

Count 64 10-28-99	MCG	Focus	Check #140447 \$109.89
Count 65 11-19-99	MCG	Focus	Check #144504 \$284.90
Count 66 1-31-00	MCG	Focus	Check #156544 \$70.00
Count 67 3-27-00	MCG	Focus	Check #166795 \$65.12
Count 68 5-19-00	MCG	Focus	Check #178441 \$56.98
Count 69 6-24-00	MCG	Focus	Check #185306 \$629.80

All done in violation of Title 18, United States Code, Sections 1341, 1346 and 2.

IV. CHARLES WALKER'S SCHEME TO DEFRAUD
INVOLVING HIS POLITICAL CAMPAIGN ACCOUNT

MAIL FRAUD

COUNTS 70 THROUGH 81

(18 U.S.C. §§1341, 1346)

THE GRAND JURY FURTHER CHARGES THAT:

Beginning in or about the latter part of 1998, the exact beginning date being unknown to the Grand Jury, and continuing thereafter until on or about the date of the return of this Indictment, in Richmond County, within the Southern District of Georgia, and elsewhere, the Defendant herein:

CHARLES WALKER

aided and abetted by others known and unknown to the Grand Jury, willfully and with intent to defraud, did knowingly devise and participate in a scheme and artifice to defraud and for obtaining money by means of false and fraudulent pretenses, representations and promises, and to fraudulently deprive the public, including the citizens of his Senate district and the State of Georgia, of an intangible right to his honest services.

THE SCHEME AND ARTIFICE TO DEFRAUD

A. Paragraphs 1 and 10 of the General Allegations part of this Indictment are hereby incorporated into this part, as background, as if fully set forth herein.

WALKER'S CAMPAIGN ACCOUNT

B. It was a part of this scheme and artifice to defraud that the Defendant, **SENATOR CHARLES WALKER**, maintained a political campaign account at a local bank in Augusta, Georgia. Into this bank account, **WALKER** deposited checks received from various individuals and corporations which **WALKER** had solicited for campaign donations, ostensibly for the purpose of his re-election. However, as alleged below, at various times, **WALKER** fraudulently converted campaign funds to his own personal uses.

THE STATUTORY PERMISSIBLE USES OF CAMPAIGN FUNDS

C. It was further a part of this scheme and artifice to defraud that **WALKER** knew that Georgia law, (O.C.G.A. §21-5-33), essentially authorizes public officials to spend such campaign funds only for the "ordinary and necessary" expenses of an election campaign. Moreover, as **WALKER** also knew, Georgia law, [O.C.G.A. § 21-5-33(c)], further provides that candidates are specifically not authorized to spend campaign funds for personal expenses. In addition, as

WALKER knew, Georgia law, (O.C.G.A. §21-5-34), also requires candidates to periodically file campaign contribution disclosure reports with the state, which accurately disclose campaign contributions and expenditures. As a political candidate for re-election, **WALKER** had a fiduciary duty, to his donors and to the public, to properly spend campaign funds, as required, only on legitimate campaign expenses, and to make true and accurate disclosures to the public of all campaign expenditures on all state-mandated campaign disclosure reports.

***WALKER'S FRAUDULENT USE OF CAMPAIGN FUNDS
FOR PERSONAL EXPENSES***

D. It was further a part of this scheme and artifice to defraud that, as specified below, **WALKER** fraudulently schemed to misuse his campaign account for his own personal uses and expenses and to conceal said improper expenditures by failing to make accurate disclosures in his campaign contribution disclosure reports which were filed with the State of Georgia.

***WALKER'S PAYMENT OF \$38,000 FROM HIS CAMPAIGN ACCOUNT
TO HIS NEWSPAPER FOR "MEDIA CONSULTING"***

E. It was further a part of this scheme and artifice to defraud that, in or about late July, 2000, **WALKER** devised a scheme to obtain \$38,000.00 from his campaign account, in part, to help pay for his casino gambling. To accomplish this, **WALKER** initially had his newspaper to bill his campaign for running some ads and for so-called "media consulting." **WALKER** then paid these **FOCUS** invoices by writing campaign account check no. 2215, made payable to the **AUGUSTA FOCUS**, in the amount of \$38,000.00. This payment of \$38,000.00, by his campaign to his newspaper, included the payment of approximately \$7,000.00 for legitimately running twenty one-quarter page political ads in his newspaper, plus approximately \$31,000.00 in fraudulent billings for so-called "media consulting." As to the \$7,000.00, the twenty political ads

consisted of the same simple ad run twice in each **FOCUS** newspaper for ten weeks. But as to the remaining \$31,000.00, the billings were fraudulent, because it meant that **WALKER**, as publisher, in effect, arbitrarily charged himself, (**WALKER**, the candidate), \$31,000.00 for "consulting" with himself about his own campaign. Put another way, in this manner, **WALKER** devised a simple scheme to steal \$31,000.00 in campaign donations by having his own newspaper bill himself, (his campaign), this amount for fictitious "media consulting." **WALKER** also prepared, for the **FOCUS**' records, a fictitious proposal to himself, as "the candidate," in which he detailed proposed charges for a largely fictional ad campaign, purportedly to be run by the **FOCUS** and "the candidate." On or about August 1, 2000, just after the **FOCUS** deposited the \$38,000.00 check from the campaign account, **WALKER** then wrote a check from the **FOCUS** to himself, in the amount of \$40,000.00, which he deposited into his personal checking account. Soon thereafter, on or about August 10, 2000, **WALKER** wrote two personal checks, (which were made possible by the \$38,000.00 obtained from his campaign account), as follows: Check no.709, made payable to "TPA," (the Trump Plaza Associates Casino in Atlantic City, New Jersey), in the amount of \$50,000.00, and Check no.712, made payable to a local stock broker, in the amount of \$25,000.00. In this manner, therefore, **WALKER** had fraudulently schemed and stole \$38,000.00 in campaign donations to help pay for his gambling at the Trump Plaza Casino. **WALKER** also covered up and falsely reported the \$38,000.00 campaign expenditure in his campaign contribution disclosure reports as being for "Media Consultants."

***WALKER'S USE OF CAMPAIGN FUNDS TO PAY FOR
HIS GAMBLING TRIP EXPENSES***

F. It was further a part of this scheme and artifice to defraud that, on or about July 7, 1998, **WALKER** used campaign account check no. 1899, payable to "Marina / Harrah's Tahoe,"