

United States v. Richard M. Scrusby
2:05-CR-119-MEF
EXHIBIT V-H

**Declaration of Nick Bailey Under Penalty of Perjury
Pursuant to 28 U.S.C. § 1746**

I, Nick Bailey, declare and state as follows:

1. I am over eighteen years of age and of sound mind.
2. I make this Declaration of my own free will, and I have neither been threatened nor offered any inducement to make the statements below. I have consulted with counsel of my own choosing and reviewed this declaration with my counsel prior to signing it.
3. I have personal knowledge of the facts set forth below.
4. As I estimated in my testimony at the trial, I attended two or three dozen interviews during the Siegelman/Scrushy investigation where I met with government prosecutors and investigators in the same meeting. In addition, there were many, many occasions on which I met with or was contacted on the telephone by FBI or other government agents working on the case. At least one representative of the federal government was present at all of the interviews I attended. These meetings typically lasted 2 to 3 hours, and some of them extended from one day to the next. Altogether, I would estimate that I spoke with government prosecutors or agents approximately 60 to 70 times – although a number of those meetings and conversations did not involve Governor Siegelman or Mr. Scrushy.
5. Based on my recollection and review of documents, including the FBI “302s” that were provided to me and my attorney and represented to be a copy of the materials provided to the defense team, I believe that there were at least 24 occasions when I met with government representatives – Assistant U.S. Attorneys, employees of the Alabama Attorney General’s Office, and/or federal law enforcement officials – to discuss issues related to Governor Siegelman and/or Mr. Scrushy (excluding meetings that primarily

concerned other targets or potential targets of the government's investigation) that are not included in the material furnished to me by the government as being my 302 statements and Grand Jury testimony. I will describe these meetings in more detail below.

6. I recall that one or more of the government representatives took notes at each and every one of these meetings. When Assistant U.S. Attorney Julia Weller was present, she typed constantly on her laptop. My opinion is that Ms. Weller took verbatim notes because she was the "eyes and ears" of Leura Canary at these meetings. After Assistant U.S. Attorney Steven Feaga was assigned to the case, he was generally accompanied to the interviews by J.B. Perrine, another AUSA, who took notes. Other government representatives generally took notes, on laptops or written by hand, at all of these meetings. When only agents were present (and such meetings would almost always include Keith Baker and Bill Long), one or both of them took notes, and Keith Baker was usually the one who did so.
7. The government later provided me with a 3-ring binder containing my 302 statements and Grand Jury testimony, to prepare for the trial. I inserted the notes that I had been making in this binder, and made additional notes in it as well. I recently found the binder, and I have provided what is, to the best of my knowledge, a true and complete copy of the binder and the notes it contained to my attorney.
8. Soon after Mr. Feaga was assigned to the case (which I recall as being in the spring or summer of 2004), he told me that the government was "starting over," top to bottom, with the investigation. At an interview at Maxwell AFB attended by Mr. Feaga and by Richard Pilger from the Public Integrity Section of the Department of Justice, they told me that "Washington" had ordered them to start over with the investigation. After Mr.

Feaga came on board, he did start all over, and in his first interviews with me he spent a lot of time getting just the general “lay of the land” about the Governor’s office, how things worked inside the administration, etc.

9. I have identified 24 meetings (and there may be more) that touched on subjects relevant to the Siegelman and/or Siegelman/Scrushy prosecution. I know that the five 302s that we were given to us summarize only a fraction of the meetings that I had with government representatives. Below is a list of those meetings that is true and accurate to the best of my knowledge and recollection. I have also included, to the best of my ability, the names of the persons present and the subjects discussed. I am also attaching a “List of Persons Attending Government Meetings” that identifies the affiliations, to the best of my understanding, of the people who were at some of the meetings with the government that I attended.

10. The meetings that I recall are the following:

1. July 17, 2002

Present: John Scott, Bill Long, Jack Brennan, George Beck, Nick Bailey

Subjects: Statements by Gina Friday concerning Don Siegelman’s connection to Honda and meeting among Governor Siegelman Honda representatives, and me.

Trips to Detroit and Paris by Governor Siegelman and me.

2. May 23, 2003

Present: John Scott, George Beck, Nick Bailey (likely others).

Subjects: Lanny Young.

Proffer by Nick Bailey.

3. May 26, 2003

Present: John Scott, George Beck, Nick Bailey

Subject: Plea Agreement.

4. June 4, 2003

Present: Julia Weller, Keith Baker, Jack Brennan, Bill Long, Katie Henken, Victor Henken, George Beck, Nick Bailey

Subjects:

Influence of lobbyists, relatives and certain staff members and their influence with the Siegleman administration.
Paul Hamrick.

Joe Giatinna and relationship to Les Siegelman.

Four wheeler and trailer from Lanny Young.

Motorcycle purchase.

Notes: This meeting extended over two days, (June 4 and June 5), running two to three hours each day.

5. July 10, 2003

Present: Julia Weller, Keith Baker, Bill Long, Katie Henken, George Beck, Nick Bailey

Subjects: Lottery campaign funds.

Meeting with Paul Hamrick.

\$500,000 line of credit.

Transfer of Alabama Democratic Funds to bond fund (Federated Investments) in Boston.

First Commercial Bank.

6. July 15, 2003

Present: Julia Weller, Keith Baker, Bill Long, Katie Henken, George Beck, Nick Bailey

Subjects: Members of CON Board.

Coordination with nursing home representative on CON Board.

First \$250,000 Lottery Fund contribution check from Richard Scrusby.

Conversation with Governor Siegelman concerning the check from Scrusby.

Paul Hamrick's view on Waste Management fees.

7. July 29, 2003

Present: Julia Weller, Keith Baker, Bill Long, Katie Henken, George Beck, Nick Bailey

Subjects: Appointment of Richard Scrusby to CON Board.

\$1 million in State bond work by Montgomery investment banker

Contributors to AELF.

Four Seasons condo use by State officials.

Digital Hospital issues.

Lottery Campaign Debt and Governor Siegelman's personal guarantee.

8. November 29, 2003:

Present: Julia Weller, Keith Baker, Gerald Shockley, likely others

Subjects: Summary of July 1999 meeting between Governor Siegelman and Richard Scrusby.

Whether I could recall any favors given or influence exerted by State officials in return for using the Four Seasons condo or campaign contributions.

Julia Weller's association that I had been communicating with "Mrs. Bobo," when in fact it was an unrelated person with the same last name.

9. January 27, 2004:

Present: Keith Baker, Bill Long, James Murray, George Beck, Nick Bailey

Subjects: Alleged insider trading by Governor Siegelman, Paul Hamrick, me and others.

Personal guarantee of campaign debt by Governor Siegelman.

10. February 3, 4, and 5 2004:

Present: Julia Weller, Federal Agents, George Beck, Nick Bailey

Subjects: Review of 302s from earlier meetings.

Federated Fund in Boston.

“Secret Account” of Alabama Democratic Party.

Fundraising by Alabama Democratic Party (“ADP”).

Relationship of ADP funding to AELF.

Governor Siegelman’s legal fees.

Tobacco lawsuits.

11. June 9, 2004:

Present: Keith Baker, Bill Long, other agents, George Beck, Nick Bailey

Subjects: Purchase of Motorcycle.

GH Construction.

First Commercial Bank.

Waste Management.

Curtis Kirsch.

Bond fund in Boston.

\$250,000 checks from Richard Scrushy.

12. June 14, 2004:

Present: Steven Feaga, J.B. Perrine, Agents, George Beck, Nick Bailey

Subjects: Timeline of events from Don Siegelman's election as Governor to the receipt of second check for \$250,000 from Richard Scrushy.

General Overview of operation of Governor's office; roles of Paul Hamrick and me; Relationship between Eric Hanson and Governor Siegelman.

CON Board appointments.

Digital Hospital.

Waste Management and Birmingham lawfirm.

Lanny Young.

\$250,000 check from Richard Scrushy.

Instructions to me from Governor Siegelman concerning the check.

13. August 29, 2004:

Present: Steven Feaga, J.B. Perrine, Keith Baker, George Beck, Nick Bailey

Subjects: "Chain of Command" in Governor's office.

Waste Management.

GH Construction.

Purchase of Motorcycle.

14. October 3, 2004:

Present: Matt Hart, Gerald Shockley, George Beck, Nick Bailey

Subjects: Paul Hamrick.

Fire College.

Dr. Bobo.

15. February 11, 2005:

Present: Keith Baker, Bill Long, George Beck, Nick Bailey

Subjects: Waste Management.

RainLine Contract.

16. March 16, 2005:

(Morning):

Present: Agents, George Beck, Nick Bailey

Subjects: Merchants Capital.

Paul Hamrick.

RainLine.

17. March 16, 2005:

(Afternoon):

Present: Steven Feaga, Jim Murray, Jack Brennan, George Beck, Nick Bailey

Subjects: Appointment of Richard Scrusby to CON Board.

Waste Management.

GH Construction.

RainLine contracts.

Other subjects.

18. April 5, 2005:

Participating: Steven Feaga, George Beck (Phone call and not a personal meeting)

Subjects: Alabama Department of Transportation.

Governor Siegelman's involvement in Department of Transportation contracts.

First Commercial Bank.

GH Construction.

Camber Group.

Notes: This was an “indirect” communication (and not an actual meeting) in which I provided information to my attorney in response to certain questions from the prosecutors, and he relayed the information to Mr. Feaga

19. April 14, 2005:

Present: Agents, George Beck, Nick Bailey

Subjects: Camber Group, lobbying.

20. May 10, 2005

Present: Jim Kiel, George Beck, Nick Bailey

Subjects: Approval of ADECA Grant for Birmingham organization.

21. August 29, 2005:

Present: Agents, George Beck, Nick Bailey

Subjects: Alabama Department of Transportation.

RainLine contracts.

Computer contracts.

Goat Hill.

HealthSouth.

Four Wheeler.

Motorcycle.

Waste Management.

Insider Trading.

22. September 17, 2005:

Present: Agents, George Beck, Nick Bailey

Subjects: Review of FBI 302s from prior interviews.

23. October 24, 2005:

Present: Jack Brennan, Jim Murray, George Beck, Nick Bailey

Subjects: Richard Scrushy appointment to CON Board.

Landfill contract.

RainLine contract.

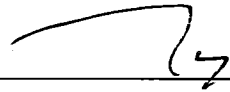
Alabama Department of Transportation.

24. April 13, 2006:

Present: Louis Franklin, Steven Feaga, J.B. Perrine, Keith Baker, Bill Long,
George Beck, Nick Bailey

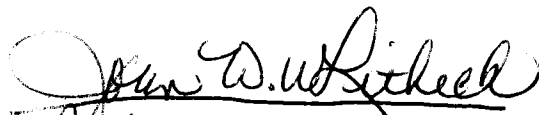
Subject: Trial preparation.

Signed under penalty of perjury pursuant to 28 U.S.C. Sec. 1746.



Nick Bailey

Executed on June ~~20~~²¹, 2009



Notary
Exp: 4/17/13
State of AL
Tuscaloosa Co

LIST OF PERSONS ATTENDING GOVERNMENT MEETINGS

<u>Individual</u>	<u>Affiliation</u>
Baker, D. Keith	FBI, Special Agent
Beck, George	My attorney
Brennan, John “Jack” E.	Alabama AG Office, Chief Investigator/Special Agent, and retired FBI, Special Agent
Feaga, Stephen	US Attorney’s Office, Assistant US Attorney
Fitzpatrick, Joseph	Alabama AG Office and Special Assistant US Attorney
Franklin, Louis	US Attorney’s Office, Assistant US Attorney
Hart, Matt	Alabama AG Office, Assistant AG and US Attorney’s Office, Special Assistant US Attorney
Henken, Katherine “Katie”	IRS, Special Agent
Henken, Victor	IRS, presumably Special Agent
Kiel, James “Jim”	Alabama AG Office, Investigator
Long, William “Bill” J.	Alabama AG Office, Special Agent and retired FBI, Special Agent
Murray, James “Jim” K.	FBI, Special Agent
Perrine, James B.	US Attorney’s Office, Assistant US Attorney
Pilger, Richard	US DOJ Public Integrity Division
Scott, John	US DOJ Public Integrity Division, Senior Trial Attorney
Shockley, Gerald	FBI, Special Agent and Alabama AG Office, Investigator
Weller, Julia	US Attorney’s Office, Assistant US Attorney and Alabama AG Office, Special Assistant AG