *quid pro quo* in a campaign donation case. Thus seen, § 1346 would criminalize only the *agreement* to exchange a campaign donation for an appointment. The official’s duty to provide honest services, which includes the duty to exercise his appointment powers independently of the receipt of any campaign donation, would be violated only by an agreement to exchange an appointment for a campaign donation. Such an agreement would amount to the official’s “selling” to the appointee the official’s duty and authority to make appointments.

<sup>22</sup> We held above that the evidence of a bribery scheme was sufficient to support the jury’s verdict as to Counts 3 and 4, and,



B. *Counts 8 and 9: Scrushy's Self-Dealing*

Counts 8 and 9 allege a broader scheme than that alleged in Counts 6 and 7. These counts allege that Scrushy “would and did use his seat on the CON Board to attempt to affect the interests of HealthSouth and its competitors,” and that Scrushy “would and did offer things of value to another Board member to attempt to affect the interests of HealthSouth and its competitors.”<sup>23</sup> Although Scrushy was not on the Board when the alleged self-dealing occurred, the indictment charged that it was part of the scheme that Siegelman and Scrushy “orchestrated Scrushy’s replacement on the Board by another person employed by HealthSouth.” The mailings charged in connection with these allegations were letters sent by the Board to HealthSouth, notifying it that it had been awarded Certificates of Need in connection with the rehabilitation hospital (Count 8) and the PET scanner (Count 9).

Although Counts 8 and 9 incorporate the bribery scheme, thus surviving *Skilling*, they allege a broader scheme of which, Siegelman argues, he was unaware and in which he did not participate. He contends that there was no evidence at trial to link him to Scrushy’s self-dealing scheme. We agree.

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similarly, we hold it sufficient as to the same scheme alleged in Counts 5, 6, and 7.

<sup>23</sup> The government’s initial brief on appeal states that, as to Counts 8 and 9, “the jury had to find that Scrushy and Siegelman intended to deprive the public of their right to honest services and intended to deceive the public, and that Siegelman intended to alter his official actions as a result of Scrushy’s purported campaign contributions.” Red Brief, p. 53-54 (emphasis added)

Siegelman may be held criminally liable for Scrushy's conduct on the Board only if he was a knowing party to a scheme that included that conduct. *United States v. Toney*, 598 F.2d 1349, 1355 (5th Cir. 1979). It was the government's theory, argued at trial and in its brief on appeal, that not only did Siegelman know that Scrushy wanted the seat in order to self-deal on the CON Board, but that "it was certainly foreseeable to Siegelman that Scrushy would bribe another Board member to further HealthSouth's interests" since "[a]fter all, Scrushy paid Siegelman \$500,000 to get HealthSouth a seat on the Board in the first place." The problem for the government is that there was scant evidence at trial to support this position.

The evidence at trial was that Scrushy resigned from his seat on the Board in January of 2001 and that, the next day, Siegelman appointed Thom Carman, HealthSouth vice-president, to the remainder of the term. When Scrushy's term expired in July, Siegelman reappointed Carman.

While on the Board, Carman employed another member of the Board, Tim Adams, to prepare the application for the PET scanner, paying him \$8000 to do so.<sup>24</sup> There was also testimony that Adams was paid another \$3000 for "additional work he apparently had done on the PET scanner application" in return for his agreement to attend the CON Board meeting at which HealthSouth's application for a rehabilitation hospital in Phoenix City was considered. At the meeting, Carman recused himself from voting on the application. Adams attended, and

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<sup>24</sup> There was testimony that Adams had never written a CON Board application, and that his work was substandard.

although he abstained from voting, under the Board's rules, his abstention did not affect the quorum his presence established, thus permitting a vote to be taken. There was no opposition to the application and the Board unanimously approved the application.

Six months later, the PET scanner application was also approved. At this meeting, Adams' presence was not necessary to the quorum. Carman recused himself, and Adams abstained from voting. The application was unopposed and passed unanimously.

Alva Lambert, the Executive Director of the Board, testified that unopposed applications were routinely approved, and that both these applications were consistent with prior Board actions. There was no evidence that Siegelman knew of Carman's actions in hiring Adams to prepare the application. There was no evidence that he knew of any of these Board actions.

The testimony in support of the government's allegation of a pay-to-play scheme whereby Scrushy paid Siegelman for a seat on the CON Board came principally from Bailey, Martin, Young, McGahan, and Skelton. Of these witnesses, only Skelton, HealthSouth's lawyer in charge of certificates of need, had any knowledge about Scrushy's subsequent alleged self-dealing while on the CON Board. Her testimony, however, did not mention Siegelman. Alva Lambert, the Executive Director of the CON Board during the relevant time and the other primary government witness in support of the allegations of Scrushy self-dealing, testified that the Siegelman CON Board was an "extremely well-balanced" Board, that CON Boards had never to his knowledge turned down an application for a PET scanner, and that he

never saw Siegelman exert any influence or try to exert any influence whatsoever over a Board decision.

Neither in its brief nor at oral argument did the government point to *any* testimony in support of its allegation that Siegelman and Scrushy agreed to a broader scheme in which Scrushy would self-deal on the Board. Nor has our independent and careful review of record revealed any.

Rather, the government's brief argues that Siegelman's knowing participation in the broader self-dealing scheme may be inferred from three facts proven at trial: first, that Siegelman and Scrushy agreed to exchange the CON Board seat for money; second, that the amended Foundation financial statements that disclosed the Scrushy donations, which were filed around the time of the mailings, did not list Scrushy as the ultimate source of the IHS check; and third, that Siegelman was still governor when the PET scanner and Phenix City projects were approved and could have removed Scrushy or Carman from the Board at any time. The first two of these facts relate primarily to the initial pay-to-play scheme, and the final fact is not sufficient to show participation in a broader scheme, much less knowing participation. None is remotely sufficient to permit a jury to infer that Siegelman agreed to a broader self-dealing scheme.

In view of this absolute lack of any evidence whatsoever from which the jury could infer that Siegelman knowingly agreed to or participated in a broader scheme that included Scrushy's alleged subsequent self-dealing while on the Board, we shall reverse Siegelman's convictions on Counts 8 and 9.

As to Scrushy's convictions on Counts 8 and 9, one thing is clear. After *Skilling*, his conviction cannot rest upon the self-dealing theory articulated in the indictment. The government, therefore, points to other allegations in Counts 8 and 9 that Scrushy bribed Tim Adams (a member of the CON Board) in order to obtain favorable CON Board action on the two HealthSouth applications. This post-*Skilling* theory of Scrushy's honest services fraud as to the Board remains viable. The issue on appeal, then, is whether the government sufficiently proved that Scrushy bribed Adams.<sup>25</sup>

The government's proof of these allegations was that Scrushy resigned from his seat on the CON Board in January of 2001 and that, the next day, Siegelman appointed Thom Carman, HealthSouth vice-president, to the remainder of the term.

Carman employed another member of the Board, Tim Adams, to prepare the application for the PET scanner, paying him \$8000 for the work. There was testimony that Scrushy "was aware" of this. There was also testimony that Adams was paid another \$3000 for "additional work he apparently had done on the PET scanner application" in return for his agreement to attend the CON Board meeting at which HealthSouth's application for a rehabilitation hospital in Phenix City was considered. Lori Skelton, a HealthSouth lawyer testified that Adams had never

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<sup>25</sup> Scrushy did not challenge the sufficiency of the evidence as to Counts 8 and 9 in his initial brief on appeal. He did challenge the legal sufficiency of the charges. This challenge has now been vindicated by *Skilling*. In view of the fact that the government has now offered a bribery theory in support of the convictions on these counts, he is entitled to challenge that evidence this time around.

written a CON Board application and that his work was substandard. At the meeting during which the hospital application was considered, Adams attended but abstained from voting, as he had prepared the application. Under the rules, his abstention did not affect the quorum, thus permitting a vote to be taken. There was no opposition to the application and the Board unanimously approved the application.

Six months later the PET scanner application was also approved. At this meeting, Adam's presence was not necessary to the quorum, and he again abstained from voting. The application was unopposed and passed unanimously. Alva Lambert, the Executive Director of the board testified that the unopposed applications were routinely approved, and that both these applications were consistent with prior board actions. There was no evidence that Scrushy knew of any of these actions.

During closing, the government primarily argued the Siegelman/Scrushy pay-to-play conspiracy, but did say that:

[Scrushy's] own lawyer [Skelton] told you that Adams began to ask him for stuff, and they began to be concerned that he was trying to use his position. And they were concerned that he might harm their interests. So what did they do? Did they report him? No, because that's not why Scrushy was up here. He was trying to influence him. What did he do? He paid him, even though his lawyer told him you need to leave this guy alone; this isn't good.

The government also argued that, as a result of the CON Board seat, Scrushy was able "to start manipulating Tim Adams' activities, start courting him and

bringing him down and engaging in agreements to give him money.”

We conclude that the evidence that Scrushy bribed Adams is insufficient to support Scrushy’s conviction on these counts. The evidence at best shows only that Skelton hired Adams to prepare the scanner application, which he did, and for which he was paid. Scrushy was “aware” of this.

The government’s case, even in Counts 8 and 9, was always primarily focused on the pay-to-play scheme between Scrushy and Siegelman. The vast majority of the allegations and testimony went to prove this scheme. The government always described the scheme alleged in Counts 8 and 9 as self-dealing, and its attempt now – post-*Skilling* – to emphasize the alleged bribery of Adams finds some, but not much, support in the proof. The evidence that Adams intended to alter his official actions as a result of the receipt of benefits from Scrushy is insufficient, and Scrushy’s convictions on Counts 8 and 9 must be reversed.<sup>26</sup>

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<sup>26</sup> The legal sufficiency of the jury instruction regarding the bribery of Adams is not discussed here because we find the evidence insufficient to support the jury’s verdict. But we note that the Adams bribery could not benefit from the same spill over effect of the *quid pro quo* instruction given in the § 666 instructions, since it was a different bribery. Therefore, the honest services jury instruction would have to support Scrushy’s convictions on these counts, and that instruction is deficient if a *quid pro quo* is required for conviction. The instruction required that “they intended to alter their official actions as a result of the receipt of campaign contributions or other benefits.” The instruction conveys the requirements for a *quid* – a campaign contribution – and a *quo* – an official action – but the “as a result of” language fails adequately to require the *pro* – the corrupt agreement to make a specific exchange.

### 3. *Count 17: Obstruction of Justice*

Siegelman was charged with two counts of obstruction of justice.<sup>27</sup> The indictment alleged and the government undertook to prove that eighteen months after the \$9200 pay-to-play payment to Siegelman from Lanny Young, Siegelman and Bailey became aware of the federal-state corruption investigation and instigated a series of sham check transactions in an effort to cover up the payment. The coverup was designed to make it appear that Bailey had borrowed the \$9200 from Young so that he could buy a motorcycle from Siegelman.

Count 16 alleged that Siegelman corruptly persuaded Bailey to write a check for \$10,503 to Young with the notation “repayment of loan plus interest.” Count 17 alleged that Siegelman corruptly persuaded Bailey to write and give him a check for \$2973.35 with the notation on it that it was the “balance due on m/c.” Count 17 also alleged that Siegelman engaged in misleading Bailey’s attorney with the intent to hinder or prevent the attorney’s communication of information regarding these transactions to the FBI.

The jury acquitted Siegelman of Count 16, but convicted him on Count 17. Siegelman contends that

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<sup>27</sup> Section 1512(b)(3) provides in pertinent part:

Whoever knowingly uses intimidation, threatens, or corruptly persuades another person, or attempts to do so, or engages in misleading conduct toward another person, with intent to—

...

- (3) hinder, delay, or prevent the communication to a law enforcement officer or judge of the United States of information relating to the commission or possible commission of a Federal offense . . .



the evidence was insufficient to show that he persuaded Bailey to write the check charged in Count 17 or that he misled Bailey's attorney. We turn now to the evidence.

At trial, Young testified that in January of 2000, Siegelman asked him for \$9200 to buy a motorcycle and that he gave it to Siegelman as part of the pay-to-play, on-going agreement he had with Siegelman. He also testified that, eighteen months later, after the federal-state corruption investigation began, he and Bailey had the following conversation:

Young: Right after the investigation started, Nick [Bailey] called me and asked me if I could recall how I made out the check for the motorcycle. And I said – on what account I had written the check for the motorcycle. And I said no, why? He said because if it's on one of your personal accounts, you are going to have a motorcycle in your driveway tonight.

Bailey testified that the coverup began when:

Bailey: I found out about the investigation that was going on with Lanny – could have involved others; we weren't sure at the time. I wanted to repay Lanny's \$9200. I did it in the form of a check. Did a promissory note with Lanny to repay this \$9200 plus interest, \$10,503.

Bailey gave the following testimony regarding Siegelman's involvement in this first step in the coverup:

Government: When you went to write this check to Lanny [Young] to disguise this earlier transaction, did you do that with the knowledge of the Governor?

Bailey: Yes.

Government: Did you talk to him about it before you did it?

Bailey: Yes.

Government: Was he in agreement with you doing that?

Bailey: Yes.

Government: When you talked to him about why you were going to do that, did you guys talk about the fact that this criminal investigation was going on?

Bailey: Yes.

Government: What were you and the Governor trying to accomplish when you wrote that check back to Lanny Young 17 months after that check had been written for \$9200 to the Governor?

Bailey: To disguise the \$9200 that went from Lanny to me to the Governor.

Young's testimony regarding the purported repayment was:

Government: Had you loaned Nick Bailey any money that would cause him to give you that \$10,503 check?

Young: No.

Government: Well, what was going on when he wrote you that check, if you know?

Young: He was trying to make the \$9200 look like a loan.

Bailey testified that the final step in the coverup was to give Siegelman a \$2,793.35 check with the notation on it that it was "balance due on m/c" to make it appear that the check was Bailey's final payment for the motorcycle. His testimony about Siegelman's involvement in this step of the coverup was:

Government: What was going on here?

Bailey: We made a decision to finalize the agreement we made regarding the motorcycle early on, and this was to finish that. We met at the Governor's attorney's office and with my attorney, and that's when I finished paying the Governor in full for the motorcycle to carry out the plan that we had entered into probably 12 to 18 months earlier.

Government: And what was that plan?

Bailey: To disguise the \$9200 from Lanny to the Governor.

Finally, Bailey testified regarding his interview with the FBI regarding this meeting:

Government: Now, not long after [he gave the check to Siegelman] you had an occasion to be interviewed by federal and state criminal investigators, didn't you.

Bailey: Yes, sir.

Government: When they questioned you about this transaction on that occasion, did you tell them the truth about what had happened?

Bailey: No.

Government: Why not?

Bailey: There were a number of reasons; but primarily, I was still trying to protect myself and my boss.

The jury considered all of this testimony and found Siegelman guilty of the obstruction of justice charged in Count 17, but not in Count 16. This means that the jury decided, as a matter of fact, that Siegelman persuaded Bailey to write the check for \$2973.35, but not the initial check for \$10,500.

In evaluating the sufficiency of the evidence to support the jury's verdict, we are required to "view the evidence in the light most favorable to the government and resolve all reasonable inferences and credibility evaluations in favor of the jury's verdict." *United States v. Robertson*, 493 F.3d 1322, 1329 (11th Cir. 2007). The evidence needs not "be wholly inconsistent with every conclusion except that of guilt, provided that a reasonable trier of fact could find that the evidence established guilt beyond a reasonable doubt." *Id.* (internal quotation marks omitted).

A reasonable juror could have concluded that Siegelman persuaded Bailey (he asked and Bailey agreed) to take the final step in the coverup by giving him a \$2793.35 check with the notation that it was final payment for the motorcycle. See *United States v.*

*Tocco*, 135 F.3d 116, 126-27 (2d Cir. 1998) (affirming jury inference of persuasion from defendant's strong influence over witness who was employee); *United States v. Morrison*, 98 F.3d 619, 629-30 (D.C. Cir. 1996) (making a request sufficient persuasion). The testimony was that Siegelman knew and agreed that Bailey would disguise Young's payment to Siegelman as a loan to Bailey to buy the motorcycle by "paying back" Young with his own check. The evidence further showed that Siegelman accepted and cashed the \$2973.35 check from Bailey with the notation that it was final payment for the motorcycle. Finally, the jury had heard testimony that Bailey always did what Siegelman asked him to do.

The jury's acquittal on Count 16 shows that it was not convinced beyond a reasonable doubt that Siegelman instigated the coverup by directing Bailey to "pay back" Young with the initial \$10,500 check. But, by the time Bailey wrote the check to Siegelman for \$2793.35, just over four months later, as a final step in the coverup, the jury's conviction on Count 17 indicates that it concluded Siegelman not only knew what Bailey was doing to cover up Young's corrupt payment, but that he was directing the coverup by persuading Bailey to write the check to him.

This sort of split verdict is itself evidence that the jury considered the charges carefully and individually, addressed the strength of the evidence on each charge, and reached a reasoned conclusion. See *United States v. Dominguez*, 226 F.3d 1235, 1248 (11<sup>th</sup> Cir. 2000) (making these comments in the context of allegations of premature jury deliberations).

Siegelman's argument against the sufficiency of this evidence is the same he made against his convictions on virtually all the other counts – that the

evidence in this case was not perfect, that it relied too heavily on circumstances and required the jury to draw inferences from those circumstances that might have been drawn differently by different jurors.

But this is far too academic a view of trial by jury. In the absence of a defendant's confession or observation of his wrongdoing by a third person, proof by circumstantial evidence and the fair inferences to be drawn therefrom is both necessary and permissible. Siegelman's contention throughout his brief that "there was no evidence" to support a particular inference too often means merely that there was no evidence other than Bailey or Young's testimony. While Siegelman may not approve that the testimony of co-conspirators was sufficient to support the jury's findings of fact, the jury was free to disregard or disbelieve it. They believed it.

With respect to the "misleading" prong of the statute, the evidence was more than sufficient to support the jury's finding that the delivery of the final check in the presence of the two lawyers and the use of the lawyers to "finalize" the sale of the motorcycle to Bailey was an attempt to "create witnesses as part of a cover-up and to use unwitting third parties or entities to deflect the efforts of law enforcement agents in discovering the truth," *United States v. Veal*, 153 F.3d 1233, 1247 (11th Cir. 1998) (statute satisfied by "the *possibility* or *likelihood* that [the defendants'] false and misleading information would be transferred to federal authorities. . ."). The jury was entitled to infer from the sham check transaction in Bailey's lawyer's presence that Siegelman intended to mislead the lawyer into believing that the transaction was legitimate, that Bailey had, indeed, purchased the motorcycle from him, and that the

check was final payment. As the “unwitting third party,” the lawyer would be in a position factually to support the coverup since Siegelman clearly knew that there was a “possibility” that the federal investigators would come asking.<sup>28</sup>

#### 4. *Admission of a Co-conspirator’s Statement*

Defendants challenge the admission of Hanson’s out-of-court statement to Martin at a HealthSouth retreat in the fall of 1999. Martin testified that Hanson “was bragging about the fact that he was able to get [HealthSouth] a spot on the CON Board with the help of the [IHS] check.”

Under Fed. R. Evid. 801(d)(2)(E), a court has the discretion to admit co-conspirator statements made during and in furtherance of the conspiracy. The court’s admission of such statements is an abuse of its discretion to do so if the statements do not meet this legal standard. *United States v. Magluta*, 418 F.3d 1166 (11th Cir. 2005).

This court applies a liberal standard in determining whether a statement was in furtherance of a conspiracy. *United States v. Santiago*, 837 F.2d 1545, 1549 (11th Cir. 1988). “The statement need not be necessary to the conspiracy, but must only further the interests of the conspiracy in some way.” *United States v. Miles*, 290 F.3d 1341, 1351 (11th Cir. 2002). “[I]f the statement ‘could have been intended to affect future dealings between the parties,’ then the statement is in furtherance of a conspiracy.” *United States v. Caraza*, 843 F.2d 432, 436 (11th Cir. 1988) (quoting

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<sup>28</sup> Indeed, the “bill of sale” for the motorcycle, prepared by the attorneys, was introduced at this trial. Similarly, Bailey had also delivered the “loan re-payment” check for \$10,503.39 to Young in the office of Young’s lawyer.

*United States v. Patton*, 594 F.2d 444, 447 (5th Cir. 1979)). Finally, “[s]tatements between conspirators which provide reassurance, serve to maintain trust and cohesiveness among them, or inform each other of the current status of the conspiracy further the ends of the conspiracy . . . .” *United States v. Ammar*, 714 F.2d 238, 252 (3d Cir. 1983). Even defendants concede that boasting or bragging is in furtherance of a conspiracy if the statements are directed at obtaining the confidence or allaying the suspicions of co-conspirators. *Santiago*, 837 F.2d at 1549.

Hanson’s statement at the HealthSouth retreat furthered the conspiracy. We agree with the government that, given Martin’s own involvement in the conspiracy (obtaining the IHS check), Hanson’s bragging to him about purchasing the CON Board seat “with the help of” the IHS check informed Martin that their plan had worked and that Martin’s involvement had helped. This alone is sufficient to permit its introduction under *Ammar*, 714 F.2d at 252. Additionally, however, the statement is easily seen to affect the co-conspirators’ future dealings because Martin’s assistance might be needed in connection with the second \$250,000 donation and Hanson knew this. Thus, Hanson’s statement easily meets the *Caraza* standard. 843 F.2d at 436 (approving statement admitted after several acts of conspiracy helping to ensure final acts). The district court did not abuse its discretion in admitting this evidence.

##### 5. *Juror Misconduct*

Defendants filed a joint motion for a new trial under Fed. R. Crim. P. 33(a), alleging juror misconduct by way of both juror exposure to extraneous information as well as by improper juror deliberation



and that each impropriety violated the Sixth Amendment and requires a new trial.<sup>29</sup> After conducting two evidentiary hearings on this issue,<sup>30</sup> the district court held that no substantial violation of the Sixth Amendment occurred that required a new trial. We review the denial of a motion for new trial based on alleged juror misconduct for an abuse of discretion. *United States v. Venske*, 296 F.3d 1284, 1290 (11th Cir. 2002).<sup>31</sup> We will consider each of the claims of misconduct in turn.

#### A. Juror Exposure to Extraneous Information

The Sixth Amendment to the United States Constitution guarantees the right to trial by an impartial jury. U.S. Const. amend. VI. To protect the right to an impartial jury, the Supreme Court has recognized that “[d]ue process means a jury capable and willing to decide the case solely on the evidence before it, and a trial judge ever watchful to prevent prejudicial occurrences and to determine the effect of such occurrences when they happen.” *Smith v. Phillips*, 455 U.S. 209, 217 (1982). The jury must determine guilt solely on the basis of the evidence presented at trial and the court’s instructions as to the applicable law. *Turner v. Louisiana*, 379 U.S. 466, 472-73 (1965).

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<sup>29</sup> Scrushy has moved this court to appoint a special master under Fed. R. App. R. 48 to investigate the matter. The request is denied.

<sup>30</sup> In the first of these hearings, the court considered the affidavit of Juror 5 to determine whether it established sufficient reason to conduct further inquiry, concluding that it did.

<sup>31</sup> Of course, the district court’s findings of facts supporting its legal conclusion are reviewed only for clear error. *United States v. Cuthel*, 903 F.2d 1381, 1383 (11th Cir. 1990).

We presume, however, that the jury has been impartial. *United States v. Winkle*, 587 F.2d 705, 714 (5th Cir. 1979).<sup>32</sup> A defendant who alleges denial of this right resulting from juror exposure to extraneous information has the burden of making a colorable showing that the exposure has, in fact, occurred. *Id.* See also *United States v. Ayarza-Garcia*, 819 F.2d 1043, 1051 (11th Cir. 1987). If the defendant does so, prejudice to the defendant is presumed and the burden shifts to the government to show “that the jurors’ consideration of extrinsic evidence was harmless to the defendant.” *Remmer v. United States*, 347 U.S. 227 (1954); *United States v. Ronda*, 455 F.3d 1273, 1299 (11th Cir. 2006).<sup>33</sup>

If the district court concludes the exposure to the extrinsic evidence was harmless to the defendant, on appeal, we review this conclusion for an abuse of discretion. *Id.* at 1296 n.33. In doing so, we look at all the circumstances and we consider: (1) the nature of the extrinsic evidence; (2) the manner in which it reached the jury; (3) the factual findings in the district court and the manner of the court’s inquiry into the juror issues; and, (4) the strength of the government’s case. *Id.* at 1299-1300.

Defendants attached several exhibits to their motion regarding juror misconduct, including news articles after the trial and copies of affidavits by Juror 5 and

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<sup>32</sup> All decisions of the Fifth Circuit prior to October 1, 1981, when this court was established, have been adopted as decisions of this court. *Bonner v. Prichard*, 661 F.2d 1206, 1209 (11th Cir. 1981).

<sup>33</sup> *Ronda* recognized that there has been some inconsistency in our application of *Remmer*, but, as in *Ronda*, we decline to consider this issue because it has no bearing on the outcome. 455 F.3d at 1299 n.36.

his wife and his wife's pastor. This material, especially the affidavit of Juror 5, suggested that, during the trial, some of the jurors may have seen information about the trial on the internet.

Finding that the defendants had made a colorable showing of extrinsic influence on the jury, the district court held a hearing to which all twelve jurors were summoned and told to bring with them any material related to outside information that they or any other juror considered during trial or deliberations. At the hearing, the court asked each juror a series of twelve questions designed to reveal the nature and extent of any extrinsic evidence to which the jurors were exposed.<sup>34</sup> Each juror testified under oath in response to the twelve questions and follow-up questions.

Based upon this testimony, the district court found that there was credible evidence establishing that during deliberations some of the jurors were exposed to the following extrinsic evidence: (1) a copy of the Second Superseding Indictment obtained from the district court's own website; and (2) juror information from the website concerning the foreperson's obligation to preside over the jury's deliberations and to give every juror a fair opportunity to express his views.

1. Exposure to a Book About the Role of the Foreperson

As a matter of fact, and based upon the testimony given by the jurors in the hearing, the district court found that the extrinsic evidence accessed from the district court's own website by Juror 7 and mentioned by him in jury deliberations did not pertain to any

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<sup>34</sup> These questions are attached as Exhibit "A" to this opinion.

substantive issue in defendants' trial. It concerned only the process of deliberation. Furthermore, it did not contradict any instruction given by the court, was consulted and discussed for only a few moments of a more than five-day deliberation. It was discussed to encourage full participation by all the jurors. The district court concluded that the exposure of the jury to this extrinsic information was harmless to the defendants.

We agree. In substantially similar circumstances, we affirmed a district court's decision that a new trial was not required in a case where the jury foreman went to the library and checked out a book entitled *What You Need to Know for Jury Duty*, and then exposed the jury to it. *United States v. De La Vega*, 913 F.2d 861, 869 (11th Cir. 1990). In that case, the foreperson read the book, implemented suggestions for jury procedures outlined in the book, brought the book to the jury room, and showed some other jurors a page in the book that outlined organizational steps for deliberation. *Id.* at 869-70. We held that the district court did not abuse its discretion in concluding that there was no reasonable possibility that the introduction of this extrinsic information prejudiced the defendants such that a new trial was required. *Id.* at 870-71.

The district court did not abuse its discretion in concluding that the introduction of similar information in this case was harmless beyond a reasonable doubt. The district court carefully investigated this matter. Its factual findings that this information was unrelated to the charges or any evidentiary matter in the case, and that it was introduced by a juror, not an outside influence, are not clearly erroneous. Furthermore, the district court held, and

we agree, that the government's case was strong on the counts of conviction. In view of these findings, we conclude that the district court did not abuse its discretion in holding that there was no reasonable possibility of prejudice to the defendants arising out of the exposure of the jury to this extrinsic evidence and denying the motion for a new trial.

## 2. Exposure to the Unredacted Second Superseding Indictment

During trial, the district court granted the government's motion to cure what the court had determined was multiplicitous charging of the federal funds bribery counts by removing reference to Siegelman in Count 4 and to Scrushy in Count 3 of the Second Superseding Indictment.<sup>35</sup> The district court provided the jury with a copy of the resulting redacted Second Superseding Indictment for its deliberations.

Based upon its questioning of the jurors, the district court found that Juror 7 and Juror 40 accessed a copy of the unredacted Second Superseding Indictment early during the jury's deliberations. They each obtained the indictment from the court's website in order to be able to review the allegations outside of the jury deliberation room. Additionally, some other members of the jury became aware that Jurors 7 and 40 had spent time outside of the jury room reviewing the content of this document. While the jury did not discuss this fact at length, it did discuss it. There was no evidence, however, that any members of the jury other than Jurors 7 and 40 actually read the unredacted Second Superseding Indictment, or that

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<sup>35</sup> The government had charged both in each count, thereby permitting each to be convicted twice for the same offense.

either Juror 7 or Juror 40 ever realized that there was any difference between the two indictments.

The district court found that the two jurors had been exposed to the unredacted indictment, which was extrinsic information, and that other jurors had been exposed to the fact that those jurors had obtained a copy of the document from the internet. Considering the totality of the circumstances, including the substantial evidence of defendants' guilt on the counts of conviction, the district court concluded that the jury's exposure to this extrinsic information was harmless beyond a reasonable doubt and it denied them a new trial.

We agree. This extrinsic evidence was the charging document itself. The district court specifically found that, prior to the redaction, the jurors had been repeatedly exposed to comment by the court and all the parties on the contents of the Second Superseding Indictment. Exposure to the original indictment, including the duplicitous charging, was, therefore, innocuous and cumulative of information properly before the jury. The district court specifically found that the exposure of any juror to the unredacted indictment would not have provided that juror with factual information to which the juror did not already properly have access, nor would it have provided that juror with any legal knowledge different from that provided to the jury as a whole.

Furthermore, the jury was repeatedly instructed that the indictment was not evidence of guilt, and that it must decide the case solely on the evidence properly admitted during the trial. The jury is presumed to follow the district court's instructions. *See United States v. Shenberg*, 89 F.3d 1461, 1472 (11th Cir. 1996).

Based upon the district court's investigation of this claim, its careful review of the nature, source and use of the extrinsic information in the context of the substantial evidence of defendants' guilt, we hold that the district court did not abuse its discretion in denying defendants a new trial for this reason.

### 3. Exposure to Limited Portions of Media Coverage

During the hearing, Jurors 7, 22, and 40 revealed that they had inadvertently experienced limited exposure to some media coverage during the trial. These jurors testified that, despite their best efforts, they had overheard snippets of television coverage or seen headlines regarding the case in newspapers or online. The court found that such limited, inadvertent exposure was not surprising given the intense media scrutiny of the trial. The court further found that the jurors' testimony was especially credible since it was clear to it that the jurors felt compelled to disclose even the most incidental and inadvertent exposure to extrinsic information. Juror 22 testified that she would leave the room or mute the television when the news came on, and Jurors 7 and 40, who saw headlines, testified that they did not read the accompanying stories prior to the verdict. The court also found that there was no evidence that the jury discussed any media reports prior to the verdict.

Our review of the record supports these findings and the district court's conclusion that the exposure of these jurors to media reports about the trial was harmless. In view of the limited and incidental nature of this exposure and the substantial evidence of defendants' guilt on the counts of conviction, we hold that the district court did not abuse its discre-

tion in denying the defendants a new trial for this reason.

### B. Juror Deliberations

Defendants rely upon purported emails allegedly exchanged between jurors during trial and deliberations. Documents said to be copies of such exchanges were mailed anonymously to the defense, to argue that there was both premature jury deliberation and deliberation by fewer than all the jurors in this case, and that this improper deliberation deprived the defendants of their Sixth Amendment right to an impartial jury.

These allegations posed a very different problem for the district court from those suggesting that the jury had been subject to external influences. District courts are subject to very stringent limitations on their authority to question jurors about their deliberations, and to use one or more juror's testimony to impeach the verdict of all. In fact, for nearly a century, the Supreme Court has recognized a near-universal and firmly established common-law rule *flatly prohibiting* the use of juror testimony to impeach a verdict. *Tanner v. United States*, 483 U.S. 107, 117 (1987); *McDonald v. Pless*, 238 U.S. 264 (1915).

The Court has repeatedly emphasized the important policy considerations that require the shielding of juries from public scrutiny of their deliberations. *Williams v. Florida*, 399 U.S. 78, 100 (1970). "The essential feature of a jury obviously lies in the interposition between the accused and his accuser of the commonsense judgment of a group of laymen, and in the community participation and shared responsibility that results from that group's determination of guilt or innocence." *Id.* Because our system of



justice so prizes this unique and essential feature of our criminal justice system, it both anticipates and tolerates some level of imperfection in the system. *United States v. D'Angelo*, 598 F.2d 1002, 1004-05 & n.4 (5th Cir. 1979).<sup>36</sup> As the Supreme Court has explained:

There is little doubt that postverdict investigation into juror misconduct would in some instances lead to the invalidation of verdicts reached after irresponsible or improper juror behavior. It is not at all clear, however, that the jury system could survive such efforts to perfect it. Allegations of juror misconduct, incompetency, or inattentiveness, raised for the first time days, weeks, or months after the verdict, seriously disrupt the finality of the process. Moreover, full and frank discussions in the jury room, jurors' willingness to return an unpopular verdict, and the community's trust in a system that relies on the decisions of laypeople would all be undermined by a barrage of postverdict scrutiny of juror conduct.

*Tanner*, 483 U.S. at 120-21 (internal citations omitted).

Permission to attack jury verdicts by postverdict interrogations of jurors would allow defendants to launch inquiries into jury conduct in the hope of discovering something that might invalidate the verdicts against them. "Jurors would be harassed and beset by the defeated party in an effort to secure from

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<sup>36</sup> For example, we permit logically inconsistent jury verdicts as to different counts, and even as to different co-defendants. We permit jury nullification. We do not inquire whether a verdict is the result of compromise, mistake or even carelessness.

them evidence of facts which might establish misconduct sufficient to set aside a verdict.” *Id.* at 119-20 (quoting *McDonald*, 238 U.S. at 267-68)). Such events would result in “the destruction of all frankness and freedom of discussion” in the jury room. *Id.* And, as early as 1892, the Supreme Court expressed concern that such postverdict investigation would “induce tampering with individual jurors subsequent to the verdict.” *Mattox v. United States*, 146 U.S. 140, 149 (1892). In a justice system that depends upon public confidence in the jury’s verdict, such events are unacceptable.

In an effort to protect the jury system, the Federal Rules of Evidence enshrine the common law rule against the admission of a juror’s testimony to impeach the jury’s verdict. Rule 606(b) provides:

(b) Inquiry into validity of verdict or indictment. Upon an inquiry into the validity of a verdict or indictment, a juror may not testify as to any matter or statement occurring during the course of the jury’s deliberations or to the effect of anything upon that or any other juror’s mind or emotions as influencing the juror to assent to or dissent from the verdict or indictment or concerning the juror’s mental processes in connection therewith, except that a juror may testify on the question whether extraneous prejudicial information was improperly brought to the jury’s attention or whether any outside influence was improperly brought to bear upon any juror. Nor may a juror’s affidavit or evidence of any statement by the juror concerning a matter about which the juror would be precluded from testifying be received for these purposes.

Fed. R. Evid. 606(b).

By disallowing a juror to impeach the jury's verdict by testimony about their deliberations, the rule operates to protect jurors from postverdict investigation and to protect the verdict from endless attack.<sup>37</sup>

We have previously affirmed district courts that have denied motions for a new trial while declining to conduct investigations into jury deliberations. *Cuthel*, 903 F.2d at 1381. In *Cuthel*, we held that the district court did not abuse its discretion in failing to conduct an evidentiary hearing despite evidence of premature deliberations by the jury and evidence of intrajury pressure to reach a verdict. *Id.* at 1383; *see also United States v. Barshov*, 733 F.2d 842, 852 (11th Cir. 1984) (duty to investigate arises only in the context of extrinsic influence); *United McElroy by McElroy v. Firestone Tire & Rubber Co.*, 894 F.2d 1504, 1511 (11th Cir. 1990) (denying defendant's requests to interview the jury members based on allegations of improper deliberations).

The district court said that it had serious reservations about the authenticity of these purported emails, but concluded that the law barred it from questioning the jurors about their deliberations, or

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<sup>37</sup> The only exception to the rule is to permit the sort of examination of jurors conducted by the district court in this case to determine whether the jury considered extrinsic information to the defendant's prejudice, as discussed in the immediately preceding portion of this opinion. The district court found as a matter of fact that it had "no doubt whatsoever that the documents purporting to be juror emails on which the Defendants rely are wholly unrelated to any evidence of jury exposure to extraneous information or outside influence." We conclude that this finding of fact is not clearly erroneous. In addition, we see no abuse of discretion in the way the district court dealt with the three other emails called to its attention after the evidentiary hearings.

about the emails purporting to suggest that the jurors deliberated improperly.<sup>38</sup> Instead, it stated that “[e]ven if the Court were to assume *arguendo* the authenticity of these documents,” it would not find that the emails established that the jury either deliberated prematurely or without all its members in any significant measure.

The court based this conclusion upon its factual findings that some of the emails might relate to discussion of the case prior to the submission of the case to the jury, that others might indicate limited deliberation by fewer than all the members of the jury, and that some indicate possible consideration of penalties faced by the defendants. According to the district court, this was the most that the emails showed.

The court concluded that, while “it is unquestionably clear that such discussions constitute misconduct, it is not the sort of conduct that this Court can or should directly inquire into by interrogating jurors, nor is it in this Court’s view grounds for granting a new trial.” Considering the totality of the circumstances, the strength of the government’s case, the length of jury deliberations, and the court’s instructions to the jury, including the instructions not to decide or discuss the case prematurely, the district court held that there was no reasonable possibility that the defendants suffered prejudice from any premature deliberations, discussion of penalty, or delib-

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<sup>38</sup> Defendants urged the court to obtain information regarding the emails from the jurors’ internet providers but provided the court with no legal authority in support of this “unusual and intrusive investigation of jurors.” In view of the law governing postverdict investigation of jurors, the court denied the request.

eration with fewer than all the members of the jury present.

We agree. Additionally, we note that the verdict in this case was split in that Siegelman was acquitted of many of the charges.<sup>39</sup> Such a split verdict lends supports to a conclusion that the jury carefully weighed the evidence and reached a reasoned verdict free of undue influence and did not decide the case prematurely. *United States v. Dominguez*, 226 F.3d 1235, 1248 (11th Cir. 2000); *Cuthel*, 903 F.2d at 1383.

We conclude, therefore, that the district court did not abuse its discretion in deciding that the purported emails, assuming they are authentic, do not entitle defendants to a new trial. The district court applied the relevant factors to the email evidence, and was well within its discretion to conclude that they did not demonstrate premature deliberation or deliberation with fewer than all jury members sufficient to arise to a constitutional violation.<sup>40</sup>

#### 6. *District Court Failure to Recuse*

Scrushy contends that he is entitled to a new trial because Chief Judge Fuller should have disclosed his “extraordinary extrajudicial income from business

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<sup>39</sup> Scrushy argues that because he was convicted on all counts against him, that the verdict was not split as to him. The law, however, is to the contrary. *See United States v. Baker*, 432 F.3d 1189, 1237 (11th Cir. 2005) (a split verdict is one in which the jury finds “guilt as to some defendants or charges but not as to others”).

<sup>40</sup> Defendants moved just before oral argument for permission to file supplemental information regarding juror misconduct. At oral argument, the government represented to the court that its investigation into that misconduct did not involve the allegations of juror misconduct at issue in this appeal. For this reason, we shall deny the motion.

contracts with the United States Government pursuant to 28 U.S.C. § 455(a).”

This claim is predicated upon Chief Judge Fuller’s ownership interest in two aviation companies that engage in business with agencies of the United States government. This claim was raised over nine months after trial and incorporated information learned from the internet and from Chief Judge Fuller’s Financial Disclosure Reports.

A motion for recusal based upon the appearance of partiality must be timely made when the facts upon which it relies are known. The untimeliness of such a motion is itself a basis upon which to deny it. *Phillips v. Amoco Oil Co.*, 799 F.2d 1464, 1472 (11th Cir. 1986). The rule has been applied when the facts upon which the motion relies are public knowledge, even if the movant does not know them. *See National Auto Brokers Corp. v. General Motors Corp.*, 572 F.2d 953, 957-59 (2d Cir. 1978). The purpose of the rule is to “conserve judicial resources and prevent a litigant from waiting until an adverse decision has been handed down before moving to disqualify the judge.” *Summers v. Singletary*, 119 F.3d 917, 921 (11th Cir. 1997).

Scrushy’s recusal motion was untimely, based upon information readily available to him prior to trial, and has all the earmarks of an eleventh-hour ploy based upon his dissatisfaction with the jury’s verdict and the judge’s post-trial rulings. It has no merit.

#### 7. *Jury Selection Procedures*

Federal criminal defendants have both a statutory and a constitutional right to a grand and a petit jury selected at random from a fair cross-section of their community. Juror Selection and Service Act of 1968,

28 U.S.C. §§ 1861-1869 (the “JSSA”); U.S. Const. amend. VI. By its terms, the JSSA provides remedies for only a “substantial failure to comply” with its requirements for jury selection procedures that are random, objective, and that produce a jury that is a fair-cross section of the community. 28 U.S.C. § 1861 and 1867(d). Mere technical deviations from the JSSA’s requirements do not violate the JSSA if they do not result in impermissible discrimination in the jury selection process. *United States v. Gregory*, 730 F.2d 692, 699 (11th Cir. 1984).

Before their trial, both Siegelman and Scrushy filed virtually identical motions, alleging that the Middle District of Alabama committed substantial violations of the JSSA in constructing its Qualified Jury Wheels in 2001 and 2005, and in the selection from those wheels of both their grand and petit juries. Defendants claimed that these violations resulted in their juries being not a fair-cross section of their community. Specifically, Scrushy and Siegelman challenged the Middle District’s liberal deferral policy and its procedures for summoning previously deferred jurors, claiming that they resulted in juries that underrepresented African-Americans. The district court denied these challenges. Defendants appeal this denial.

A panel of this court has upheld the jury selection procedures of the Middle District of Alabama in a case raising virtually the same claims as those asserted here. *United States v. Carmichael*, 560 F.3d 1270 (11th Cir. 2009). *Carmichael* held that the Middle District’s jury selection procedures – including the liberal deferral policy and the procedures for summoning previously deferred jurors – did not substantially violate the JS SA. *Id.* at 1281. Additionally,

*Carmichael* held that the Middle District’s jury selection procedures did not result in the systematic under-representation of African-American jurors on the 2001 Qualified Jury Wheel or in the jury pools selected from that wheel. *Id.*

In his brief, which Siegelman adopted, Scrushy acknowledges the identity between the claims presented in *Carmichael* and his claims presented here, conceding that “[b]ut for the fact that only the petit jury which was drawn from the 2001 jury wheel was challenged there [and the petit jury was drawn from the 2005 wheel here], the issues presented overlap.” This is not surprising since the same expert who opined in *Carmichael* about alleged violations of the JSSA and the Constitution is relied upon here, using the same evidence in support of those claims. At the time defendants filed their pre-trial motion, however, *Carmichael* had not yet been decided. Now that it has, it disposes of their claims as to the 2001 jury wheel.

With respect to the 2005 wheel, the district court in this case held that defendants were not entitled to any relief because the challenged objectivity and randomness practices did not apply to that wheel. Additionally, the district court found that defendants had not shown the absolute racial disparity between the composition of his juries and the community at-large of over 10% that is required to establish a statutory or constitutional violation. *See Carmichael, id.*; *see also United States v. Gresham*, 63, F13d 1074, 1078-79 (11th Cir. 1995). We agree.

Defendants’ claims regarding the Middle District of Alabama’s jury selection procedures are without merit and do not entitle them to any relief.



### 8. *Siegelman's Sentence*

Siegelman contends that the district court's decision to grant an upward departure under U.S.S.G. §§ 2C1.1 cmt.n.5, 5K2.0 (2002) violated the First Amendment and 18 U.S.C. § 3553(a) because it was allegedly based on Siegelman's statements criticizing the prosecutors in and the prosecution of this case. If this were true, we might agree.<sup>41</sup> It does not, however, accurately describe the district court's reasons for the upward departure.

In both its written motion for an upward departure and its arguments at sentencing, the government maintained that Siegelman's criminal conduct reflected such a systematic and pervasive corruption of the office of Governor and Lieutenant Governor, as well as various state agencies, such as the CON Board, as to cause a loss of public confidence in the government of the State of Alabama. The government's motion focused on this allegation of systematic and pervasive corruption of state government. The government contended that Siegelman "for over six years abused the Executive Branch of the State of Alabama."

The statute permits and the cases relied upon by the government uphold upward departures where the district court finds that there was pervasive corruption of a governmental function resulting in a loss of public confidence in state or local government. *See* U.S.S.G. §§ 2C1.1 cmt.n.5, 5K2.0; *United States v. Shenberg*, 89 F.3d 1461, 1476-77 (11th Cir. 1996);

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<sup>41</sup> The government argues persuasively that, even if there was error here, it was harmless as the departure did not affect Siegelman's ultimate sentence. As we need not, we do not reach this argument.

*United States v. Reyes*, 239 F.3d 722, 744-45 (5th Cir. 2001).

Although the government did refer at sentencing to Siegelman's very public criticisms of the federal criminal justice system, including complaints of selective prosecution, there is no indication that the court based its upward departure decision on these attacks. In replying to Siegelman's counsel statement about saving the issue of alleged selective prosecution for another day, the court responded, "Then let's do that."

In considering the request for an upward departure "as set forth in the Government's motion," the district court found that Siegelman's conduct resulted in a loss of public confidence in the executive branch of Alabama government. The district court took judicial notice of the "plethora of media attention" to the case by the local and national media, and relied on this in finding that the case had severely undermined public confidence in Alabama state government.

Siegelman does not contend that an upward departure for his systematic and pervasive corruption of state government was inappropriate, and even his attorney at sentencing conceded that "certainly the argument could be made, in all candor, that there could be some question as to public confidence in this case."

The district court expressly stated that it was upwardly departing in order to "preserve the integrity of the judiciary and the confidence of the people of the state of Alabama in its elected officials." We find no abuse of discretion in the district court's upward departure in sentencing Siegelman.

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III.

As to Siegelman, we affirm Counts 3, 5, 6, 7 and 17. We reverse as to Counts 8 and 9 and vacate the convictions on these counts.

As to Scrushy, we affirm as to Counts 4, 5, 6, and 7. We reverse the convictions on Counts 8 and 9. Scrushy's sentence as to Counts 8 and 9 is vacated.

AFFIRMED IN PART, REVERSED IN PART, AND REMANDED. All pending motions in this case are DENIED. Remanded for resentencing.

Exhibit A

- First question: Did anyone other than another juror try to influence your thinking about this case or your vote on the substantive counts against any Defendant?
- Second question: Do you have any reason to believe that any juror was subjected to attempts to influence his or her thinking about the case by anyone other than another juror?
- Third question: Did anyone other than another juror attempt to discuss the case with you during the time you were a juror in this case?
- Fourth question: During the time that you were serving as a juror did you view any news reports or other information relating to this case or to any Defendant from sources such as newspapers, magazine, radio, or television broadcasts or Internet sites?
- Fifth question: During the time that you were serving as a juror did you view any materials from any books, newspapers, Internet sites or any other source relating to any witness, any legal issue, or any factual issue related to this case?
- Sixth question: During the time that you were serving as a juror did you in any way attempt to independently in-

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vestigate any facts or law relating to this case?

Seventh question: During the time that you were serving as a juror did you overhear any conversations between persons not on the jury or between non jurors as to any member of the jury relating to this case?

Eighth question: During the time that you were serving as a juror did you view or hear any extraneous information about the penalty that might be applicable to any Defendant if he was convicted of the charges in this case?

Ninth question: During the time that you were serving as a juror did you obtain extraneous information from any source about your role as a juror, your jury service generally, or the role of the foreperson?

Tenth question: During the time that you served as a juror did any other juror say or do anything that caused you to believe that he or she may have been exposed to extraneous information as I have defined it about this case from any source?

Eleventh question: During the time that you were serving as a juror did you view or hear any extraneous information about either the law applicable to

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this case or any factual material  
relating to this case?

Twelfth question: Did you bring any documents in  
response to the subpoena relating  
to extraneous information?

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**APPENDIX B**

IN THE UNITED STATES COURT OF APPEALS  
FOR THE ELEVENTH CIRCUIT

[Filed November 9, 2011]

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No. 47-13163-B3

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UNITED STATES OF AMERICA,  
*Plaintiff-Appellee,*

versus

DON EUGENE SIEGELMAN,  
*Defendant-Appellant.*

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On Appeal from the United States District Court  
for the Middle District of Alabama

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ON PETITION(S) FOR REHEARING AND  
PETITION(S) FOR REHEARING EN BANC

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Before: TJOFLAT, EDMONDSON AND  
HILL, Circuit Judges.

PER CURIAM:

The Petition(s) for Rehearing are DENIED and no Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc (Rule 35, Federal Rules of Appellate Procedure), the Petition(s) for Rehearing En Banc are DENIED.

ENTERED FOR THE COURT:

/s/ JAMES C. HILL

UNITED STATES CIRCUIT JUDGE

**APPENDIX C**

Excerpts from jury instructions, given June 14, 2006:

...

To “deprive another of the intangible right of honest services” means to violate or to cause a public official or employee to violate the official’s or employee’s duty to provide honest services to the employer.

Public officials and public employees inherently owe a duty to the public to act in the public’s best interest. If, instead, the official or employee acts or makes his decisions based on the official’s own personal interests, such as accepting a bribe or receiving personal benefit from the undisclosed conflict of interest, the official has defrauded the public of the official’s honest services even though the public agency involved may not suffer any monetary loss in the transaction.

You are further instructed as to the honest services mail and wire fraud counts that you must find not only that the defendants intended to deprive the public of their honest services, but also that they intended to deceive the public and that they intended to alter their official actions as a result of the receipt of campaign contributions or other benefits. Moreover, payments for entertainment, lodging, sports events, and the like would not constitute violations of the honest services mail and wire fraud statutes if the intent of the defendants were simply to cultivate a business or political friendship.

...

Count three charges Governor Siegelman with federal funds bribery in violation of 18, United States Code, Section 666(a)(1)(B). That section makes it a



federal crime or offense for anyone who is an agent of an organization, local government, or local governmental agency receiving significant benefits under a federal assistance program corruptly to accept or agree to accept anything of value from any person intending to be influenced or rewarded in connection with certain transactions of such organization, government, or agency.

Governor Siegelman can be found guilty of that offense only if all of the following facts are proved beyond a reasonable doubt: first, that Governor Siegelman was an agent of the State of Alabama, as charged; second, that during a one-year period, the State of Alabama received benefits in excess of \$10,000 under a federal program involving some form of federal assistance; third, that during such one-year period, Governor Siegelman knowingly accepted or agreed to accept a thing of value – that is, approximately \$500,000 – from Mr. Scrushy, as charged; fourth, that by such acceptance or agreement, Governor Siegelman intended to be rewarded in connection with a transaction or series of transactions of the State of Alabama, which transaction or series of transactions involved something of value of \$5,000 or more; and that in so doing, Governor Siegelman acted corruptly.

An act is done corruptly if it is performed voluntarily, deliberately, and dishonestly for the purpose of either accomplishing an unlawful end or result or the accomplishing of some otherwise lawful end or result by any unlawful method or means. A defendant does not commit a crime by giving something of value to a governmental official unless the defendant and the official agree that the official will take specific action in exchange for the thing of value.

**APPENDIX D**

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF ALABAMA  
NORTHERN DIVISION

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CASE NO.: 2:05-cr-119-MEF  
(WO-Not Intended for Publication)

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UNITED STATES OF AMERICA,

v.

DON EUGENE SIEGELMAN and RICHARD M. SCRUSHY,

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**MEMORANDUM OPINION AND ORDER**

This matter is before the Court on the motions for judgments of acquittal made by Defendants Don Eugene Siegelman (“Siegelman”) and Richard M. Scrushy (“Scrushy”) pursuant to Federal Rule of Criminal Procedure 29.<sup>1</sup> The Court has carefully considered the arguments in support of and in opposition to these motions. For the reasons stated herein,

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<sup>1</sup> Both Siegelman and Scrushy made oral motions for judgment of acquittal pursuant to Federal Rule of Criminal Procedure 29(a) before the case was submitted to the jury. Scrushy also made a written motion for judgment of acquittal pursuant to Federal Rule of Criminal Procedure 29(a) before the case was submitted to the jury. *See* Doc. # 413. Pursuant to the Federal Rule of Criminal Procedure 29(b), the Court reserved decision on the motions. After the jury’s verdict, both Siegelman and Scrushy filed written motions for judgment of acquittal pursuant to Federal Rule of Criminal Procedure 29(c). *See* Doc. # 453, Doc. # 454, & Doc. # 455.

Defendants' motions for judgment of acquittal are due to be DENIED.<sup>2</sup>

### BACKGROUND

The indictment<sup>3</sup> in this case named Siegelman as a defendant and alleged that during relevant periods of time, he held various public offices in the executive branch of the government of the State of Alabama.

[F]rom on or about January 16, 1995, to on or about January 18, 1999, [Siegelman was] the Lieutenant Governor of the State of Alabama, and while Lieutenant Governor was also, from on or about March 31, 1996, to on or about November 3, 1998, a candidate for Governor of the State of Alabama, and was, from on or about January 18, 1999, to on or about January 20, 2003, the Governor of the State of Alabama.

(Second Superseding Indictment at ¶ 1.c).

The indictment also named as defendants Paul Michael Hamrick ("Hamrick"), Gary Mack Roberts ("Roberts"), and Scrushy. During the relevant time periods, Hamrick was employed in the Lieutenant Governor's Office of the State of Alabama and later as Chief of Staff to the Governor. Siegelman appointed Roberts to serve as the Director of the Alabama Department of Transportation.<sup>4</sup> Scrushy was

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<sup>2</sup> This Memorandum Opinion and Order is not intended to address any pending motions other than the motions seeking judgment of acquittal.

<sup>3</sup> Unless otherwise specifically noted, all references to the indictment are to the second superseding indictment in this case.

<sup>4</sup> Prior to his appointment, Roberts was employed by a business which had substantial dealings with the Alabama Department of Transportation.

the Chairman and Chief Executive Officer of Healthsouth Corporation, an entity which was regulated by the State of Alabama Certificate of Need Review Board (“CON Board”).

Count One of the indictment alleged that Siegelman and Hamrick engaged in a RICO conspiracy in violation of 18 U. S.C. § 1962(d).<sup>5</sup> With respect to the “enterprise” requirement of the RICO statutes, the indictment alleged that the “enterprise” is the “Executive Department of the State of Alabama . . . whose members functioned as a continuing unit for a common purpose of achieving the objectives of the enterprise.” The alleged broad purpose of the racketeering conspiracy alleged in Count One was “to give or withhold official governmental acts and influence . . . in exchange for money and property to which the participants in the conspiracy were not entitled,” and “to deprive the State of Alabama of its right to the honest services of its public officials and employees in exchange for money and property” and “to conceal and otherwise protect the conspiracy and its participants from detection and prosecution.” (Second Superseding Indict. at ¶ 5).

Count Two of the indictment alleged a substantive RICO count charging a violation of 18 U.S.C. § 1962(c) which provides as follows:

It shall be unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s

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<sup>5</sup> This section of the statute provides that it is “unlawful for any person to conspire to violate any of the provisions” of the first three subsections of 18 U.S.C. § 1962.

affairs through a pattern of racketeering activity or collection of unlawful debt.

Count Two of the indictment alleged that Defendants Siegelman and Hamrick “unlawfully and knowingly conducted and participated . . . in the conduct of the affairs of the enterprise through a pattern of racketeering activity” as further set out in the indictment. Count Two set forth a number of separate racketeering acts.

Counts Three and Four of the indictment, in which Siegelman and Scrushy were originally named, charged them with federal funds bribery and aiding and abetting each other “in connection with the appointment of Richard Scrushy to the CON Board,” all in violation of 18 U.S.C. §§ 2 & 666(a)(1)(B). (Second Superseding Indict. at ¶¶ 49-51).

Count Five, in which Siegelman and Scrushy were named, charged them with conspiracy to “defraud and deprive the State of Alabama of its right to the honest and faithful services” of Siegelman as Governor and Scrushy as a member of the CON board, in violation of 18 U.S.C. § 371. (Second Superseding Indict. at ¶ 52-66)

Counts Six through Nine, in which Siegelman and Scrushy were named, charged them with aiding and abetting each other to commit honest services mail fraud as part of their scheme to defraud and deprive the State of Alabama of its right to honest services of Siegelman and Scrushy in connection with the CON board, in violation of 18 U.S.C. §§ 2, 1341, & 1346. (Second Superseding Indict. at ¶ 57-60).

Counts Ten through Twelve, in which Siegelman and Hamrick were named, charged them with aiding and abetting each other to commit honest services

mail fraud as part of their scheme to defraud and deprive the State of Alabama of its right to honest services from themselves as public officials in connection with governmental regulation of specified activities, allocation of bond funding and construction contracting, in violation of 18 U.S.C. §§ 2, 1341, & 1346. (Second Superseding Indict. at ¶ 61- 63).

Counts Thirteen and Fourteen, in which Siegelman and Hamrick were named, charged them with aiding and abetting each other to commit honest services mail fraud concerning performance bonds on a construction contract as part of their scheme to defraud and deprive the State of Alabama of its right to honest services from themselves as public officials, in violation of 18 U.S.C. §§ 2, 1343 & 1346. (Second Superseding Indict. at ¶ 64- 65).

Count Fifteen, in which Hamrick was charged, and Counts Sixteen and Seventeen, in which Siegelman was named, charged them with obstruction of justice, in violation of 18 U.S.C. §§ 1512(b)(3) & 2. (Indict. at ¶ 64-68).

Counts Eighteen through Thirty-Three, in which Siegelman and Roberts were named, charged them with aiding and abetting each other to commit honest services mail fraud as part of their scheme to defraud and deprive the State of Alabama of its right to honest and faithful services from themselves as public officials in connection with functions of the Alabama Department of Transportation, in violation of 18 U.S.C. §§ 2, 1341, & 1346. (Second Superseding Indict. at ¶ 69-71).

Finally, Count Thirty-Four, in which Siegelman was named, charged him with extortion under color of official right and by fear of economic harm, in

violation of 18 U. S.C. § 195 1. (Second Superseding Indict. at ¶ 72).

During the trial, the Court threw out Count Three against Scrushy and Count Four against Siegelman because it found that they were multiplicitous. All other counts were submitted to the jury. On June 29, 2006, the jury returned unanimous verdicts. The jury found Defendants Hamrick and Roberts not guilty on all counts. The jury found Scrushy guilty on Counts Four, Five, Six, Seven, Eight, and Nine. The jury found Siegelman guilty on Counts Three, Five, Six, Seven, Eight, Nine, and Seventeen. The jury found Siegelman not guilty on Counts One, Two, Ten, Eleven, Twelve, Thirteen, Fourteen, Sixteen, Eighteen, Nineteen, Twenty, Twenty-One, Twenty-Two, Twenty-Three, Twenty-Four, Twenty-Five, Twenty-Six, Twenty-Seven, Twenty-Eight, Twenty-Nine, Thirty, Thirty-One, Thirty-Two, Thirty-Three, and Thirty-Four.

After receiving the jury's verdicts, the Court set deadlines for the submission of briefs on post-trial motions. Both Scrushy and Siegelman filed written motions for judgment of acquittal which the Government opposed in writing. All pending motions for judgment of acquittal are now fully briefed and ready for determination.

## DISCUSSION

The test in considering a motion for judgment of acquittal is whether, viewing all evidence in the light most favorable to the Government and drawing all reasonable inferences from the evidence and credibility choices in favor of the jury's verdict, a reasonable trier of fact could find that evidence established guilt beyond a reasonable doubt. *See United States v.*

*O’Keefe*, 825 F.2d 314 (11th Cir. 1987). *Accord*, *United States v. Grigsby*, 111 F.3d 806, 833 (11th Cir. 1997). Put another way, to challenge a jury’s guilty verdict on the grounds of insufficiency of the evidence, it must be established that “no reasonable jury could have found Defendant guilty beyond a reasonable doubt on the evidence presented.” *United States v. Ruiz*, 253 F.3d 634, 639 (11th Cir. 2001). The evidence may be sufficient even when it does not “exclude every reasonable hypothesis of innocence or [is not] wholly inconsistent with every conclusion except that of guilt,” because a “jury is free to choose among reasonable constructions of the evidence.” *United States v. Peters*, 403 F.3d 1263, 1268 (11th Cir. 2005).

Siegelman and Scrushy have presented a variety of arguments in their motions for judgment of acquittal. The Court has carefully considered all of them, as well as the responses to those arguments made by the Government. The Court finds that during the course of this very lengthy trial, the Government presented substantial evidence upon which a reasonable trier of fact could conclude that Siegelman and Scrushy engaged in the conduct for which they were convicted. Viewing the evidence presented in a light most favorable to the Government, the Court holds that a reasonable jury could find the evidence established the charged offenses. This is true both when the Court considers the evidence submitted in the Government’s case in chief for the purpose of addressing the motions for judgment of acquittal made at the close of the Government’s case pursuant to Federal Rule of Criminal Procedure 29(a) and when the Court considers all evidence submitted at trial for the purpose of addressing the motions for judgment of acquittal made after trial pursuant to Federal Rule of Criminal Procedure 29(c). Thus, having applied



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that test to the evidence presented in this case, the Court has determined that the evidence was sufficient to sustain each Defendant's conviction on each count in the Second Superceding Indictment. Accordingly, this Court finds that Defendants' arguments are without merit and concludes that Defendants' requests for acquittal are due to be DENIED.

#### CONCLUSION

For the reasons stated above, the all pending motions for judgment of acquittal filed by either Defendant Don Eugene Siegelman or Richard M. Scrushy are DENIED.

DONE this 2nd day of October, 2006.

/s/ Mark E. Fuller

CHIEF UNITED STATES DISTRICT JUDGE

**APPENDIX E****18 U.S.C. § 666, “Theft or bribery concerning programs receiving Federal funds”**

(a) Whoever, if the circumstance described in subsection (b) of this section exists—

(1) being an agent of an organization, or of a State, local, or Indian tribal government, or any agency thereof—

(A) embezzles, steals, obtains by fraud, or otherwise without authority knowingly converts to the use of any person other than the rightful owner or intentionally misapplies, property that—

(i) is valued at \$ 5,000 or more, and

(ii) is owned by, or is under the care, custody, or control of such organization, government, or agency; or

(B) corruptly solicits or demands for the benefit of any person, or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business, transaction, or series of transactions of such organization, government, or agency involving any thing of value of \$ 5,000 or more; or

(2) corruptly gives, offers, or agrees to give anything of value to any person, with intent to influence or reward an agent of an organization or of a State, local or Indian tribal government, or any agency thereof, in connection with any business, transaction, or series of transactions of such organization, government, or agency involving anything of value of \$ 5,000 or more; shall be fined under this title, imprisoned not more than 10 years, or both.

...

**18 U.S.C. §§ 1346. Definition of “scheme or artifice to defraud”**

For the purposes of this chapter, the term “scheme or artifice to defraud” includes a scheme or artifice to deprive another of the intangible right of honest services.

**18 U.S.C. § 1512, “Tampering with a witness, victim, or an informant”**

...

(b) Whoever knowingly uses intimidation, threatens or corruptly persuades another person, or attempts to do so, or engages in misleading conduct toward another person, with intent to—

(1) influence, delay or prevent the testimony of any person in an official proceeding;

(2) cause or induce any person to—

(A) withhold testimony, or withhold a record, document, or other object, from an official proceeding;

(B) alter, destroy, mutilate, or conceal an object with intent to impair the object’s integrity or availability for use in an official proceeding;

(C) evade legal process summoning that person to appear as a witness, or to produce a record, document, or other object, in an official proceeding; or

(D) be absent from an official proceeding to which such person has been summoned by legal process; or

(3) hinder, delay, or prevent the communication to a law enforcement officer or judge of the United States of information relating to the commission or possible commission of a Federal offense or a viola-

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tion of conditions of probation, supervised release,  
parole, or release pending judicial proceedings;

shall be fined under this title or imprisoned not  
more than 20 years, or both.

...