

**STATEMENT OF
ACTING U.S. ATTORNEY SALLY QUILLIAN YATES
UNITED STATES ATTORNEY'S OFFICE**

A federal grand jury has returned an indictment charging former Mayor Bill Campbell with racketeering, bribery, corruption, and tax fraud. The indictment, which was returned on August 18, was unsealed today. The conduct alleged in the indictment spans from 1996 to as recently as this year. Former Mayor Campbell is charged with accepting cash payoffs from multiple City contractors totaling in excess of \$150,000 and with secretly soliciting and receiving personal financial benefits from other City contractors. More specifically, former Mayor Campbell is charged with receiving \$55,000 in cash from a City Y2K contractor; more than \$40,000 in cash and gambling trip expenses from a City construction consultant; more than \$50,000 in cash from a club owner with City licenses; at least \$10,000 from a City communications contractor; and more than \$10,000 in expenses for a trip to Paris from the City's water contractor. The indictment also charges former Mayor Campbell with soliciting and accepting over \$100,000 in illegal campaign contributions from City contractors; defrauding campaign donors and creditors; and filing false personal income tax returns.

The first count of the indictment charges former Mayor Campbell with violating the RICO statute, which is commonly charged in federal corruption cases where there is a pattern of corrupt conduct over an extended period of time. The indictment charges that former Mayor Campbell conducted the affairs of the City through a pattern of criminal activity and charges eleven separate crimes, known as racketeering acts. First, former Mayor Campbell is charged with soliciting and accepting approximately \$55,000 in cash from a City computer contractor. More specifically, the indictment alleges that a friend and golfing partner of the Mayor's, who was a subcontractor to the computer contractor, talked to Mayor Campbell about providing Y2K services to the City. The Mayor asked, "What's in it for me" and the subcontractor told him "whatever it takes." After that, the computer contractor was awarded a no-bid contract for the Y2K work. The subcontractor, acting as a middle man for the computer contractor, delivered three separate cash payments to Campbell – \$25,000 in June of 1999, \$20,000 in July of 1999, and \$10,000 in August of 1999. The indictment alleges that the payoffs were concealed, and that in January of this year, while this transaction was under investigation, former Mayor Campbell arranged for the middle man's legal fees to be paid by a personal friend of Mayor Campbell's. It was not until late March of this year, on the day the middle man was to be compelled to testify before the grand jury, that he admitted to his role in delivering the corrupt payments to former Mayor Campbell.

The indictment further charges that former Mayor Campbell accepted a number of cash payments and other benefits, totaling more than \$40,000, from an individual who was close to Mayor Campbell and who was hired by City construction and water contractors because of his access to the Mayor. The indictment alleges that in 1996, while bidding on City contracts, the consultant provided the Mayor with approximately \$20,000 in cash. The indictment alleges that a convoluted series of financial transactions were utilized to generate and cover up the source of those funds.

According to the indictment, from 1996 through 2000, this same Consultant also solicited and received funds from construction contractors to deliver to Mayor Campbell and to use to take

Mayor Campbell on gambling trips. The indictment alleges that the Consultant made multiple cash payments to Mayor Campbell in amounts varying from \$4,000 to \$10,000 and paid for airline tickets and hotel accommodations for the Mayor on a number of gambling trips.

Racketeering Acts Six and Seven charge that former Mayor Campbell used an individual that he employed as his Special Assistant to collect payments from a club owner and a communications company. The indictment charges that the Special Assistant lived in the basement of the Mayor's home and that the Mayor primarily used him to perform private tasks. The indictment charges that in 1997, the Mayor tasked his Special Assistant with collecting payments from the club owner who was seeking the Mayor's help with liquor licenses for his clubs. Former Mayor Campbell is charged with receiving approximately \$50,000 from the club owner during 1997 and 1998 in increments of between \$5,000 and \$10,000. Today the Court has unsealed court proceedings reflecting that the club owner has pled guilty to making corrupt payments to former Mayor Campbell.

The indictment charges that the Mayor also used his Special Assistant to collect money from a communications contractor with the City. More specifically, the indictment charges that the Mayor tasked his Special Assistant with collecting approximately \$4,000 to be used on an out-of-town gambling trip, approximately \$1,000 for travel expenses for a personal friend of the Mayor's, and \$5,000 paid by the contractor for a speech the former Mayor gave to the contractor's employees while the contractor was doing business with the City.

Racketeering acts Eight and Nine charge former Mayor Campbell with soliciting and accepting illegal campaign contributions from City vendors. The indictment charges that Campbell, assisted by the City's testing contractor, solicited \$100,000 from two City vendors in connection with City contracts. One vendor, a company seeking to correct the sewer overflow polluting the Chattahoochee, refused to provide the requested \$100,000 and decided not to pursue the contract.

During the runoff election in November, 1997, Mayor Campbell, again with the testing contractor, met with a vendor seeking to sell dirt to the City for the airport expansion. Mayor Campbell told the dirt contractor that he needed him to raise \$100,000 and that he couldn't help him if he wasn't reelected. A few days later, the campaign processed \$86,000 in phony straw campaign contributions funded by the dirt contractor. In addition to the phony straw contributions funded by the dirt contractor, the campaign also processed straw contributions that were disguised by using the names of Mayor Campbell's out of state family members.

Racketeering Act Ten charges that Mayor Campbell defrauded campaign creditors and donors by falsely telling them that additional funds were needed to retire campaign debt, when in actuality, there were sufficient funds to pay off the debt. During this time, the indictment alleges that Campbell used some of the funds that were contributed to retire campaign debt for personal purposes, such as personal travel and tickets to sporting events.

Racketeering Act Eleven charges that in July 1999, seven months after signing a contract to privatize the City's water operation, former Mayor Campbell took a trip to Paris that was secretly paid for by the water company. The indictment alleges that the water company paid over \$12,000

for hotel expenses and a car and driver. At the same time as the trip to Paris, the water company and its executives made \$6,900 in contributions to the Mayor's reelection committee, and Campbell then used campaign funds to pay for his airfare to Paris. Prior to leaving office, the indictment alleges that Mayor Campbell signed contract amendments with the water company, but when the agreements were publicized, he claimed that he did not "knowingly" sign the agreements.

In addition to the racketeering charges, the grand jury also returned separate bribery charges in counts two through four based upon the \$55,000 in cash payments from the Y2K computer contractors.

Finally, Mayor Campbell is charged with three counts of tax fraud for underreporting his personal income in 1997, 1998 and 1999.

The determination to present charges to a grand jury is a decision that we all take very seriously. In this case, the United States Attorney's office, the FBI, the IRS, and three separate components of the Department of Justice – the Public Integrity Section, the Tax Division and the Organized Crime Section, all reviewed and considered the evidence and charges. Collectively, these groups decided that this matter should be presented to the grand jury, and the grand jury then determined that an indictment should be returned.

Great care has also been taken to ensure that Mayor Campbell and his team of lawyers had an opportunity to provide any information that they thought should be considered in making a prosecutive decision. Mayor Campbell's attorneys met with and had opportunities to present information to the U. S. Attorney's office and FBI and IRS here in Atlanta. They also met with Organized Crime, Tax Division, and Public Integrity Sections of the Department of Justice in Washington. Indeed, at Mayor Campbell's request, we have twice delayed taking prosecutive action to give his team of lawyers additional time to present information for consideration prior to indictment. In late April of this year, Mayor Campbell's attorneys asked that we delay taking action for 60 days to give them additional time to present information, and we agreed. In late June, a new lawyer joined the Campbell defense team and requested an additional 30 day delay, and we agreed. Finally, in the week preceding the return of the indictment, defense counsel advised us for the first time that Mayor Campbell's mother was terminally ill. In response to their request for another delay, we offered to seal an indictment. When the grand jury returned its indictment on August 18, we sought a court order sealing the indictment, which was lifted today.

We recognize that you probably have questions about the indictment and that our statements here today may not answer all of your questions. At this stage of the proceedings, however, we are extremely limited in what we can say beyond what's in the indictment. For example, the indictment does not identify by name other individuals who are not charged. That is a standard Department of Justice practice, and it is a matter of basic fairness that people who are not charged not be identified by name in an indictment. Likewise, the indictment is just an outline of the charges. We cannot discuss the evidence that will be presented at trial to prove those charges, or who will testify as witnesses.

Finally, while a grand jury has returned an indictment charging former Mayor Campbell with the crimes alleged in the indictment, it's important to remember that this is but the first step in the process. Like all defendants, Mayor Campbell is presumed innocent of all charges. That presumption of innocence is at the foundation of our system of justice, and ultimately, a jury will determine whether the evidence establishes beyond a reasonable doubt that former Mayor Campbell is guilty of the crimes charged.