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**TRIAL LAWYER**

**Case File: People v. Casey Lee**

Written by: Kelly Navarro and Vicki Peters of UIC-Law. (Copyright 2021). All rights reserved. Use permissions may be granted upon request to the authors.

**FINAL TRIAL INFORMATION FOR STUDENTS**

Final trials will be held the last two evenings of this course. Students are encouraged to invite friends and family members to sit in the “jury.” If you intend to invite a guest juror, you must provide the guest’s names to your instructor so they will be allowed into the trial.

Every student will be assigned a partner and together the team will advocate one night, and will act as witnesses for the same side of the case the other night. Partners decide how to share the workload, and must share equally in the preparation and presentation of the case. Attorneys should be dressed in suits and witnesses may be dressed in a suit or the type of dress the witness would wear to court. While witnesses are gender-specific, attorneys should refer to the witness as the gender indicated in the problem, regardless of the gender of the student playing the role of the witness. Teams must call both of these witnesses in either order:

The Prosecution witnesses are: Ryan Sills

Jesse Markham

Defense witnesses are: Casey Lee

Terry Frost

Each student must conduct one direct examination, one cross-examination, and either the opening statement, opening close or rebuttal closing argument; roles are to be decided by the student team members. Witnesses will also be graded on their performance. Witnesses will be constructively excluded and may remain in the “courtroom” to watch the trial. Objections must be made only by the advocate conducting the skill.

Each trial should conclude in approximately 2 ½ hours, followed by a short period of deliberation by the jury, and comments by the judge. Trials will proceed in this manner:

Motions in Limine and Housekeeping: Prosecution 5 minutes

Motions in Limine and Housekeeping: Defense 5 minutes

Opening Statement: Prosecution 10 minutes

Opening Statement: Defendant 10 minutes

Direct of witness 1 10 minutes

Cross of witness 1 10 minutes

Direct of witness 2 10 minutes

Cross of witness 2 10 minutes

Motion for a Directed Finding 5 minutes

Direct of witness 3 10 minutes

Cross of witness 3 10 minutes

Direct of witness 4 10 minutes

Cross of witness 4 10 minutes

Opening Closing Argument: Prosecution 10 minutes

Closing Argument: Defense 10 minutes

Rebuttal Closing Argument: Prosecution 5 minutes

The skill time-length suggestions are merely suggestions, the length of each component will vary depending on the nature of the witness and objections made. The judge has discretion to ask the advocate to abbreviate or to give more time. Short, redirect and re-cross examinations are within the discretion of the judge.

Each side must present one pre–trial motion which is limited to five minutes to make and argue. Students must email a written motion to their opponent before midnight the night before the trial begins. Motions must place your opponent on notice of the issue you plan to argue, may not exceed one page double spaced and are not graded. Motions will be argued orally, judges will not read written motions. It’s within the judge's discretion to deny arguments on motions not sent to opponents. During the course of the trial, the arguments on motions and objections are strictly a matter for the judge to rule on.

The witnesses shall, as best as possible, testify in a manner consistent with the trial materials. The witnesses are free to make reasonable assumptions about the background and personality of the character the witness is portraying. While it is permissible to add facts to make sense of the testimony, it is not permissible to add facts that are intended to unfairly disadvantage your opponent. If a judge perceives a student to be adding facts just to trick their opponent, the judge may take this into consideration when grading. The objective of the final trial is to create a simulated trial to test students’ advocacy skills. We strongly urge students to comply with the rules and **present their case in good faith**. If a witness makes a statement inconsistent with a statement the witness has signed, the advocate should impeach the witness.

If asked, the witnesses must admit that the exhibits in the case file are fair and accurate representations of that which they purport to represent on the relevant dates. The parties may not bring in any evidence, witnesses, jury instructions other than what is provided in the case file. In closing arguments, parties may refer to the jury instructions but the judge will not read the instruction aloud in court.

**THE CASE FILE FOLLOWS:**

***DEMOCRATS DENOUNCE "WITCHHUNT" HEARINGS***

Marshall City Times November 15, 2018

Democratic members of the Marshall State House of Representatives denounced what appears to be a possible ongoing federal investigation involving legislative ethics in the senate. Rumors are circling about a possible inquiry of an unprecedented scale. Senate Judiciary Committee vice-chair Charles Coleman (D., Appleville.) denounced the investigation stating, “If there is an investigation, certainly nothing will come of a witchhunt, based on unsubstantiated conjecture.”

***POLITICAL DONATIONS OR BRIBES?*** Marshall City Times December 29, 2018

U.S. Attorney Michael T. Johnson today reported that for the past several years there has been a major undercover investigation to ferret out a scheme of political corruption in the Marshall Statehouse. Given the code name “Operation SeaScam," the investigation originally targeted certain high-level members of the state House of Representatives. Agents working undercover lured perhaps a dozen targeted legislators into blocking a wide-range of anti-pollution bills in return for pay-offs of bribe money.

The scheme is well known in the Marshall statehouse. Such bills are known as "fetcher bills." This is how it works: the legislator submits a bill which would apparently adversely affect a particular industry or business. The bill is sent to the committee on which that legislator serves. The people opposing the bill approach the sponsor of the bill, who drops hints that the bill will be quietly killed in committee - for a price. When the price is paid, the sponsor withdraws support for the "fetcher" bill.

The difficulty in prosecuting such a case is that politicians accept contributions of a host of legitimate reasons --campaign contributions, legitimate fees for legal services, or for selling insurance, giving speeches, writing books, teaching, and so forth.

In the case of a "“fetcher" bill being withdrawn, the parties can all claim that the officeholder was simply listening to the reasoning voices of representatives of a particular industry or trade group, and that the payment was a campaign contribution from a satisfied constituent.

In an unusual twist, one politician who may be ensnared in this sting is State Senator Casey Lee (Dem., 13th Dist.) who in the past has called for an investigation of statehouse corruption. Senator Lee may be facing charges for extorting money from Operation SeaScam investigators posing as lobbyists, in violation of the Marshall Official Misconduct Act. Lee’s problem began in December when, apparently after dropping hints that favors were available for a price, Lee allegedly accepted a $5,000 pay-off for obtaining a Marshall pier mooring spot for SeaDragon Shipping. SeaDragon Shipping was a fiction, created by the federal Task Force working on Operation SeaScam. Requiring contributions as the price for supporting or opposing legislation, or for official acts, is illegal. Prosecutors are usually wary of bringing charges in such cases unless the proof of corruption is compelling and unambiguous.

***Federal Probe Will Name Dozens*** Marshall City Times January 16, 2019

U.S. Attorney Michael T. Johnson revealed today that dozens of local politicians and lobbyists will be indicted for fraud and extortion. These charges come as the result of a three year intensive undercover investigation into Marshall Statehouse corruption.

Dubbed "Operation SeaScam," the probe centered on the Marshall House of Representatives, where legislation, licenses, tax breaks, and favors were paid for by undercover investigators posing as lobbyists and agents for a fictional corporation, "SeaDragon Shipping." The "moles" were FBI agents, members of the State of Marshall’s Attorney General’s office, and a number of statehouse operatives who agreed to cooperate with the investigation as part of plea agreements with prosecutors. “We had to use some people who were caught early in the operation," Marshall Attorney General Charles Wheeler declared. “This investigation actually began some time ago, and it took us years before we finally got one corrupt lobbyist to cooperate. After we had one turncoat the others came more readily.”

Reportedly, the key "mole" was Jesse Markham, who became a cooperating witness after being uncovered as a Thompson County "ghost payroller." When Operation SeaScam investigators learned that Markham was about to be indicted on local charges, they approached the Attorney General of Marshall and the State’s Attorney of Thompson County, and asked for cooperation, including silence about the ongoing federal investigation. Wheeler, up for re-election, had to fend off charges of corruption and incompetence for not prosecuting ghost payrollers. Ironically, State Senator Casey Lee (Dem., 13th District) was one of the most vocal of Wheeler’s detractors. Lee may be named in the federal indictments.

***LEGISLATORS INDICTED IN OPERATION SEASCAM***

Marshall City Times January 31, 2019

In the biggest political scandal in the State of Marshall's already legendary history of corruption, eleven state representatives - from both parties - were indicted by the federal grand jury in connection with the Operation SeaScam probe. Several legislative aides and lobbyists are also facing charges of mail and wire fraud, conspiracy, extortion, and related charges. Some of these lobbyists may avoid serious charges because of their cooperation with the investigation.

***"Mole" Pleads Guilty*** Marshall City Times March 1, 2019

SeaScam undercover "mole" Jesse Markham has pleaded guilty to one count of felony theft for taking $22,500 in wages for a “ghost payroll" Thompson County job. Markham’s cooperation was crucial in Markham’s avoiding federal conviction for as many as twenty mail fraud charges, and dozens of related state and federal charges involving extortion, conspiracy, and wire fraud. Evidence developed by Markham and other SeaScam investigators resulted in charges being brought against eleven members of the Marshall House of Representatives.

***Sen. Casey Lee Accused of Official Misconduct*** Marshall City Times March 5, 2019

The Thompson County Grand Jury has indicted State Senator Casey Lee (Dem., 13th Dist.) for official misconduct. Lee is the chair of the patronage-rich Senate Parks and Waterways Committee. The charge alleges that on December 20, 2018, in Lee’s Capitol Building office, Lee accepted a $5,000 bribe for making an official phone call to procure a mooring site at the Marshall City Pier. It turned out the beneficiary of the favor was SeaDragon Shipping Co., the bogus corporation created by federal investigators in Operation SeaScam. The payoff was allegedly made to Jesse Markham, the fed’s key "mole" in SeaScam. Markham has pleaded guilty to one relatively minor state charge. Markham’s three years of undercover cooperation allowed Markham to avoid prosecution for dozens of other cases of extortion, fraud, and conspiracy. Although the U.S. Attorney’s office chose not to prosecute Senator Lee, the Attorney General of Marshall pursued the charges.

Senator Lee has denied all charges. “This is a political prosecution by the Attorney General. The federal government did not think I was guilty, but my political opponents have managed to throw mud. This is a gross abuse of power and a fraud on the voters.” Readers may recall that Senator Lee’s father, Cyril Lee, was a colorful young mob fixture in the 1980’s and was reputedly one of Marshall City’s most feared mob enforcers. Lee disappeared in 1992, and it was suspected that Lee either fled to Canada to avoid prosecution, or was killed by rival mob figures.

***"SeaScam" Criticized for Thwarting Cleanup*** Marshall City Times June 15, 2019

Mary Ann Botts, President of the Friends of the Harbor, condemned federal investigators in “Operation SeaScam.” “The federal government, in its effort to hunt down a handful of bribe-takers, held up efforts to prevent the Marshall Harbor from becoming irreversibly polluted, and a cleanup will now cost millions,” Ms. Botts declared. “Our efforts to move corrective, sensible laws were blocked because federal moles were buying off key lawmakers. Our own government was our biggest opponent," she stated. The Marshall Harbor Federation, a civic organization which has fought for a clean harbor for a decade, issued a strong condemnation of the "SeaScam" probe. “The federal government is thwarting the diversion and removal of poisons, garbage and human waste from our Marshall Harbor. How many people will get sick because of SeaScam’s three year delay in our effort to stop toxic dumping?” Operation SeaScam, a federal task force undercover investigation into corruption in local politics, created bogus businesses for undercover agents, or “moles," to pay bribes to crooked legislators. Eleven members of the Marshall House of Representatives, and other statehouse figures, have been indicted. A related case in the Thompson County courts accuses State Senator Casey Lee of accepting a $5,000 bribe. "It’s outrageous that the harbor remains an eyesore, a sewer," Botts added in a statement to the Marshall City Times. "We are deeply concerned about the threat Marshall Harbor’s pollution presents to the health of millions of people.”

**STATE OF MARSHALL )**

**) SS 2019 CR 12345**

**COUNTY OF THOMPSON )**

**March 5, 2019**

**Grand Jury of Thompson County**

**The Grand Jurors chosen, selected, and sworn, in and for the County of Thompson, in the State of Marshall, in the name and by the authority of the People of the State of Marshall, upon their oaths present that:**

**Count I**

**On or about December 20, 2018, at and within said County: CASEY N. LEE committed the offense of Official Misconduct in that CASEY LEE, in violation of Title 59, Section 33-3, State of Marshall**

**DID IN HIS OFFICIAL CAPACITY, COMMIT THE FOLLOWING ACT:**

**SOLICITED OR KNOWINGLY ACCEPTED FOR THE PERFORMANCE OF AN ACT A FEE OR REWARD WHICH HE KNEW WAS NOT AUTHORIZED BY LAW**

**contrary to the statutes, and against the peace and dignity of the same People of the State of Marshall.**

**OFFICE OF THE MARSHALL ATTTORNEY GENERAL**

**50 West Randolph, Marshall City, MA**

**Investigative Report**



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| --- | --- |
| **Report of Activities on December 20, 2018** | Report Date: December 20, 2018 |
| Assistant Attorney General Ryan Sills, reporting | Also Present: Cooperating Subject Jesse Markham |

REPORT OF RYAN SILLS

On December 14, 2018, working undercover as a SeaDragon lobbyist, I called the office of State Senator Casey Lee (Lee), and John Dotson andswered. I identified myself and asked to speak to Senator Lee. Lee greeted me and said that it was good to hear from me. I told him that I was calling on behalf of one of my clients, SeaDragon Shipping and asked if I and Jessee Markham, one of my colleagues, could meet with him regarding SeaDragon. Lee stated that he was familiar with Markham but had never met him. We agreed to meet at 9:15 a.m. on December 20, 2018 at Lee’s office in the Capitol Building.

On December 20, 2018, in preparation for the meeting with Lee I withdrew $5,000 in $100 bills from the safe in the Attorney General’s Office and prepared a list of the serial numbers on the bills. Cooperating subject Jesse Markham (Markham) arrived at my office at 8:30 a.m and brought with him a small tape recorder that I had instructed him to purchase to record conversations with Lee, pursuant to a consentual overhear warrant I obtained. I tested the tape recorder and it was in working order.

Markham and I then drove to the Capitol Building for our meeting with Lee. Before we left my car I recorded a preamble on the tape recorder and gave it to Markham. I instructed Markham to record conversations will Lee and Markham placed the recorder in the inside pocket of his suit jacket. We entered the Capitol and after locating Lee’s office on the second floor were greeted by Terry Frost who directed us into the Senator’s private office.

We entered Lee’s private office at approximately 9:20 a.m. Lee asked to meet with Markham alone and escorted me to the public waiting area. While walking and out of earshot of Markham, Lee asked me how long I had known Markham and whether I trusted him. I told Lee I had know Markham for couple of years and that I trusted him.

At approximately 10:30 a.m. Lee and Markham retruend to the waiting room. Lee shook my hand and said that it had been good to see me again and that he trusted he would see us again. Lee shook Markham’s hand and wished both of us a Merry Christmas.

As Markham and I were getting into the elevator we heard Lee call to us. Lee said that he forgot to give us a receipt and asked us to come back to his office. Lee asked Terry Frost to create a receipt to SeaDragon Shipping for a $3,000 campaign contribution. Frost printed a receipt and gave it to Markham, whch I later placed into evidence. Markham and I left the building.

Upon return to my office, Markham and I listened to the tape and learned that due to a manfunction, only part of the conversation had been recorded. I downloaded the tape to our computer system at the office and prepared a transcript of the recorded conversation. I then interviewed Markham regarding that portion of his meeting with Lee for which I was not present. In summary, Markham reported the following:

As Lee left to take me to the public waiting area Lee took Markham by the arm, patted him on the back and told him to make himself comfortable, and said he would be back shortly. While Lee was out of the office Terry Frost came in and gave Markham a cup of coffee and left the room. When Lee returned, he sat at his desk across from Markham facing the door. Markham could not see the door from where he was sitting but assumed that it was closed. Lee asked Markham how he knew Sills. Markham told Lee that he and Sills had known each other from the neighborhood and that we had been working together for a couple years. Lee asked Markham if he trusted Sills, and Markham said he did. Lee said that you can’t be too careful in this business.

Markham stated that at some point Lee brought up SeaDragon and said that he was open to doing business with SeaDragon. Markham told Lee that SeaDragon wanted a spot at the Marshall Pier, and that it had to be big enough for a 200 feet boat. Lee said that it would take $10,000 to get a spot on the pier, that there was lots of competition for the bigger mooring sites. Markham reported that he negotiated with Lee and agreed upon a $5,000 payment, which Lee referred to as a “nickel.” Markham reported that he then told Lee that the SeaDragon people would be glad to make this contribution to his campaign war fund, he took the envelope of prerecorded funds out of his pocket, and tried to hand it to Lee. Lee asked him to put the money in the big ornate ashtray on his desk. Markham counted counted out five stacks of ten $100 bills, totaling $5,000 and left them in the ashtray. Lee picked up his phone and made a phone call. He greeted someone named George. He told George that he needed a favor, that Christmas was coming, and that he would appreciate George helping out a friend. He said that SeaDragon Shipping needed a spot on the pier, and he knew that George could make it happen. Lee thanked George and hung up. Lee the said to Markham, “Merry Christmas. You’ve got spot number 6.”

Markham said that Lee then stood up, said it was nice to finally meet, and then walked him out of the office to the waiting room to where Sills was waiting. Terry Frost was still at his desk. Before her and Sills could leave, Lee asked them to come back for a receipt.

I asked Markham if there was anything else of any significance that he failed to tell me, and he said that I now knew everything that had happened, and that he had told me the truth.

This report contains a full and accurate account of all relevant events. Nothing has been omitted.

Signature: RYAN SILLS

GRAND JURY MARCH 2019 FOR STATE OF MARSHALL, REPORT OF PROCEEDINGS

IN RE: STATE OF MARSHALL VS. CASEY LEE

on the 5th day of March 2019, at the Marshall County Courthouse, Marshall, Marshall 60608

PRESENT: HONORABLE CHARLES WHEELER, Marshall Attorney General

by: SAM JONES, Assistant Attorney General on behalf of the State of Marshall

WITNESSES: JESSE MARKHAM

REPORTED BY: PAUL DiMARZIO, CERTIFIED SHORTHAND REPORTER

2650 N. MAIN MARSHALL, MA 60608

CSR LICENSE NO. 083-001879

ASSISTANT ATTORNEY GENERAL JONES: Good morning Ladies and Gentlemen. I am here before you on the investigation of State Senator Casey Lee. As you know, the investigation centers around allegations that Senator Lee solicited a bribe, and took a bribe, in connection with the awarding of a spot at the Marshall pier to a company called SeaDragon Shipping, which was actually a front company operated by a federal task force for the purpose of investigating corruption in the Marshall legislature. I am here seeking a True Bill of Indictment against Casey Lee for one count of Official Misconduct in violation of Title 59, Section 33-3 of the Marshall criminal code. I will be calling two witnesses today, Jesse Markham and Ryan Sills. Jesse Markham was a cooperating subject in this investigation and Ryan Sills is an Assistant Attorney General who worked undercover in this investigation.

At this time, I ask leave to call Jesse Markham. (Witness is sworn)

Q. (Asst. Attorney General Sam Jones): Please state your name.

A. Jesse Markham.

Q: How old are you Jesse?

A: I’ll be 29 in November.

Q: Jesse, where do reside?

A: I reside in Marshall, I’ve lived here my whole life.

Q: Tell us a bit about yourself.

A: I went to Marshall High, and Marshall Technical College. I received an Associate’s Degree in Business. I’ve always been interested in politics, I’m a lifelong democrat, and I’ve been a precinct captain of the 4th Ward since I turned 18. My father was a precinct captain before me. Over the years I’ve come to know lots of politicians and lobbyists.

Q: Do you have a family?

A: I’m not married, I don’t have any children.

Q: What activities do you enjoy?

A: I like to fly drones and I’m active in community theatre. I aspire to be a senator someday. I love politics and all it involves.

Q: What are you here today?

A: I am here testifying because I am required to under a plea agreement that I have with the United States Attorney’s Office and the Marshall Attorney General’s Office.

Q: What is your understanding of what you must do under the terms of the plea agreement?

A: For my cooperation I was allowed to plead guilty to charges brought in Thompson County against me for felony theft. On March 1, 2019, I pleaded guilty to one count of felony theft for taking a salary of $22,500 in the year 2015 without doing any work - in effect for ghost payrolling. Pursuant to the plea agreement, I will be placed on two years felony probation. The State of Marshall has agreed that no other charges will be brought against me as long as I comply with the terms of the plea agreement. The United States Attorney has agreed to not bring any federal charges against me…again, as long as I comply with the plea agreement. I have to continue cooperating with the State and Federal authorities in investigating corruption in Marshall. I have to testify truthfully whenever I am asked to testify, no matter where, no matter when. If I don’t cooperate by testifying truthfully all bets are off and the State of Marshall and the federal government can tear up the plea agreement, and I can be charged will all kinds of federal and state crimes. Mail fraud, tax fraud, just to name a few.

Q: Do you have an understanding of what led to your indictment for ghost payrolling?

A: Yes. In late 2015 the Marshall Attorney General learned that I was receiving salaries for three county government jobs when I was not in fact working at those jobs. One of the jobs was as a deputy highway inspector in the Thompson County Department of Transportation. That job paid me $22,500 a year. I also held a job as a weekend deputy sheriff, paying $8,000 a year, and another job as a harbor sanitation inspector, which paid $19,500 a year. Altogether I received over $100,000 in ghost payroll salaries before I was discovered.

Q: Did you work for any of these agencies?

A: Yes, I did work as a harbor sanitation inspector, but I was only there a few hours a week. If I’m being honest here, I’ll admit… I had no training or experience for any of those jobs. It’s all about who you know and I knew a whole lot of corrupt people. I helped a bunch of State Reps with their campaigns and well, they helped me.

Q: What happened after the Marshall Attorney General discovered your wrongful activities?

A: Once the Feds learned that of my political background and connections in the House, I was asked to cooperate as an undercover operative or "mole" in a Federal Task Force investigation into Statehouse corruption called Operation SeaScam. The Marshall Attorney General’s office was part of the Task Force. This was where I first worked with Ryan Sills.

Q: Did you know Ryan Sills prior to this investigation?

A: No, I did not. I did not have any specific dealing with Sills until the AG’s office and the federal task force put together Operation SeaScam.

Q: Tell us about Ryan Sills.

A: Ryan Sills was one of the key people in putting together Operation SeaScam.

Q: Tell us about Operation Seascam.

A: Sills worked to create a number of fake businesses to expose corrupt acts in the legislature. The companies were seeking to avoid state regulation of dumping in the Marshall Harbor, tax breaks, or concessions of some sort. I worked out of the offices of one of these sham corporation called SeaDragon Shipping. which had been created by government investigators as a means of deceiving members of the Marshall legislature. The idea was that government agents, or moles like me, would pretend to be lobbyists for SeaDragon and expose corruption.

Q: What did you do as a purported lobbyist for SeaDragon?

A: I approached members of the Marshall House of Representatives to oppose legislation to ban ships and boats moored in the harbor from dumping garbage and waste into the Marshall City Harbor. SeaDragon was opposing legislation aimed at cleaning up the harbor. The legislators we targeted were those we believed sponsored "fetcher" bills.

Q: What do you mean by fetcher bills?

A: Fetcher bills are bills that appear to be for a legitimate purpose, but are actually intended to attract payoffs. If the sponsor of a bill got paid off, he would withdraw the "fetcher" bill. "Fetcher" means the bill’s purpose was to "fetch" a payoff or bribe.

Q: How could you get someone to take a bribe?

A: The feds created dummy corporations which needed favors, you know, legislation giving tax breaks, eased licensing requirements, that sort of thing. As I said, the idea was to encourage fetcher bills - for members of the House, in collusion with the lobbyists and legislative assistants - to concoct bills which would hurt the particular business. Then the lobbyist goes back to the industry or the company and says we need X amount of money to get legislator Y to pull back his or her regulatory bill or tax bill. The bill "fetched" a bribe or a contribution.

Q: As far as you could tell, who was the Task Force targeting?

A: State Representatives, beause the bills that would affect the shipping industry originate in the House of Representatives.

Q: Were you successful?

A: Yes, we were able to get a number of lobbyists and aides to State Representatives on tape. We did a lot of work in the House. We wanted to harvest as many as possible before being found out, as Ryan Sills used to put it. There were a dozen or so legislators willing to take money in return for blocking these bills in committee, and eleven of them were caught, along with their aides and some of the other lobbyists who were paying off legislators to stall these anti-pollution bills - there are presently indictments against 11 members of the Marshall House of Representatives, 7 aides and 13 or 14 lobbyists for violation of various federal statutes -- conspiracy, extortion, mail and wire fraud cases.

Q: Did the investigation more to the Senate?

A: Yes, we did, but not until early December 2018. The newspapers reported rumors that a major scandal was about to break, and the U.S. Attorney told us that he was preparing indictments. We knew we were out of time before the investigation became public. Sills proposed an attempt to investigate the State Senate before the operation was shut down.

A: Was the US Attorney on board with moving the investigation to the Senate?

Q: No. By December 2018, we had pretty much concluded gathering evidence in the House. We knew that the whole operation was going to be made public any day. Rumors were swirling floating around the floor of the House about undercover investigations, it was only a matter of time before word got out. Sills told me that the Task Force was not on board with going after the Senate, but Sills said the week after Thanksgiving, we’re going to start with Senator Casey Lee. We no longer had the support of the Task Force. I told Sills I thought it was too risky to try to get Lee on tape, but Sills was now running the investigation, he wanted to start with Senator Lee and he was persistent. Sills suggested - really insisted - we try the State Senate. I thought it was too risky. The feds were not too interested, but the Attorney General was. So Sills and I got authority from the AG, and went over there.

Q: Are you aware of any other reason Operation SeaScam came to target Senator Casey Lee?

A: I do know there Sills and Lee had a bit of a history. Sills ran the campaign for our Attorney General Charles Wheeler back in 2018. Senator Lee supported his opponent Natalie Stevenson and was allegedly behind a smear campaign and some vicious attacks against Wheeler.

Q: How did the Senate investigation begin?

A: Sills made an appointment on December 20, 2018 at 9:15 a.m. for us to see Senator Lee. It was a meeting for two lobbyists, Sills and me, to come to talk to the Senator about Seadragon.

Q: Did you do anything before meeting Lee that day?

A: Yes, we talked about our plan to bribe Senator Lee. Sills told me to buy a recording device to use for our meeting. The feds wanted all the bribes on tape, but when the task Force pulled out we no longer could use their equipment. For some reason we couldn’t use the AG equipment either. So, Sills asked me to buy a recording device, something small and high tech, similar to recorders we had used before.

Q: What kind of recording device did you buy?

A: To be honest, he didn’t give me money for it, so I bought it one from Ebay for $14.89. I showed him the recorder and he tested it out. It worked just fine.

Q: Showing you Exhibit A1, does this depict the recording device?

A: Yes, it’s the actual Ebay listing from which I purchased the recording device.

Q: Did you meet eventually meet Senator Lee?

A: Yes, on December 20th, I met Sills at his office, then we drove to the State Capitol, where the Senators have their offices. While we were in the car Sills gave me an envelope containing $5,000 to Bribe Senator Lee.

Q: Why $5,000?

A: It had to be more than $3,00, because $3,000 is the limit on campaign contributions.

We knew from working the other cases that the politicians would try to say money they took was a campaign donation, not a bribe. We knew if we were going to make a strong case, we needed the target to take more than $3,000.

Q: What happened when you arrived at Lee’s office on December 20th?

A: Sills turned on the recorder and I put it in the inside pocket of my suit jacket.

Q: The meeting with was partially tape recorded, correct?

A: Yes.

Q: And you have reviewed a transcript of that tape, and stated that it is accurate?

A: Correct.

Q: I will be submitting a copy of that transcript to the grand jurors later today.

Q: Did you go into the Senate Offices?

Q: Yes, we went to the second floor where the State Senators’ offices were located. When we got to Senator Lee’s office at 9:15 a.m. I noticed that no one was around. Terry Frost was at the desk outside Senator Lee’s office. Frost told us that the Senator was expecting us.

Q: I’m showing you Exhibit B, what is depicted in this diagram?

A: That’s a diagram of the second floor of the Senate offices, where Lee’s office is located.

Q: Did you and Sills meet with Lee?

A: Yes, but then Lee asked Sills to leave. Sills and I got up, and Lee took me by my arm and patted me on the back. He told me to wait right there, that he would be back in a minute and that he would have Frost get us coffee. I sat there alone, and to be honest, I felt physically ill when Lee patted my back because I thought he was checking to see if I was wearing a wire. Frost brought in coffee and Lee came back maybe 5 minutes later.

Q: Were you alone with Lee at the point?

A: Yes.

Q: What did you discuss?

A: Lee asked me how I knew Sills. I told him that I knew him from the neighborhood and that we’ve been doing a lot of work together for a year or so. The Senator asked, “Is Sills someone you trust?" I said, “sure.” He said Sills was “good people.” Lee started talking about an old Attorney General campaign and said, “Your friend Sills played pretty dirty in the campaign” and I was worried about hard feelings, but I guess Sills is over it.

Q: Then what happened?

A: I remember the Senator did not say anything for several seconds, then looked at me, smiled, and said, "OK." The Senator then said, "Well in this business you have got to know who your real friends are, if you know what I mean." I picked up on this as signal that the Senator was a player. "If you know what I mean ..." is a signal.

Q: A signal for what?

A: It was a signal that Lee would take a bribe. I tried to steer the conversation to SeaDragon, but the Senator just wanted to tell war stories. Finally, he suddenly said, “You know, my mind is open to SeaDragon, if you know what I mean.”

Q: What did you say?

A: I came right out and told him that we needed a mooring site on the pier for a 200’ boat as soon as possible. I told him that a lot of people who work at SeaDragon supported him in his 2016 campaign and that they would like to help him again.

Q: What did he say?

A: He said that it would take a “dime.” That’s how he talks. Instead of 10 grand he says, “dime.”

Q: What did you say?

A: I told him that I didn’t have a “dime.” I suggested a “trey,” or $3,000, because that’s the kind of lingo he was using. We settled on a “nickel” or $5,000. He said, “Let’s do a nickel and call it a deal.”

Q: Then what happened?

A: The Senator called someone named “George,” who I assumed was George Collins who runs the pier down at the harbor. I had met George when I was doing that job as a harbor sanitation inspector. Lee told George that he wanted a spot on the pier for SeaDragon Shipping as a favor for a friend for Christmas. He told George that he would be on his Christmas. Lee thanked him and told George that he would confirm it in writing. When he got off the phone Lee turned to me and smiled. He wished me Merry Christmas and said it was all set, that we would get mooring site 6 at the pier.

Q: Then what happened?

A: I counted out five packets of $100 bills, each with apparently ten bills, each with a rubber band around it and I went to hand Lee the money. The Senator said, "The tray," and pointed to the large ashtray next to the lamp on the Senator’s desk. I left the money in the tray.

Q: Mr. Markham, I want to show you two photographs, Exhibit C and Exhibit D. Do you recognize what is shown in these photos?

A: Exhibit C is Lee’s private office, and Exhibit D is the ashtray. That’s what the office and the ashtray looked like that day.

Q: Did Lee take the money out of the ashtray?

A: Not while I was there.

Q: Did you then leave Lee’s office?

A: Yes. When I got up I could see the door was cracked open. I wondered how much Frost had heard and seen, but was convinced that it would have been difficult for Frost to have overheard what we were saying. The door was thick, a solid wood door, and it was only open a bit, not even an inch. And the desk where Frost was sitting was a good 10 feet from the door.

Q: What happened when you left the office?

A: Lee walked me out to the waiting area were Sills was waiting then walked back toward his office. Sills and I were just about to get on the elevator when Lee came back out and whistled us both back and said, "You need a receipt." He walked us to Frost’s desk and told Frost to create a receipt for $3,000 for a campaign donation. Frost printed it a campaign donation receipt and gave it to Lee, and Lee gave it to me.

Q: Is Exhibit E the receipt?

A: Yes, Exhibit E is a copy of the receipt. In other words, the Senator gave me a cover-his-rear receipt for $3,000, which is the maximum allowable yearly contribution to a political campaign. The next week, I got a letter from Senator Lee’s campaign, thanking me for the $3,000 contribution. Senator Lee pocketed the other $2,000.

Q: Is Exhibit O the letter from Senator Lee’s Campaign?

A: Yes.

Q: The letter you received from Collins, is Exhibit F?

A: Yes

Q: Did you listed to the tape?

A: Yes, when we got back to the office we listened to the tape. The part where Lee and I were alone in the room was not on the tape.

Q: How did that happen?

A: Sills turned on the tape and I never touched it until we were outside out of the Capitol Building. I don’t know how or why it stopped recording.

Q: What happened when you discovered you did not have the bribery talk on tape?

A: Sills was upset. I really caught an earful. Sills was very emotional because we thought we had Senator Lee nailed down and now we were missing some corroborating evidence.

Q: OK, let’s talk about Frost. Did you ever see Frost again?

A: Yes. That night Sills and I went to the Senate holiday party where we saw Terry Frost. Frost was drunk and avoided us.

Q: Thank you. Any questions from any members of the grand jury?

A: Why isn’t this a Federal case like the rest?

A: The U.S. Attorney declined prosecution of this case. They said they wanted more explicit evidence of a bribe on tape, but like I said before, the recorder stopped working.

Juror: I still don’t understand how you got involved in the first place?

A: I was originally approached after I had been caught for taking a county salary as a road safety inspector, but not doing any work. I received a paycheck twice a month for holding a job which I did not have to go to.

Juror: How did you get that kind of job?

A: It was a political job, a reward for my work as a precinct captain, and the Attorney General’s office found out about it. To this day I’m not sure how.

Juror: And how did you broker a deal?

Q: I asked the prosecution if there was not some way to avoid being prosecuted, and the next day one of the FBI agents came to see me. Things got scary when the feds told me I had violated federal mail fraud and conspiracy laws. We worked out a deal that if I could help them make a number of cases, then I would get a pass except for one charge, felony theft, in the Thompson County Court, a state charge. I plead guilty to that.

Juror: When did you wear a wire?

A: On everything. From day one I wore a wire. We went into the House and I got some other lobbyists on tape, and the feds got them to cooperate and cut deals. Several of us were working on this - some FBI people, some people from the AG’s office, some former players who are trying to save their skins, like me.

Q: Have I asked you all questions, and have you told us everything that’s material and relevant?

A: Yes.

Q: Have you told us everything you remember?

A: Yes, I have. I’ve thought about these events a lot and there is nothing more I remember.

Q: Thank you. I have no more questions, you are excused. I now call Mr. Ryan Sills.

[Thereupon witness was excused and a break was taken.]

GRAND JURY TESTIMONY: Ryan Sills

Q: (By Assistant Attorney General Jones): Please state your name.

A: Ryan Sills.

Q: How old are you, Ryan?

A: 37

Q: Where did you go to school?

A: I received my B.A. from Brown University, where I majored in History. I graduated from Marshall University School of Law in 2007 with honors.

Q: Tell us about your employment history, from the time you graduated law school.

A: I’ve always been interested in politics. I’m a life-long Republican. As the grand jury probably knows, the State of Marshall is traditionally controlled by Democrats. Out of law school I got a job as an Assistant State’s Attorney for the County of Marshall, thinking it would be a way into the political arena. I worked at the State’s Attorney’s Office for 4 years, until 2012 when a new State’s Attorney was elected. He was a Democrat, and I thought I wasn’t a good fit for the office and I was let go. I’ll admit I had a pretty conservative blog that I was running at that time, which I have since dismantled and deleted. After that, I applied to the U.S. Attorney’s Office, and to the FBI, but I got turned down both places. So, I set up my own practice. I did a criminal defense work and helped run republican campaigns for local office – County Assessor and County Clerk – that sort of thing. In 2014 I was hired by Charles Wheeler as an Assistant Attorney General.

Q: How did you first meet Charles Wheeler?

A: I ran his campaign for Attorney General. After he was elected, he approached me to work with at the AG’s office on a Federal Task Force probe called, "Operation SeaScam." I accepted the offer, and was appointed an Assistant Attorney General.

Q: What did the task force to?

A: The Task Force created SeaDragon Shipping as a ruse to approach politicians, lobbyists, legislative aides, to suss out corruption.

Q: What was your role in Operation SeaScam?

A: I was to act in an undercover role, as a lobbyist on behalf of SeaDragon, this fictional shipping business. I was to approach members of the legislature to attempt to pay bribes to them in return for legislative favors for my supposed client, SeaDragon Shipping.

Q: How did you go about this?

A: As a cover, I set up a private law and lobbying practice, with a specialty in regulated businesses. I established myself as a statehouse lobbyist and I gave the appearance of representing SeaDragon Shipping – lobbying in favor of legislation which would give tax incentives to shippers relocating in Marshall, deregulating intrastate shipping rates and that sort of thing, and lobbying against laws which would have placed an economic burden on businesses such as SeaDragon. For example, we opposed a number of bills which would have regulated waste disposal in the Marshall Harbor. In fact, however, my primary task was to identify corrupt individuals and allow them to solicit bribes from me, or to apparently conspire with me to pay off certain legislators. Of course, I was working as an Assistant Attorney General for the State of Marshall assigned to the Operation SeaScam Task Force. The problem was I was not an insider and it was difficult for me to establish my bona fides as a corrupt political operative. We needed to add an insider to out team.

Q: Did you find an insider?

A: Yes. The breakthrough we needed came in late 2015 when the Attorney General’s office investigated a complaint that Jesse Markham was receiving a regular paycheck on the Thompson County payroll, but was in fact not doing any work. Further investigation revealed that Markham had three "ghost payroll" jobs, and was being paid a total of almost $60,000 a year for doing basically nothing. When Markham was confronted with this evidence, we obtained a confession which revealed that he also had not paid state income tax on some of this income. Coincidentally, federal investigators learned of Markham’s difficulty and approached the Marshall Attorney General’s office. Markham was vulnerable to prosecution for failing to pay federal income taxes and for several conspiracy, wire and mail fraud charges. We knew that Markham considered himself a political operative and claimed that he had connections in the House. The State of Marshall and the federal investigators agreed that Markham could, if willing to cooperate, be the key person to the success of Operation SeaScam.

Q: What was Markham given for his cooperation?

A: Markham agreed to cooperate, in return for which the Attorney General’s office agreed to pursue one count of felony theft for the ghost payrolling, the indictment was quiet about ghost payrolling so as not to raise suspicion, and the AG agreed not prosecute Markham on any of the other possible State charges. The federal prosecutor agreed not to prosecute him for any federal crimes he committed in connection with his ghost payrolling in return for his cooperation in SeaScam. If Markham fails to cooperate with the SeaScam investigation, or if Markham is involved in any new criminal activity, then he may be prosecuted for all federal and state charges.

Q: So, how did Markham begin his cooperation?

A: In the fall legislative session of 2016, Markham began introducing me to lobbyists and legislative aides who he knew were corrupt from his prior dealings with them. Markham, myself and other members of the Task Force were able to make cases against some of these individuals. By the end of the term we had 14 lobbyists and 6 legislative aides on tape soliciting and taking bribes in connection with fetcher bills. The House was relatively easy to go after. Markham was trusted by people in the House; Markham was not really a player in the Senate.

Q: In November of 2018 what was the status of Operation SeaScam?

A: We had pretty much wrapped it up in the House, but we had not touched the Senate. Lee had just been named Chairman of the Parks and Waterway Committee. As Chairman, he had the power to influence the awarding of mooring sites in the Marshall Harbor and at the Marshall Pier. There’s a two or three year wait for some of the better spots, but I heard rumors that if you had a connection with a politician, for money under the table you could buy your way to the top of list. I thought that Lee might be willing to take money under the table to get SeaDragon one of these prime spots. I knew that Lee went through a messy and public divorce and had alimony and child support to pay. To say nothing of the bills he racked up in the last campaign. I figured he was vulnerable.

Q: Prior to this, had you known Casey Lee?

A: He and I were on opposite sides of the AG race, and he played pretty dirty, which is one reason I figured he’d take a bribe. I thought he was an entitled political hack, but that’s a different story.

Q: Well, did the fact that you don’t particularly like Lee cloud your judgement?

A: Let’s just say that there is no love lost between us. Personally and professionally. But of course I wouldn’t let this cloud my judgement.

Q: OK, great. Who came up with the idea to try to approach Lee?

A: I did. I went to the Task Force when I learned the operation was going to get wrapped up and become public and suggested that we try to take a run at Lee. For reasons not completely clear to me the U.S. Attorney was not interested. Maybe it’s because he’s a Democrat, like Lee. Anyway, they declined to get involved, but Wheeler gave me the go-ahead to try to approach Lee to see if he was willing to take a bribe.

Q: How did you go about that?

A: On December 14, 2018 I called Lee’s office, and asked for an appointment. I told him that I was representing SeaDragon Shipping. I told him that I would be bringing another representative of SeaDragon with me. We were given an appointment for December 20, 2018, at 9:00 a.m.

Q: Did you tell him who that representative was?

A: Yes, I told him it was Jesse Markham. He replied that he knew who Markham was.

Q: What did you think Lee meant by that?

A: When he told me that he was familiar with Jesse Markham I thought that he might be suspicious of us. Like I said before, rumors were starting to go around the State House. By reputation Senator Lee is somewhat paranoid and particular – rumor has it that his office is routinely checked for electronic bugs, telephone taps, hidden microphones. Senator Lee is smart and calculating. And he believes that political espionage is commonplace. He’s cagey and smart.

Q: What did you do in preparation for that meeting?

A: I withdrew $5,000 in prerecorded funds and obtained a recording device.

Q: What do you mean by prerecorded funds?

A: Bills for which we had written down the serial numbers so that they can be tracked. They were all hundred dollar bills. I had them in bundles of $1,000 each.

Q: Why $5,000?

A: The limit on campaign contributions in Marshall is $3,000. We knew from earlier investigations that a legislator might claim that bribe money is actually a campaign contribution. If a target takes more than $3,000, that defense would be defeated.

Q: Why not more than $5,000?

A: We were running out of funding.

Q: OK. What kind of recording device did you obtain?

A: We had used the FBI’s equipment during the investigation of the House, but when they pulled out the Feds took their toys with them, so we had to purchase one. Jesse bought the recorder that he thought was the most similar to the recorders that the FBI used. It was very small and slim, very high tech. We didn’t know until later that it was used and that it had a very sensitive on-off switch.

Q: What happened on December 20?

A: On December 20, Jesse Markham and I had an appointment with Senator Lee. Markham had the recording device in his inside jacket pocket. I had tested it earlier in the day and it was in good working order. While we were in my car before we went into the State Capitol I recorded a preamble on it and then turned it off. Jesse then turned the recorder on and he put in his jacket pocket before we entered Senator Lee’s office. Jesse had the $5,000 in a plain white envelope. A few minutes after 9 a.m. we entered the Senate office spaces on the second floor of the State Capitol Building.

Q: Was the building busy that day?

A: Well, when we went to the second floor, I noticed that there was no one around. I later found out that lots of Senators and staff were either taking the day off or working in their home district offices, since the legislature was not in session. Many of them probably were taking the morning off in preparation for the big holiday party that evening. Jesse and I planned to go to the holiday party to further our ruse.

Q: When you arrived at the Capitol Building, where did you go?

A: We went the second floor where Senator Lee’s Office is.

Q: Describe the layout of the second floor.

A: Well, there are four Senators who have their offices on the second floor of the Capitol. Casey Lee’s is one of them. When you get off the elevator on the second floor you are in a public waiting area used by all four Senators. It has coffee tables and couches. This waiting area opens up into a hallway. In the hallway, there are separate doors to each Senator’s suite of offices. Each one has the name of the Senator on it, and it leads to his or her office. Once you get into the Senator’s office suite, the first room you enter is a small waiting area where the Senator’s administrative assistant has a desk. There are a couple chairs in this waiting area. Then there is a door in that small waiting area that leads to the Senator’s private office.

Q: Is Exhibit B a diagram of the floor you’re talking about?

A: Yes, Exhibit B shows the layout of the 2nd floor of the Capitol Building, where Senator Lee’s office is located.

Q: When you got off the elevator on December 20th where did you and Mr. Markham go?

A: Well, we went into the public waiting area and down the hallway where we found the door to Senator Lee’s suite of offices. We went into the small waiting area.

Q: Who was in that small waiting area?

A: Terry Frost, an aide to a different Senator, Senator Justine Carr. He was sitting at the desk and appeared to be working on a computer.

Q: Was the door to Senator Lee’s private office open or shut?

A: It was shut. Terry Frost told us to just go on in, that Senator Lee was expecting us.

Q: Did you go in?

A: Yes, Markham and I went into Lee’s office. It was just the three of us.

Q: Did the three of you have a conversation, which was recorded?

A: Yes, we did.

Q: At some point in time during this conversation did Lee tell you that he wanted to speak with Markham alone?

A: Yes, and he walked me out of the office to the public waiting area near the elevators.

Q: What did he say while you were walking out?

A: He asked me if I trusted Jesse and I told him I did. I said that we had been working together for a couple of years.

Q: How long were you in the public waiting area near the elevators?

A: Maybe half an hour or so.

Q: Could you hear what was going in?

A: No – I couldn’t hear anything.

Q: What was Terry Frost doing?

A: I’m assuming he was still in the waiting area in Lee’s office suite. Before I left he was working on his computer in the outer office.

Q: You said you waited in the public waiting are for about half an hour. What happened then?

A: Jesse came into the waiting area, with Lee right behind him. Lee walked up to me, shook my hand and said that it had been good to see me, and that he hoped he’d be seeing more of me and Jesse. I was just walking to the elevator when Lee called to us and told us to come back, that he had forgotten to give us a receipt.

Q: Where did you go to get the receipt?

A: Lee took us back to where Frost was sitting and told Frost to type out a receipt for a $3,000 campaign donation from SeaDragon Shipping.

Q: Showing you Exhibit E, is this the receipt you obtained?

A: Yes, it is. I also kept a copy.

Q: After getting the receipt, what happened?

A: We went back to the office.

Q: What did you do when you got back to the office?

A: We listened to the tape. It had only picked up that part of the meeting where I was in Lee’s office with Jesse. I downloaded the contents of the recording onto our office computer. I wrote up a report and prepared a transcript of the tape.

Q: Showing you Exhibit G, is this the transcript of that conversation?

A: Yes, it is. And it accurately reflects what was on the tape.

Q: In the transcript, when Lee said, “And Christmas is coming,” what was your understanding of what he meant?

A: He was telling us that he wanted money or some other benefit to do a favor for SeaDragon.

Q: Did you have any forensic examination performed on the recording device?

A: Yes, I gave the recording device to our forensic investigators, and they found that the device was in working order, however they did note that the on/off switch was quite sensitive. It was after 3:00 p.m. by the time we left the office.

Q: What happened when you left?

A: That night was the holiday party. Jesse and I attended. Lee was telling bad jokes about people being big enough to fit in the trunk of a car, and when you fix so-and-so he stays fixed. I didn’t stay late, because other members of the task force were getting a search warrant for Lee’s office and for Terry Frost’s desk, and I wanted to be there.

Q: Did you in fact participate in the execution of a search warrant the following day?

A: Yes, that would be December 21st. My office had obtained a warrant to search the office suite of Casey Lee and the desk of Terry Frost, which was located in Senator Carr’s suite. Myself and Billy Williams, Investigator Lillian Roberts, and Investigator Eugene Pauley met at our office at 8:30 a.m. the morning of the 21st and left from there to go to the Capitol Building. Billy Williams had the lead. I was mostly an observer, and I could give them information regarding the setup of the office since I had just been in it.

Q: What time did you get to the Capitol?

A: Around 9:00 a.m. It was dead there. Most people took the day off or came in late because of the party the night before. We had to get a security guard to let us into the Senator’s Office suite, and Justine Carr’s suite so that we could search Senator Lee’s office and the desk used by Terry Frost.

Q: Showing you Exhibit C, do you recognize what is depicted in this photograph?

A: Yes. It is the inside of Lee’s private office, showing his desk. It was taken on December 21, 2018 by one of the investigators, and it looks the same as when I had been there the previous day. Even the big ashtray is in the same spot.

Q: Now showing you Exhibit D, do you recognize what is depicted in this photograph?

A: That’s a close-up of the ashtray.

Q: What did the investigators seize from Senator Lee’s private office?

A: A ladies Rolex watch and a receipt for the purchase of the watch. They were both in the middle top drawer of the desk.

Q: Showing you Exhibit H and Exhibit I, do you recognize these?

A: Exhibit H is a photograph that depicts the watch we found, and Exhibit I is the receipt.

Q: What does the receipt show?

A: It shows that on December 20, 2018 Casey Lee bought a ladies Rolex watch from American Rolex Watch and paid $1,800 in cash. Obviously after we finished with the search warrant our next stop was American Rolex Watch. We went straight there after we finished up with the search warrant.

Q: What did you learn from them?

A: The owner was very cooperative. He said that Lee had been a customer of his previously, and that on December 20th he had come in some time in the afternoon and paid cash for the watch. He said that he had taken the receipts for the previous day to the bank after he closed up that afternoon.

Q: Were you able to recover the pre-recorded funds at that time?

A: No unfortunately we were not. The owner had taken the cash to the bank.

Q: What did you do after you left the jewelry store?

A: We all went back to the office. The other investigators placed the evidence into our evidence vault, and filled out paperwork. I tried to call George Collins, the manager at the pier. I wanted to get to him as soon as possible.

Q: So, did you get ahold of Mr. Collins?

A: Yes. I told him I wanted to talk to him about favors he may have given to Casey Lee. He said he was taking the Fifth Amendment. So naturally that was the end of that.

Q: Was this the extent of your investigative activities on December 21st?

A: Yes, after I called Collins I sat down and made some notes of where we were, because there was a Task Force meeting the following morning and I wanted to present the evidence in the Lee investigation.

Q: What was the result of the meeting with the Task Force the next day?

A: The U.S. Attorney did not want to bring federal charges without an explicit solicitation for a bribe on tape. At least that’s what he said. But he encouraged us to go with a State prosecution, so that is what we did. Attorney General Wheeler himself approved the charges that day.

Q: Do any members of the grand jury have any questions of the witness?

Juror: This probe was a 100% success?

A: Yes and no. One of the most troubling aspects of the whole SeaScam operation was that it held up legislation which would have addressed dumping in the Marshall City Harbor. The ships which anchor in the harbor, and the businesses on the harbor, were free to dump waste with impunity. A State Representative would put in a bill to heavily fine someone who dumped in the harbor, and Markham or one of the other SeaScam moles would go in and bribe the legislator to withdraw the bill.

Juror: Why, then, did you end up going after the Senate?

A: I thought Senator Lee was a good place to start. Lee is well regarded by many, some say he’s honest, but tolerant of corruption. "Don’t steal but don’t squeal,” was hit motto. You have to understand that although Lee portrayed this honest guy persona, Lee’s family has connections to the mob, the outfit, organized crime, going back generations. As the new chair of Parks and Waterways, Lee was coming into a lot of power. Lee could stop the flow of funds, refuse to support bond issues, cut back or increase the number of jobs - at least as far as the Senate was concerned and I knew he needed money. I knew he’d be susceptible to a bribe.

Q: Have I asked you all questions, and have you told us everything that is material and relevant?

A: Yes.

Q: Have you told us everything you remember?

A: Yes I have. There is nothing more I remember.

Q: Thank you. I have no more questions.

[Thereupon witness was excused]

AFTER DELIBERATIONS, THE GRAND JURY ISSUED A TRUE BILL ON INDICTMENT FOR OFFICIAL MISCONDUCT

**OFFICE OF THE MARSHALL ATTTORNEY GENERAL**

**50 West Randolph**

**Marshall City, MA**

**Investigative Report**



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| **Report of Activities on December 21, 2018** | Report Date: December 21, 2018 |
| Investigator Billy Williams, reporting | Also Present: Invest. Lillian Roberts, Invest. Eugene Pauley and Assistant Attorney General Ryan Sills |

At 9:05 a.m. on this date the afore-identified investigators executed a search warrant for the office of Senator Casey Lee at the Marshall Capitol building, and for the desk used by Terry Frost, Aide to Senator Justine Carr, also at the Marshall Capitol building. Security Guard Gloria Anselmo provided access to both areas. Before executing the warrant, a photograph of Senator Lee’s desk in his private office was taken. This photo is marked as Exhibit C, attached to this report. There was a large nickel-plated ashtray on the desk. A photograph of this ashtray was taken, marked as Exhibit D. Pursuant to a search of the desk, the following items of evidence were obtained from the top middle drawer.

* One ladies Rolex watch – Exhibit H
* One receipt for the purchase of a ladies Rolex watch – Exhibit I

The search of the remainder of Senator Lee’s office, including the bookcases, was negative for any items of evidentiary value.

The search of the desk used by John Dotson, located adjacent to Senator Lee’s private office, was negative for any items of evidentiary value.

The search of the desk used by Terry Frost, located adjacent to Senator Justine Carr’s private office, was negative for any items of evidentiary value.

At 11:00 a.m. the Reporting Investigator and Investigator Sills then relocated to American Rolex Watch in Marshall and spoke to owner and manager Carlos Ellison. Ellison recalled selling the Rolex depicted in Exhibit H to Senator Casey Lee who he knows as a prior customer. Ellison recalled that Lee paid cash for the Rolex, that Lee paid cash but can not recall the denominations. Ellison states he deposited the cash along with the case from several other sales in Marshall Bank before it closed that evening.

This report contains a full and accurate account of all relevant events. Nothing has been omitted.

Signature: Inv. Billy Williams 12/21/18

**OFFICE OF THE MARSHALL ATTTORNEY GENERAL**

**50 West Randolph**

**Marshall City, MA**

**Investigative Report**



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| **Report of Activities on December 21, 2018 -phone call to George Collins** | Report Date: December 21, 2018 |
| Assistant Attorney General Ryan Sills, reporting |  |

On this date at approximately 3:00 p.m. I attempted to contact George Collins (Collins), the Manager of the Marshall Harbor regarding any contacts that he may have had with Senator Casey Lee. I reached Collins by telephone at his office. I introduced myself and told Collins that I wanted to ask him some questions regarding his relationship with Senator Casey Lee. Collins asked if I had something particular in mind. I told Collins that I wanted to learn whether he had done any favors for Lee in the past. Collins then said that he did not want to discuss Senator Lee with me, and that he would have his attorney call me. I asked Collins the name of his attorney, and Collins declined to give it to me. Collins told me he was, “taking the Fifth.”

This report is complete, true and accurate.

Signature: RYAN SILLS 12/21/18

**OFFICE OF THE MARSHALL ATTTORNEY GENERAL**

**50 West Randolph**

**Marshall City, MA**

**Investigative Report**



|  |  |
| --- | --- |
| **Interview of Terry Frost and attempted interview of Casey Lee** | Interview: December 27, 2018 1:30 p.m.  Report Date: December 28, 2018 |
| Reporting Investigator: Barb Healy \*1212 | Also Present: Assistant Attorney General Joelle Snow |

On December 26, 2018, I contacted Terry Frost via telephone and asked if he could come to our offices the following day for an interview regarding events that took place on December 20, 2018. The below is a summary of the interview with Terry Frost, which took place on December 27, 2018 in the Office of the Marshall Attorney General.

Terry Frost states that he is an aide to State Senator Justine Carr, 14th State Senate District, State of Marshall. He was so employed on December 20, 2018 and was working in the State Capitol Building that day. Frost states that Senator Carr’s office is next door to Senator Casey Lee’s office. Both Senator Lee and Senator Carr are on the Committee on Parks and Waterways. Lee is the chairman.

Frost states that Senator Lee’s aid is John Dotson. Dotson is a very straight arrow person, very honest and very particular. Frost stated that Senator Lee often calls on him to arrange some of his more important meetings.

Frost states that he remembers December 20, 2018 as the day Ryan Sills and Jesse Markham came to visit Senator Lee. Frost states that no one else was on the second floor of the senate offices that day. That day most of the offices were empty. Most of the senators and their staffs were taking the day off preparing for that evening’s Holiday party.

Frost states that he arrived at 8:45 a.m. and began working at his desk outside Senator Carr’s office in the State Capitol building. Frost described that each administrative aide has a small office outside of their respective Senator’s office, and the outer office has a desk. Senator Lee arrived a few minutes before 9:00 a.m. and asked Frost to work outside his office that day, and Frost agreed. Frost further described Senator Lee as having a big office, with a big desk.

Frost states that Senator Lee told Frost to watch for Sills and Markham and asked Frost to have them sit and wait. Frost states that Sills and Markham arrived at 9:00 a.m., and that Frost knew both Sills and Markham from prior dealings. When they arrived, he asked them to take a seat and he let Lee know they had arrived, Lee said to send them in, so he walked them into Lee’s office, and Frost went to sit at the outside desk. Lee shut the door behind the three of them and Frost could not hear what was happening inside. After a few minutes the Senator came out with Sills and told Frost that he would be right back, that he was taking Sills to the public waiting area. He asked Frost to get two cups of coffee and bring them into his office. Frost immediately got two cups of coffee from the nearby coffee room and took them to Lee’s private office where Markham was sitting in a chair. He put the two cups of coffee on the desk then returned to his desk and went back to work.

Frost states he saw that the door to Lee’s office was ajar and he could hear some of what Lee and Markham were talking about. Frost recalls hearing a conversation regarding a mooring site and SeaDragon Shipping. He heard Markham offer Lee a campaign contribution. After he heard Markham talk about a campaign contribution, then he heard Lee say something about the tray. He then heard Lee on the phone talking to someone named “George.” He did not hear much of what Lee said on the phone except that he mentioned SeaDragon Shipping and Christmas. When the reporting investigator pressed Frost on whether Lee mentioned the tray before or after the phone conversation Frost stated that he was sure that the phone call came after Lee said something about the tray.

Frost reports that Lee came out of the office and told him that he was taking Jesse out to meet up with Sills. Lee asked Frost to count the money that was on his desk in the ashtray. Lee and Markham then left together and Frost went into Lee’s private office. There was a large stack of currency on the desk, in the ashtray. Frost counted it and determined that it was $3,000 in hundred dollar bills. Frost stated that he had expected that amount because $3,000 campaign contributions are the norm. Frost had just finished counting the money when Lee returned with Sills and Markham and instructed him to create a receipt for a $3,000 campaign contribution from SeaDragon Shipping, which Frost did. He gave the receipt to Markham then Markham and Sills then left. Lee directed Frost to give the money to his campaign finance manager, Gerry Peppercorn and to tell Peppercorn where it had come from so that she could account for it.

Frost states that he counted the money again, and confirmed that there was $3,000 in $100 bills. He put the money in an envelope, put the envelope in his desk drawer, and left it there until the next morning. First thing in the morning on December 21st Frost got the money out of his drawer and counted it. There were three bundles with a rubber band around each. He counted thirty 100 dollar bills, ten in each bundle. He then arranged to meet Gerry Peppercorn at a nearby Starbucks, and gave her the envelope along with a copy of the receipt for her to sign. Peppercorn counted the money in Frost’s presence and signed a receipt indicating she had received $3,000. Peppercorn told Frost that she would fill out the standard campaign contribution statement listing SeaDragon Shipping as the contributor.

Frost stated that when he returned from meeting Peppercorn he learned from Security Guard Gloria Anselmo that Senator Lee’s office and Frost’s desk had been the subject of a search warrant.

When Frost was advised that $5,000, not $3,000 in pre-marked funds was delivered to Lee, Frost said that somebody is lying to somebody, and that somebody must have pocketed $2,000. Frost stated that what occurs to him is that Markham is a crook. Frost stated that Senator Lee has a reputation for being honest, incorruptible, and dedicated to public service. Senator Lee is as sharp and shrewd a person as he has ever met.

Frost stated that everybody knowns Sills supported Wheeler and was he surprised that Senator Lee even met with Sills and Markham in the first place. Frost reiterated that Senator Lee did not ever touch the money Markham left on the desk, and that it was on the ashtray where Markham put it, and it was in the ashtray when Frost picked it up. No one else went in or out. Frost stated that this must be a set-up, and that Markham and Sills are making it up about the $5,000. Somebody pocketed the $2,000.

When advised that Markham had been wearing a tape recorder, Frost stated he had told us everything he knew, he did not know anything more. He stated that he had nothing more to say and asked to leave. The interview ended.

Following the interview with Frost, above-identified Investigator contacted Senator Lee on the telephone at his office. I asked him if he would agree to be interviewed regarding Ryan Sills and Jesse Markham, and he stated that he would not submit to an interview. I informed him that we would be serving him with a grand jury subpoena. He stated that there was no need for a subpoena, and that he would appear before the grand jury voluntarily after consulting his attorney.

This report contains a full and accurate account of all relevant events. Nothing has been omitted.

Signature: Inv. Barb Healy

IN RE: STATE OF MARSHALL VS. CASEY LEE

GJ MARCH 2019, BEFORE THE GRAND JURY FOR STATE OF MARSHALL,

REPORT OF GRAND JURY PROCEEDINGS on the 7th day of January 2019, at the Marshall County Courthouse, Marshall, Marshall 60608

PRESENT: HONORABLE CHARLES WHEELER, Marshall Attorney General by: SAM JONES, Assistant Attorney General on behalf of the State of Marshall WITNESS: TERRY FROST

REPORTED BY: PAUL DiMARZIO, CERTIFIED REPORTER 2650 N. MAIN ST. MARSHALL, MARSHALL 60608 CSR LICENSE NO. 083-001879

ASSISTANT ATTORNEY GENERAL JONES: Good morning Ladies and Gentlemen, I am here with a witness in the on-going investigation of corruption in local government. The witness is Terry Frost, who was working for Senator Casey Lee on December 20, 2018. (The Witness is sworn)

Q. (Assistant Attorney General Sam Jones): State your name please.

A: Terry Frost, I’m the administrative assistant to Marshall State Senator Justine Carr.

Q: You are here in compliance with a subpoena duces tecum, and you have brought certain documents with you?

A: Yes. I brought my biographical data, and a receipt for a campaign donation of $3,000.

Q: I have what I am marking an Exhibit J. This is your biographical data?

A: Yes.

Q: And Exhibit K, is that the receipt?

Q: You are not here under a grant of immunity, are you?

A: No. I am here strictly because of the subpoena. I don’t believe I’m the target of an investigation. I didn’t do anything wrong.

Q: OK. Did you see Ryan Sills and Jesse Markham together at Senator Casey Lee’s office on December 20, 2018, between 9:00 a.m. and 10:30 p.m.?

A: Yes.

Q: Is or was Senator Lee the person for whom you worked on that date?

A: No.

Q: Well then, why were you with Senator Lee that day?

A: I was and am the administrative aide to State Senator Justine Carr of the 14th State Senate District. Senator Lee asked if I would work in his suite that day because he had an important meeting and John Dotson is regular aide would be out. I said sure. I often try to help Senator Lee out. He was the one who put in a good word for me when I was applying to work for Senator Carr, so I wouldn’t want to say no to him. So at about 8:30 a.m. on December 20 I headed next door to his office.

Q: Had you ever worked with Senator Lee before?

A: Sure, lots of times. Senator Lee has often told me I was someone who could be trusted to do the right thing. I’m a real fan of Lee, I attend all of his events. He seemed to be on the outs with his aide, and I was hoping to be permanently assigned to work with Senator Lee.

Q: What do you mean by on the outs with his aide?

A: Lee has been sending his regular aide, John Dotson, out more and more lately, asking him to run errands, giving him the day off, that kind of thing, and asking for me to cover. Lee seems to be making up reasons to get rid of him, so I’m putting two and two together here.

Q: Why do you want to work with Lee?

A: Senator Lee is a colorful character. He’s always wheeling and dealing, unlike Senator Carr who is about 90 years old. I’d love to work for an up and comer, you know?

Q: So, what happened on December 20th?

A: Sills and Markham came to see Senator Lee. Markham gave Senator Lee a campaign donation. I issued a receipt, put the money in an envelope, kept the money for safekeeping, then delivered it to Ms. Gerry Peppercorn.

Q: Who is Gerry Peppercorn?

A: She is Senator Lee’s campaign finance chairman. Peppercorn takes care of Senator Lee’s reelection campaign funds.

Q: When did you deliver it to Peppercorn?

A: The following day. The morning of December 21st.

Q: Where did you keep the money before you gave it to Peppercorn?

A: I put it in my top desk drawer. My office door has a lock, the money was secure, plus all $3,000 was there when I retrieved it. I got in bright and early on the morning of the 21st. No one else was even there yet. I wasn’t surprised. A lot of people were taking the day off because of the Holiday party the night before. I got the money out of my drawer, called Peppercorn, arranged to meet her at the Starbucks. We met, and I and gave her the envelope with the cash. I went and did some Christmas shopping because I knew Senator Carr wasn’t going to be in that day, and I got back to the Capitol around lunch time.

Q: OK, back to Sills and Markham, did you know Sills and Markham prior to the meeting on December 20th?

A: Yes. Jesse Markham is a lobbyist and political operative who I have known for years. I had seen Sills around the State House before because he is a lobbyist too.

Q: When Sills and Markham came to the office that day did they go into the Senator’s private office?

A: Yes.

Q: Was the door to the office open or shut.

A: After they went in Sills shut the door.

Q: Could you hear through the door?

A: No.

Q: How long were they in there?

A: Not long. Five or ten minutes at the most.

Q: What happened then?

A: The Senator and Sills came out and left the office suite for a few minutes. Before he left, the Senator told me that he was walking Sills out to the reception area and asked me to get Markham and him coffee while he was gone. I saw that Markham was still in the Senator’s office. I got coffee from the coffee room, and set the cups on the Senator’s desk, and made small talk with Markham until Lee returned. The Senator came back in and I went back to my desk to get some work done.

Q: From your desk, could you hear the conversation between Lee and Markham?

A: I could hear most of what was said. When Senator Lee pulled the door shut behind him, it did not close all the way. It was open maybe an inch or two. I could hear most of the conversation between Lee and Markham.

Q: How far was your desk from where Lee and Markham were sitting?

A: About 15 feet – maybe the same distance as a free throw would be, maybe even closer.

Q: What did you hear?

A: First I heard the Senator and Markham discussing politics. Then I heard the Senator call George Collins who runs the pier down at Marshall Harbor. Then I heard Markham say that SeaDragon Shipping was a big supporter of Senator Lee’s, and that SeaDragon wanted to make a campaign contribution. Then Markham gave the Senator a campaign donation.

Q: OK, let’s slow down. When you heard the Senator speaking to George Collins, tell us exactly what you heard.

A: I heard the Senator say to George Collins that SeaDragon Shipping needed a spot at the pier. The Senator also wished George a Merry Christmas. That’s what I remember hearing.

Q: Did you hear further conversations between Lee and Markham?

A: Yes, I heard Markham offer the Senator a campaign contribution. Markham said, SeaDragon wants to support your campaign and would like to give you a contribution. That’s what I heard.

Q: Did you see Markham give Lee anything?

A: Yes, I saw Markham put cash in the ashtray on the Senator’s desk.

Q: Was this before or after the phone conversation between Lee and George Collins?

A: After.

Q: And please explain how you could see this from where you were sitting?

A: As I said, the door was cracked open.

Q: What happened next?

A: The Senator walked Markham out of the suite, and told me he was walking Markham out to meet up with Sills. The Senator told me there was money on his desk, he asked me to retrieve the money and to give it to Gerry Peppercorn, his campaign manager.

Q: Then what happened?

A: I retrieved the money, and put it on my pocket. Next thing I know the Senator, Markham and Sills are back, and the Senator asked me to write a receipt for $3,000 from SeaDragon Shipping.

Q: Why a receipt for $3,000?

A: It’s always $3,000 – that’s that max a contribution can be. Companies like SeaDragon always give $3,000.

Q: Then what happened?

A: Like I said, I put the money in my desk drawer and locked the drawer. I took it to Peppercorn the next day.

Q: Mr. Frost, take a look at Exhibits C and D. Do you recognize what is shown in these two photos?

A: Exhibit C is Casey Lee’s desk and Exhibit D is the ashtray that Markham put the campaign donation in.

Q: Thank you. Would you identify Exhibit K?

A: That is the receipt that I gave Gerry Peppercorn when I delivered the $3,000 to her on December 21, 2018.

Q: Were you at the Senators’ Holiday party later that same night? At the Saint Nicholas Hotel, here in Marshall City?

A: Yes.

Q: Would you tell the members of the grand jury the car trunk anecdote that Senator Lee told after being introduced by Senator Filburn at that party.

A: Senator Filburn was the master of ceremonies, and some of the senators were being asked to say a few words; anyway, when Filburn, who is about 6 foot 8 inches tall introduced Senator Lee to say a few words, they had to lower the microphone, right? So Filburn says, "Gee, Casey, I did not know you were such a little person." Senator Lee took the microphone and said, "Senator, remember, you are never so big that you can’t fit into the trunk of a car." It was pretty funny. I guess you had to be there.

Q: Ever hear Senator Lee make those kind of remarks before or after? Threatening things, like putting people in the trunk of a car?

A: Well, Senator Lee has a very odd sense of humor, and also has a blunt way of saying things. Senator Lee is from the old school of politics, you know, one hand washes another, people look out for each other, you tell jokes to avoid answering questions, you make fun of yourself, you make fun of the things that might cause you embarrassment. The Senator believes in political patronage, pork barrel patronage. Like, Senator Lee is in the habit of saying, "What’s the good of winning if you don’t get the gravy that goes with it?" and "There’s a portrait of George Washington in the Senate cloak room, and even he has his hand out."

Q: Did the Senator say those things that night at the Holiday party?

A: Well, the Senator did repeat the joke about George Washington’s portrait. But this is all the Senator’s way of joking, it is not really serious. Like when the Senator says, "There’s a red light above the State Capitol Building for a reason!" or “My idea of an honest politician is one who, when you put in the fix, he stays fixed!" The Senator doesn’t -- I don’t take these things seriously. These things are corny and are stale.

Q: What kind of person is Senator Lee?

A: What?

Q: Tell us what Senator Lee’s reputation is.

A: Oh. Very competent.

Q: Would you say very clever?

A: Yes.

Q: Very shrewd?

A: Oh, sure.

Q: Have you ever covered up for Senator Lee?

A: No, I mean other that saying he’s in his office when he’s not, or saying he’s out when he’s really in, or little things like that. But that’s not covering up, those are only little white lies.

Q: Does Senator Lee have mob connections?

A: What?

Q: Does Senator Lee have a reputation for being connected to organized crime? The mob?

A: Well, that is an undeserved reputation. Lee’s reputed mob ties have to do with his grandparents, and that was a very long time ago. Lee makes jokes, sure, humor is a powerful political weapon.

Q: Do any members of the grand jury have any questions?

Juror: Did you see how much money Markham paid Lee?

A: I counted $3,000.

Q: Did Markham hand over more than that?

A: Well, I assume not.

Q: Is it possible that there were five bundles of $1,000 each when Markham put it in the ashtray?

A: No, I counted $3,000.

Q: What time did the meeting end?

A: Markham and Sills left at 10:30 a.m.

Q: Now you were interviewed by an investigator with my office on December 27, right?

A: I don’t remember the exact date, but that sounds about right.

Q: And during this interview you told the investigator everything important that you remembered about these events?

A: Of course. I told the complete truth as I remembered it at the time.

Q: After the interview did you talk to Casey Lee?

A: Of course, I see him all the time at work.

Q: Did you tell him about what the investigator questioned you about?

A: Sure. I didn’t think it was a secret. I told him that you guys seemed to think that Markham gave him $5,000, not $3,000.

Q: What did Lee say to that?

A: He kind of smiled and said I had a feeling we were being set up. We both know Markham gave me $3,000, not $5,000.

Q: Did he say anything else?

A: Not that I remember.

Q: Have you testified to everything you recall?

A: Yes, I have.

Q: Are there any questions that I have failed to ask you?

A: No, you have asked me everything I can possibly think of that may be relevant in any way to this case.

Q: Thank you. You are excused.

[Thereupon the witness was excused.]

IN RE: STATE OF MARSHALL VS. CASEY LEE

BEFORE THE GRAND JURY FOR STATE OF MARSHALL

REPORT OF GRAND JURY PROCEEDINGS on the 18th day of February 2019, at the Marshall County Courthouse, Marshall, Marshall 60608

PRESENT: HONORABLE CHARLES WHEELER, Marshall Attorney General by: SAM JONES, Assistant Attorney General on behalf of the State of Marshall

WITNESS: CASEY LEE

REPORTED BY: PAUL DiMARZIO, CERTIFIED REPORTER 2650 N. MAIN ST. MARSHALL, MARSHALL 60608 CSR LICENSE NO. 083-001879

ASSISTANT ATTORNEY GENERAL JONES: Good morning Ladies and Gentlemen, I am here with a witness in the on-going investigation of corruption in local government. The witness is Casey Lee. (Witness is sworn)

Q. (Asst. Attorney General Jones): Please state your name.

A: Casey N. Lee.

Q: What do you do for a living?

A: I’m a State Senator, 13th State Senate District.

Q: Does Exhibit N contain your bio?

A: Yes, it does.

Q: Mr. Lee, have you spoken to an attorney about the implications of testifying here today?

A: Yes, I have been advised that I am possibly a target of this investigation, and I am testifying despite the fact my lawyer advised against it. I understand that I have a Fifth Amendment right against that self-incrimination. I am an attorney after all. And I am knowingly waiving that right.

Q: Ok then, let’s get started. Senator Lee, by way of background, it’s my understanding that you were critical to the passing of the ethics code in Marshall, and you’ve been a proud proponent of this project for some time. Can you tell us about your role in that project?

A: Yes, I’d be glad to. With my help, the State of Marshall adopted an ethics code for elected and appointed officials. We also have an ethics code for all state, county, and municipal employees. These codes make clear that bribes and pay-offs have no place in the decision-making process in state and local government, and especially for the elected members of the state legislature. I’m extremely proud to have been on the committee that drafted this ethics code.

Q: Do these rules specifically address bribery?

A: Yes, they do. The State of Marshall adopted legislation forbidding, and making criminal, the act of giving or receiving bribes in connection with any official duty of any member of the State Senate or State House of Representatives. The only recognized deviation from this iron rule is that individuals in elective office may receive political contributions, as long as the contributions are not tied to any particular act of favoritism. In other words, politicians may receive financial support for their policies but not for their services or specific acts. This provides members of the public with the freedom to exercise their right to participate in the political process with financial contributions. Here, too, there are limits. No person, entity, or corporation, can contribute over $3,000 to a candidate in any calendar year, and any contribution must be made independently of any effort to lobby for any legislation or other favor.

Q: But you did oppose placing limits on campaign contributions?

A: Yes, I did. I opposed any change which would place more limits on political contributions. The present law is already sufficiently rigorous. To further curtail political contributions would mean that candidates would have to provide more of their own personal funds to finance their campaigns to be elected or re-elected. In my own case, my salary as State Senator is $67,874 a year, plus a very modest amount for per diem and travel expenses when on senate business. Eleven percent of that is deducted for retirement, and I pay almost $7,500 of that for taxes, I must take care of myself and two young children, David who is 10 and Nicholas who is 9. They both attend private school, which costs more than $10,000 per year for the two of them. My ex-spouse, as you know, has left the country and is living in Canada. I have no other source of income, aside from some occasional income from lecturing and writing articles for the Marshall Politics magazine, all of which brings in about $1,000 a year. I cannot, therefore, provide more than token support for my campaigns for election and reelection. My campaign money must be raised through contributions from my supporters. I cannot accept over $3,000 from an individual, a law firm, or even a corporation. A $3,000 cap is truly unreasonably low and in my opinion, puts a financial strain on public officials.

Q: And you’ve voted against the cap, correct?

A: Yes. In 2016 I voted against this "cap," but it passed anyway. This cap works to dissuade those of limited funds from seeking office, and makes it nearly impossible for those in office to keep their seats, unless they are independently wealthy. A political campaign can easily run to six figures if there is a primary fight and then a spirited contest for election in the November elections. In my 2016 campaign I had to spend just over $1,000,000. I was able to raise just about $850,000. This means that even after I was elected I had to continue fundraising to pay off the loans and the interest on the loans. I eventually will have to pay off these loans out of my own pocket if I cannot raise the money. In addition, I employ Gerry Peppercorn and pay her a $500 per month just to keep an eye on contributions, to fill out the quarterly campaign contribution forms for the State Ethics Board, and to check every gift to report every cent that is contributed. This sort of thing only leads to people breaking the law, often inadvertently. I’m sorry, are we here to talk about campaign finance reform or is there another matter you’re interested in?

Q: Yes, let’s talk about why you are here today.

A: Well, I’ve been told that I and my office are under investigation. I came here to testify because I stand on my years of service to the People of the State of Marshall. No one who knows me or my record will ever believe that I accepted a bribe or any illegal money, or that I am capable of doing so.

Q: In December of 2018 you received a sum of money from representatives of SeaDragon Shipping?

A: Yes, I did. My records show, and I most certainly recall that on December 20, 2018, Jesse Markham on behalf of SeaDragon Shipping, came into my office and contributed $3,000 to my reelection campaign. This was witnessed by Terry Frost, who was working as my aide that day. I believe that he will concur that the money was intended purely as a campaign contribution, within the letter and the spirit of the law. No favors were sought, promised, expressed, or implied at that time.

Q: Did you count the money?

A: No, I did not count or touch the money. Terry Frost counted it then turned it over to my campaign finance chairman promptly. Jesse Markham represented SeaDragon Shipping, and the source of that money was SeaDragon.

Q: Are you aware that SeaDragon Shipping is actually a sham corporation created by the U.S. Attorney’s office in connection with the so-called SeaScam operation?

A: That certainly came as a shock to me, but it really doesn’t make any difference. We had all been aware for some time that someone has been investigating something in state government. Everything I did was legal and open. I did a favor for SeaDragon Shipping. I did not ask for a campaign donation. SeaDragon was under no obligation implied or not implied to give me a donation. But they did. I took a $3,000 campaign contribution from SeaDragon Shipping. I did nothing wrong. Let me explain this to you, campaign contributions are commonplace, and necessary unless you happen to be someone with an incredible amount of personal wealth. Lobbyists know that to keep someone they believe in in office, they have to arrange for financial assistance in the form of campaign donations. Doing favors for constituents is a perk of this job. But the one thing has absolutely nothing to do with the other.

Q: You have already mentioned Jesse Markham. Are you aware that Markham is a key figure in the investigation?

A: I’m aware of Markham’s past. Markham as a witness is not very credible, now is he.

Q: Well, are you’re saying that you did not ask Markham for $10,000?

A: No, this is absurd. I don’t know where you are getting this from.

Q: Do you recall saying that to get the mooring spot immediately would cost $10,000.

A: No I did not say that.

Q: You then negotiatied and asked for $5,000 in exchange for a mooring site.

A: Like I’ve told you, I did not ask for $5,000. Markham made a donation, presumably on behalf of SeaDragon. This was after I had procured the mooring spot. One thing had nothing to do with the other.

Q: Would it surprise you to learn that Markham left $5,000 in prerecorded bills on your desk?

A: I refused to count or touch the money, but it was $3,000 not $5,000. Ask Terry Frost. No one - not Sills or Markham or anyone gave me more than $3,000 and no one paid me $5,000 for anything. Sills and Markham came to my office last December. I did them a favor by calling over to the Marshall Pier Authority to inquire about a mooring spot. Later, Markham said the SeaDragon Shipping people wanted to make a contribution. I think you are getting bad information from Ryan Sills. I think Sills is telling a lot of lies about me.

Q: What makes you say that?

A: For one thing, I know that Sills applied to become an Assistant U.S. Attorney, and was rejected. Then Sills tried to become an FBI agent, and was turned down. Sills was let go from the State’s Attorney that same year - there were questions as to whether Sills was doing favors for friends in the defense bar, you know, to curry favor with potential future colleagues. I felt Sills had sold out. When George Hanson was sworn in as the new State’s Attorney, he fired Sills. Sills went into private practice, became a lobbyist, got a reputation for being a statehouse hustler. Sills did not do much criminal work, as it turned out, but by all accounts was doing well lobbying against anti-business legislation.

Q: Were you involved with the decision to fire Sills?

A: No, I was not. Sills was is an avid Republican who had bad-mouthed Hanson during the campaign. Not to mention his conservative “rant” blog. I didn’t keep any of this a secret from Hanson when Hanson won the election. After the election Sills was let go.

Q: Well, weren’t you quite active in Natalie Stevenson’s campaign for Attorney General?

A: Yes, I was. Natalie would have been an excellent Attorney General.

Q: Let me show you Exhibit L, one of several campaign pieces apparently from the Stevenson campaign, condemning Attorney General Charles Wheeler.

A: I have seen that, yes. I didn’t write it, but I sure took a lot of heat for it. All of Wheeler’s people were screaming that we were publishing vicious campaign literature and running a dirty campaign. I never authorized the language in that piece, and I never authorized the distribution of that piece, or any other negative mailer. This looks like someone made it on a home computer.

Q: Thousands of these were handed out. And you were a member of Citizens to Elect Stevenson, were you not?

A: Yes, but again, I did not authorize that piece. I am here for a charge of vigorous campaigning? I’m not sure what this has to with the purported and outrageous bribery charge, which I am completely innocent of.

Q: Well, why would did you agree to meet with Sill and Markham if you didn’t trust them?

A: Look, politics is a messy business. In order to succeed you have to do business with all kinds of people you don’t really trust. Sad but true. They were representing SeaDragon.

Q: Right, you had to pay Collins for a favor. Well, then, how much did you pay George Collins for the favor?

A: I did not pay George Collins a cent. I took a campaign donation from what I thought was a legitimate business.

Q: But you took a contribution from Sills and Markham.

A: I did not receive a cent from Sills. Sills donated zero. Sills is a Republican and would not give me a dime. Sills, in fact, does not like me. Frankly, I don’t like Sills. Jesse Markham gave me $3,000, and I don’t know how I can make this any more clear. It was a campaign contribution on behalf of SeaDragon Shipping.

Q: Well, Sills was with Jesse Markham, as a co-lobbyist for SeaDragon Shipping, on December 20.

A: Please rmember that I met with Jesse Markham. Jesse is a strange bird, but at least you know where you stand with Jesse. If you ask me, Sills has no integrity which is why I’d rather meet with markham than Sills.

Q: Have you ever said, “When you put in the fix with Jesse, Jesse stays fixed?” In fact, isn’t that what you said at the Holiday party on December 20, at the Holiday party, in front of a couple of hundred people, including Sills and Markham and Terry Frost?

A: Well, sure Jesse has an undeserved reputation of being a fixer. Yes, I said that because it’s funny and it is consistent with the stereotype of the politician and the image which Jesse sometimes projects. He comes from a rough and tumble polical family. Jesse doesn’t do bribes, though, if you want my opinion.

Q: You knew Jesse’s reputation as a fixer, a briber if you will on December 20?

A: Reputation, fixer and briber all are very different things. I knew Jesse’s image, a self-promoted image of being slick. I never saw Jesse take or give a bribe. I have no evidence of Jesse ever taking a bribe. Just a bunch of rumors.

Q: Didn’t you once tell someone, "Count your fingers after you shake hands with Jesse Markham?"

A: Yes, I said that. But I also described Sills as "Ryan J. Sellout." I say things which are colorful, and have maybe a trace of truth, to be funny. A sense of humor is worth a ton of votes.

Q: So, you sat in your office and did business with Markham?

A: Yes. Let me tell you. Jesse Markham came into my office on December 20. We talked about a lot of things. We talked for a long time. At first we talked about politics, then about legislation, then we got around to boat slips.

Q: Then you asked for a campaign contribution?

A: I did not ask Jesse for a campaign donation. I’m sure Jesse knew that I had run up a big campaign debt and SeaDragon wanted to help.

Q: But you asked Sills to leave?

A: Sure. I asked Sills to sit in the other room. I walked him out myself. Frankly, I did not like talking to Sills. Sills and I have a history. After Sills was out of my office Markham and I had a nice chat. Sills was a big supporter of Wheeler, and I thought Markham might learn that lobbyists had better be careful who they back.

Q: So when Sills was out of the office Markham put the bribe money on your desk.

A: I’m starting to lose my patience, it was not a bribe. After we concluded our business, just before leaving, Markham insisted on leaving a campaign contribution. I did not want to touch it. I had Terry Frost handle it.

Q: Let’s go back. How was this meeting on December 20, 2018 arranged?

A: A few days before the meeting, Sills telephoned me at my senate office and told me he and Markham wanted to talk about a shipping business. I assumed that they were coming in looking for a mooring spot - a boat slip or a place on the pier. That’s the main reason why people might come in to see me. As the incoming chair of Parks and Waterways, I figured to have some influence with the manager of the pier and the harbor. I know George Collins, the manager of the pier.

Q: And the meeting was scheduled for December 20th?

A: Yes.

Q: Terry Frost was working as your aide that day?

A: Yes.

Q: Now Frost is not your normal aide, correct?

A: No, Frost is assigned to Senator Carr. I gave my aide John Dotson the day off to get ready for the party that night.

Q: Why Frost?

A: I asked Frost to come and work in my office suite that day. I’ve had him work for me before when Dotson was sick or not around. I trust Frost, he’s always been a loyal supporter of mine.

Q: Do you have a habit of sending Dotson away?

A: Sometimes I do send Dotson away, yes.

Q: On December 20th, what time did Sills and Markham arrive?

A: About 9:15 a.m. I spoke to them together for a short time, then I spoke to Markham alone. Markham gave me campaign a donation, I gave them a receipt and they left.

Q: And during this meeting you called George Collins to arrange a mooring spot on the pier for SeaDragon?

A: Yes, George, wanting to be a friend, and, also wanting to stay on my good side, gave me a perk. I later wrote a follow-up letter to George Collins, reminding George that a mooring site on the Marshall City Pier was to be assigned to SeaDragon Shipping. There is nothing at all illegal or unethical about that.

Q: Is Exhibit P the letter you are referring to?

A: Yes, it is. Like I’ve said several times now, Markham left a political donation. I never asked for the money, I never even touched the money, and I certainly did not make the money a condition for my making a routine telephone call.

Q: Did you call Collins before or after you got the money from Markham?

A: Before.

Q: Again, what did you do with the money?

A: First, I told Terry Frost to generate a receipt and I gave it to Markham. Then, I asked Frost to take the money out of the tray on my desk and to turn it over to Peppercorn. I have never made any effort to hide the fact of that campaign donation. I believe I sent a nice letter of thanks to SeaDragon Shipping the next week. Terry counted the money. Terry conveyed it to my finance chair Gerry Peppercorn. I heard it was $3,000 - but I never touched it. It went straight from Markham to Frost to Peppercorn.

Q: But you now know that SeaDragon Shipping is a fictional business created by federal investigators to aid in the investigation into corruption in state government. SeaDragon is the backdrop for a sting operation.

A: That may be. I was not aware of anything like that until I received the subpoena to testify and my lawyer told me what is alleged. I also saw some gossip in the newspapers. I should thank the federal government for donating $3,000 to my reelection campaign, but do I intend to refund the donation in full.

Q: Didn’t you suspect something when you saw Sills and Markham together?

A: They were an odd couple - but sometimes lobbyists, cops, and marriages work that way. Markham and I had a great morning talking politics and government. I was in a good mood. So I made a phone call. I did the favor for Markham and for his clinet SeaDragon. I thought maybe Sills was trying to curry good will; after all, I had worked pretty hard against the Republicans in the 2018 campaign, and Sills was going to have to be nice to me if he wanted to be a lobbyist over in the Senate. Sills is an amateur in politics, and thinks we are all corrupt and venal. Sills ought to run for office just once to see what this business is all about.

Q: Senator, you are aware that on December 21st investigators from my office searched your office pursuant a search warrant.

A: Yes, of course. If you had told me you wanted to search my office I would have opened it up for you. There was no need for a warrant.

Q: Then you are also aware that we learned that you bought a ladies watch for $1,800 in cash the same day as you met with Sills and Markham and got the supposed campaign donation.

A: Mr. Jones, you can leave off with the sarcasm. It was a campaign donation. Pure and simple. And in answer to your question: Yes, I bought that watch. You know I am divorced. I was buying it for a female friend of mine. And yes, I paid cash. I don’t like to run up big credit card bills and I had already put my kids’ Christmas present on cards.

Q: Well since you’ve brought it up, where did you get $1,800 in cash?

A: I had it in my wallet.

Q: Have you told be absolutely everything you recall about this incident?

A: I have told you everything I know about this incident.

Q: Have I asked you every relevant question?

A: Yes, you have asked me everything that may have any bearing on this incident, and then some. There is nothing more that I recall.

Q: Thank you. I have no more questions.

A: Thank you. I look forward to being vindicated of these fraudulent charges.

[Thereupon witness was excused.]

**OFFICE OF THE ATTORNEY GENERAL**

**STATE OF MARSHALL**

**PRE-TRIAL PLEA AGREEMENT**

**RE: PEOPLE OF THE STATE OF MARSHALL vs. JESSE MARKHAM**

**CASE: 19 CR 13927**

**Date: March 1, 2019**

**PART I. TERMINOLOGY**

The following terms apply to this agreement:

A. The Office of the Marshall Attorney General will be referred to as “OMAG.”

B. The United States Attorney for the District of Marshall will be referred to as “USAO.”

C. The defendant, Jesse Markham, will be referred to as “Markham” or as “the defendant.”

D. The pending charge against the defendant is Felony Theft, and will be referred to as “the current charge.”

E. An agreed sentence, non-prosecution for additional charges as consideration.

**PART II. AGREEMENT FOR CONSIDERATION**

The OMAG and the USAO hereby agree, subject to the conditions and limitations in this agreement, to give consideration to the defendant on the current charge providing all conditions described herein have been satisfied. Any consideration given will be at the sole discretion of the OMAG and the USAO and only determined at the conclusion of the defendant’s cooperation pursuant to this agreement, or at any earlier time at the discretion of the OMAG and USAO. The OMAG agrees to give consideration to the defendant by filing a single count information charging him with Felony Theft, and foregoing the filing of any other charges against him. The OMAG agrees that, assuming complete and truthful cooperation by the defendant as described in this agreement, the defendant will be sentenced to two years Felony Probation. Additionally, the USAO agrees, conditioned upon the defendant’s complete and truthful cooperation as described elsewhere in this agreement, that it will not prosecute him for any federal crimes arising from the matters about which he will testify.

**PART III. NECESSARY CONDITIONS**

**A. Cooperation**

The defendant must truthfully and fully cooperate with Attorneys and/or Investigators for the MAGO, members of the Federal Bureau of Investigation, members of the United States Attorney’s Office, and members of any other law enforcement agency or Prosecutor designated by MAGO in connection with Operation SeaScape.

**B. Testimony**

The defendant, if called to do so, must testify truthfully under oath before a State or Federal Grand Jury and/or in open court concerning the defendant’s cooperation with regard to each investigation, indictment, or information. This includes truthfully testifying in any trial, proceeding, or hearing in which he is called to testify. The defendant further understands that such testimony includes any Grand Jury hearing, contested motion, trial or other court proceeding involving the MAGO, the United States Attorney or other prosecutorial agency. Failure to testify truthfully will nullify this agreement, result in an indictment for the offense of perjury and a corresponding recommendation for a penitentiary sentence, and expose the defendant to any other penalty or prosecution authorized by law. No partial consideration will be given for partial cooperation under this agreement.

**PART V. LIMITATIONS**

The following acts and omissions committed during the pendency of this agreement by the defendant shall render this agreement null and void, and any perjury or other violations of criminal law committed by the Defendant may be fully prosecuted by MAGO, the USAO or other appropriate agency:

A. Failure to honestly and truthfully cooperate with any law enforcement agency, the USAO or the MAGO.

B. Failure to truthfully testify under oath if called to do so before a Grand Jury or in any open court in any judicial or administrative proceeding.

C. Any arrest or charge for violation of any local, state, or federal law of any jurisdiction except for offenses or traffic violations punishable by fine only.

D. Any acts which constitute violations of any criminal law in any jurisdiction.

E. Any communication of any information about any ongoing investigation or investigatory methods and procedures utilized by the MAGO or any law enforcement agency to any person except the Defendant’s attorney or person designated by the MAGO or the USAO.

F. Pursuing any contested pretrial motion or hearing concerning or related to the current case during the pendency of this agreement.

G. Any demand for trial concerning the current charges during the pendency of this agreement.

H. Violation of any condition of any bail bond order issued to the Defendant in this or any other pending case against the Defendant.

**PART VI. VOIDABILITY**

This agreement will become voidable by the MAGO if any of the defendant’s representations upon which it was based are false. Additionally, the defendant also represents that he has no criminal cases pending in this or any other jurisdiction other than the current charges. It is within the sole discretion of the prosecuting authorities to determine whether Defendant has breached this agreement.

# PART VII. GENERAL PROVISIONS

# A. This agreement does not constitute any form of immunity for the defendant on the current or any charges. Nor shall any statement given pursuant to this plea agreement be construed as a statement made during the course of plea negotiations and as such shall not be deemed inadmissible on those grounds.

# B. This agreement applies only to the cases referred to herein and no other.

# C. The written agreement contains all obligations and understandings of the Defendant, the USAO and the MAGO and no other agreement, oral or written, exists.

I, JESSE MARKHAM, have read this agreement, have had the opportunity to consult with my attorney about it, and I understand its terms.

I am entering into this agreement based on the terms and not based on any other promises, or due to any threats or coercion. There are no understandings or promises other than those which appear in this written agreement.

I understand that this agreement does not constitute immunity, and my failure to abide by the terms of this agreement will result in my prosecution.

I further understand that if the conditions set forth in this agreement are satisfied, the MAGO will give consideration for my cooperation and will make an appropriate sentencing recommendation to the Circuit Court of Marshall County where my case is currently pending.

Jesse Markham

Jesse Markham

Brittany McBride

Brittany McBride - Attorney for Defendant

Sam Jones

Sam Jones – Assistant Attorney General

Sean Beaumont

Sean Beaumont – Assistant US Attorney

**MARSHALL POLICE DEPARTMENT**

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**CRIMINAL HISTORY REPORT**

### ARREST HISTORY

Criminal History of: Jesse Markham

JESSE MARKHAM THEFT (FELONY)

PLEA GUILTY

TWO YEARS FELONY PROBATION

Judge MEYEROV

March 1, 2019

**EXHIBIT A1**

**[](https://www.ebay.com/sch/i.html?_from=R40&_trksid=m570.l1313&_nkw=small+recording+device&_sacat=0&LH_TitleDesc=0&_osacat=0&_odkw=recording+device)**

**EXHIBIT A2**

**MARSHALL CITY POLICE DEPARTMENT**

**Division of Forensic Services**

Jan 22, 2019

**LABORATORY REPORT**

MARSHALL COUNTY POLICE

Laboratory Case # W15-123456

Exhibit A1, an 8 GB recording device, was received and tested.

The device recorded effectively for 36 hours on one charge. The device records effectively for up to 12 hours on 1 full charge at 1536 KBPS, for up to 18 hours on 1 full charge at 1024 KBPS, and for up to 36 hours on 1 full charge at 512 KBPS.

Of note is that the play button to power the device on and off was sensitive and required that the record button was held until the recording indicator appears on screen. During testing the button was intentionally jostled to determine workability. 1 of 10 times the device turned off, and required the tester to restart the recording.

The device also had a working playback mode. To listen to the recording, the tester plugged the earbuds into to the adapter and then the adapter into the device’s USB port, and was able to listen to the recording made. Recordings are automatically filed by date and time for easy reference.

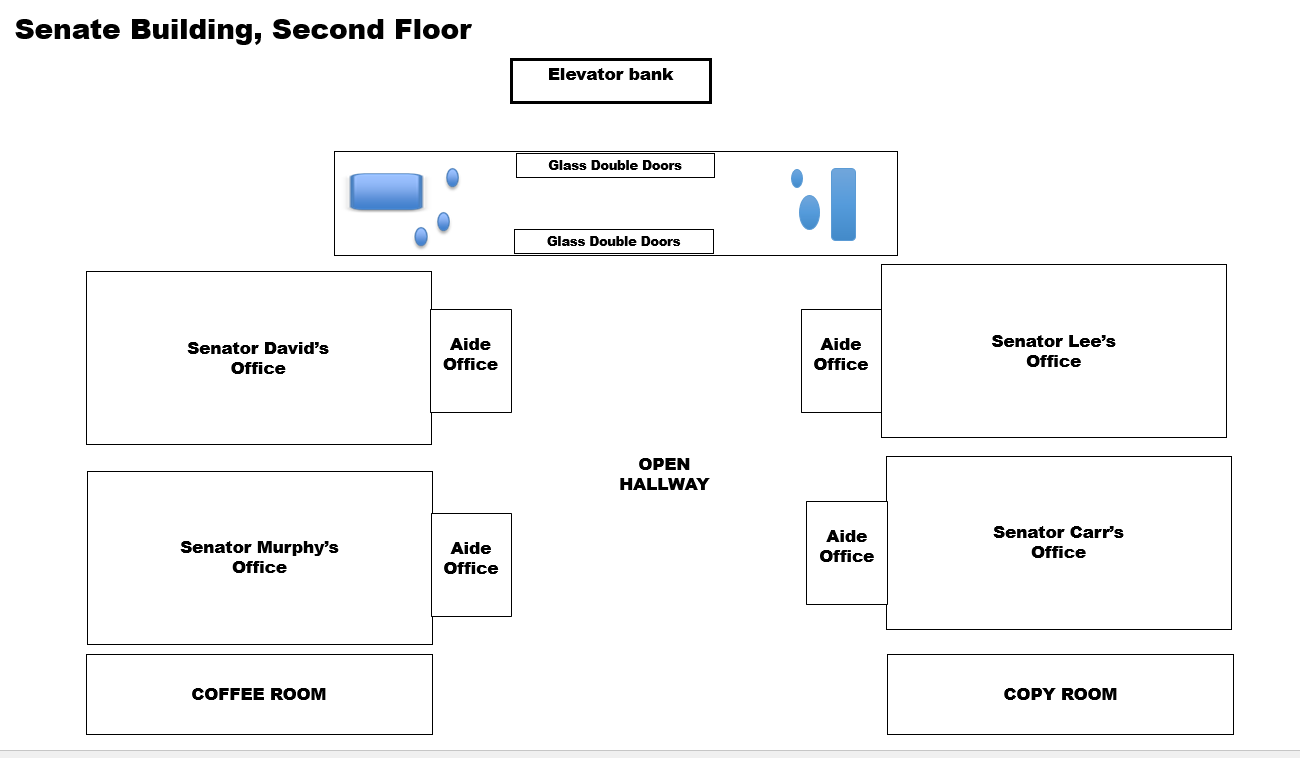
The device was found to be in good working order.

Amber Liimatainen

Amber Liimatainen

Forensic Scientist

**EXHIBIT B**



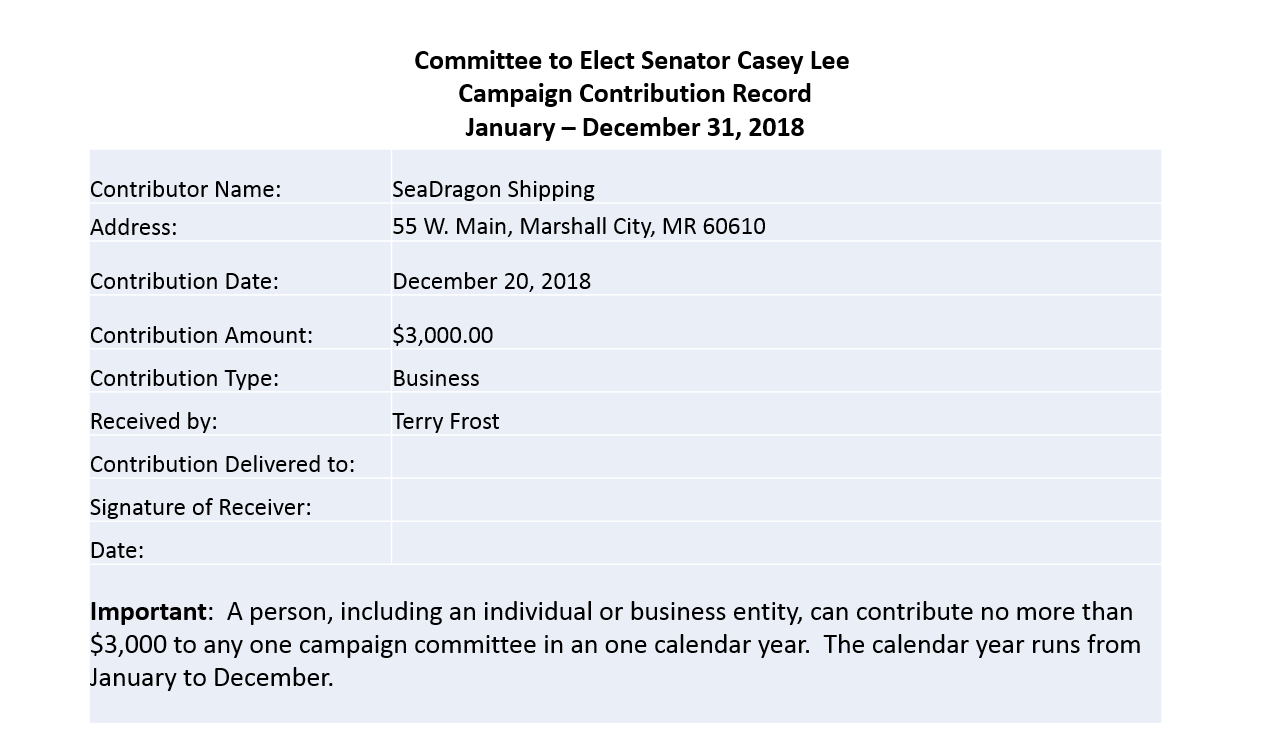
**EXHIBIT C**



**EXHIBIT D**

[](https://www.bing.com/images/search?q=antique+silver+ash+tray&FORM=HDRSC2)

**EXHIBIT E**



**EXHIBIT F**

**GEORGE COLLINS**

**Manager, Marshall City Pier**

**Marshall City Pier Authority**

**Marshall City, MR**

**784-5277**

January 20, 2019

SeaDragon Shipping

55 W. Main

Marshall City, MR

Attention: Jesse Markham

Dear Jesse:

This is to inform you that Marshall City Pier Mooring Site #6 is assigned to your client, SeaDragon Shipping. Please arrange to pay annual docking fee of $200 to Marshall City Pier Authority before February 1, 2019.

Very truly yours,

George Collins

George Collins

Manager

**EXHIBIT P**

**State Senator**

**Casey N. Lee**

**13th District**

Room 211

State Capitol Building

Marshall City, Marshall 60610

December 20, 2018

George Collins

Manager, Marshall State Pier

600 E. Grand

Marshall City, Marshall

Dear Mr. Collins:

This will confirm that Mooring Site Six will be permanently assigned to SeaDragon Shipping, Inc., effective January 1, 2019.

Thank you for your assistance in this matter. Please call me regarding arrangements or adjustments which are needed. Merry Christmas.

Sincerely,

Sen. Casey N. Lee

Casey N. Lee

Senator (13th District)

**EXHIBIT G**

Transcript of meeting on December 20, 2018.

This is Assistant Attorney General Ryan Sills. With me is cooperating subject Jesse Markham. Today’s date is December 20, 2018. It is 9:10 a.m., and we are outside the Marshall Statehouse, preparing for a meeting with Senator Casey Lee.

(PAUSE)

(SOUND OF ELEVATOR BELL)

Ryan Sills (Sills): I think his office is down this way. (PAUSE) Here we are.

Terry Frost (Frost): Good morning. How can I help you gentlemen?

Sills: I thought John Dotson would be here. Isn’t he Senator Lee’s assistant?

Frost: Yes, but he is off today. I am Justine Carr’s assistant. I am just helping out today.

Sills: I see. I am Ryan Sills, and this is Jesse Markham. We have an appointment with Senator Lee.

Frost: Yes, he is expecting you. Take a seat and I’ll let him know you’re here. (PAUSE) You can go on in.

Casey Lee (Lee): Well hello Ryan, Jesse. How are you? Always good to see you both. It’s been a long time, Jesse. Haven’t seen you around the shipyard lately. Sit down, sit down, both of you. How’s your family, Ryan? The kids must be getting big. How old are they now? 5 and 7?

Sills: 8 and 10, Senator. And they’re well, thank you.

Lee: And your law practice? I hear you hung up your shingle. How’s it going?

Sills: Pretty good. It pays the bills, and I still get a few trials now and then. It’s good to see you, Senator. I don’t think I’ve seen you since we were both on the campaign trail during the Attorney General’s race. How have you been?

Lee: Busy, busy, but it’s good.

Sills: I don’t know about you, but I was happy when that election was over. That was a rough one. You really beat the drum for your girl Natalie, and you almost pulled it off.

Lee: It was close. We were up late waiting for the votes from the downstate counties to come in. We knew that we had Marshall County in our pocket – can’t remember a time when the City didn’t go Democratic. But we were hoping we could carry a few of the downstate counties.

Sills: Well, I will tell you that Wheeler didn’t take downstate for granted. He knew that Natalie had a lot of friends down there. He campaigned hard. But then you guys did too.

Lee: Yeah, it was a rough one. I know that Natalie will be paying off her debts for a while. It’s tough to have any kind of campaign with the damn campaign donation limit laws. They’ll bankrupt anyone who isn’t a millionaire and wants to run for office. How can anyone run any kind of campaign? And how ‘bout you Jesse? How have you been keeping busy? I used to see you down at the harbor. You were some kind of sanitation inspector, weren’t you? That must be a pretty good gig.

Jesse Markham: Yup, it’s pretty sweet. It’s not a full time job, so we probably have just been missing each other. I suppose I may see more of you, with your new spot as Chairman of the Waterways Committee.

Lee: Maybe so, maybe so. But you boys are here on business. What can I do for you?

Sills: Senator we are here on behalf of a shipping company, SeaDragon Shipping.

Lee: SeaDragon? I’ve heard of them. You have been pretty busy over in the House. Why are you calling on a Senator? The kind of legislation that affects them originates in the Senate, not the House.

Markham: You know me. I am a practical person. I like to get things done.

Sills: Senator, I know that we have had some rough times in the past, but I am hoping you can help us out.

Lee: And you don’t have the Chair of the Senate Parks and Waterways Committee over in the House, do you?

Sills: Right.

Lee: And Christmas is coming. (PAUSE) I’d like to talk to Jesse. Alone.

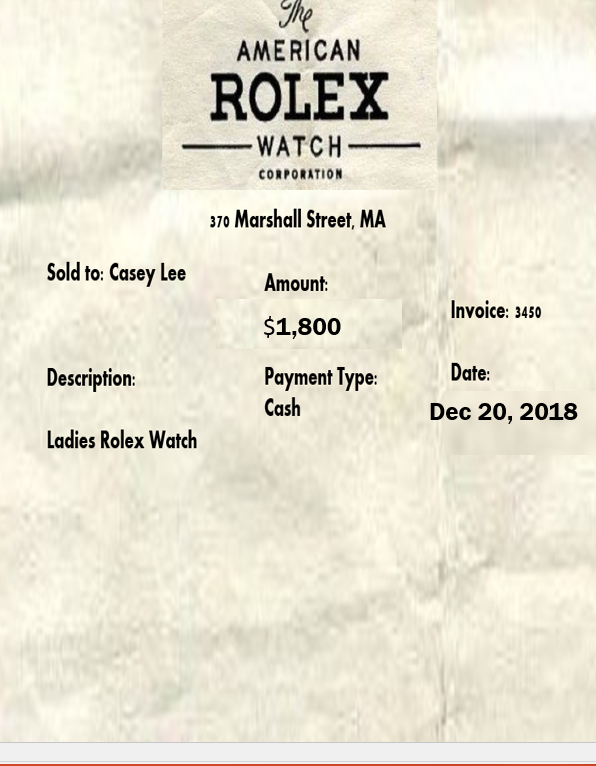
Sills: (PAUSE) Sure thing. I can wait outside.

Lee: Let me walk you out, Ryan. Jesse don’t get up. You’re fine here. I’ll be right back. I’ll ask Terry to get us some coffee.

**EXHIBIT H**

[](https://www.bing.com/images/search?q=womans%20rolex&qs=n&form=QBIRMH&sp=-1&pq=womans%20rolex&sc=8-12&sk=&cvid=A14E9452E7AB4772A5CD8EF9FBAC8EA9)

**EXHIBIT I**



**EXHIBIT J**

**Terry Frost**

**13811 S. Ave.**

**New Island, Marshall**

**EMPLOYMENT:**

2014 - Present Legislative Aide to State Senator Justine Carr, 14th State Senate District State of Marshall.

2013 – 2014 Campaign Manager - Carr Campaign.

2011 – 2013 Campaign Coordinator – Lee Campaign.

2009 - 2011 Forest Preserve – Field Management (duties included general maintenance and updating an inventory of trees in Marshall Parks)

**EDUCATION:**

Associate Degree: (Political Science) Marshall South Community College, 2007

**MEMBER:**

* Young Democrats
* Explorer Program, Junior Police Cadet

**EXHIBIT K**



**EXHIBIT L**

**AREN’T YOU TIRED OF WHEELER’S DIRTY RULES?**

* Get elected by cheating the voters.
* Squeeze businesses for campaign donations.
* Spend a fortune on TV ads.
* Hire the people who pay kick backs.
* Get a job for your incompetent brother-in-law.
* Plenty of patronage for his pals.
* Refuse to investigate corruption in state government.

**RID MARSHALL OF CORRUPTION**

**On November 8**

**VOTE FOR STEVENSON!**

This message paid for and authorized by Citizens to Elect Stevenson.

**EXHIBIT N**

**RE-ELECT**

**SENATOR CASEY N. LEE**

**THIRTEENTH STATE SENATE DISTRICT**

**2016**

Committee to Re-Elect

Senator Casey N. Lee

(Committee in Formation)

Jason Alberts

Kelly Bartz

Jennifer Berner

Mrs. Justine Carr

Terry Frost

Nora Hamill

Mike Kozlowitz

Sally Noble

Jack Rogran

Richard Zook

STATE SENATOR CASEY N. LEE

Graduated from Marshall H.S.

Marshall City Junior College 2003

Marshall University 2005

Marshall University Law School 2008

Assistant State’s Attorney 2008 - 2012

State Senator 2012 - present

Committees: - Parks and Waterways

- Finance Committee

- Regulated Industries

Community:

Young Democrats

Community Fund

Marshall City Ecumenical Society

Aid to Immigrants

Professional:

Admitted to Marshall Bar 2008

Marshall State Bar Association

Thompson County Bar Association

**EXHIBIT O**

CITIZENS FOR CASEY N. LEE

1111 21st STREET

MARSHALL CITY, MARSHALL

December 28, 2018

Jesse Markham

SeaDragon Shipping

2233 Sutton Street

Marshall City

Dear Jesse:

This is to acknowledge the generous donation of $3,000.00 which you, on behalf of SeaDragon Shipping, made to Citizens for Casey N. Lee last week.

There are many of us who work to ensure that fine public officials such as Senator Lee get elected -- and hopefully get reelected -- to office. But the financial support of people like you and your colleagues make it possible for public servants such as Casey Lee to put financial muscle behind People Power. Without your generous support, good candidates would find it difficult, perhaps impossible, to run for office and stay in office.

So again, thank you. Have a wonderful holiday season.

Sincerely yours,

Gerry Peppercorn

GERRY PEPPERCORN

Citizens for Lee

Finance Chair

**PRETRIAL ORDER**

The witnesses shall, as best as possible, testify in a manner consistent with the trial materials. If a witness makes an out of court statement inconsistent with a statement the witness has made in court, the witness must admit that he did indeed make the out of court statement. In other words, no witness may deny making a statement that was attributed to them in a report or a grand jury transcript. That is, no witness can say, “I never said that to the investigator or before the grand jury.” In the event a witness denies making such earlier statement, the remedy is impeachment via an oral stipulation as to the verbatim contents of the prior statement. Either party may enter such verbatim quotes **only for the purpose of perfecting impeachmen**t of any testifying witness. The witness must admit, if questioned, to fabricating a statement of material fact which is not in the file.

It is presumed that in preparing for trial, the defendant has reviewed all discovery materials contained in the case file.

**Motions:** Prior to trial, all motions have been litigated and will not be revisited at trial.

**Stipulations:** Pursuant to stipulation between the parties, the following has been stipulated to by and between the parties, and any of the below stipulations may be entered by either party:

1. On December 20, 2018, Casey Lee was a public official.

2. If forensic examiner Amber Liimatainen were called to testify, she would testify consistently with the contents of her report. Her report may be received in evidence without objection from either side.

3. The parties stipulate that all reports and transcripts are true and accurate copies of the originals, and that they accurately reflect what they purport to reflect. All transcripts are true and accurate transcriptions of what was said.

4. The parties stipulate that all exhibits are authentic, that is, that they are what they purport to be. However, the admissibility of any exhibit may be challenged.

5. The parties stipulate that the criminal history report contained within this problem is true and accurate.

6. In the event a witness testifies inconsistently with grand jury testimony, parties must stipulate that the transcript accurately recorded what was said for purposes of perfecting impeachment.

7. Parties stipulate to chain of custody of all evidence.

8. Parties stipulate that if Investigators Billy Williams or Barb Healy were called to testify, they would testify consistently with what is contained within in their reports. Portions of their testimony may be read into the record to prove up impeachment.

9. The parties stipulate that the tape recording of December 20th is unavailable, and no inference may be drawn by either party from the fact that the tape is unavailable. The parties stipulate that Exhibit G accurately conforms to the contents of the tape.

10. The parties stipulate that $3,000 in the maximum allowable campaign contribution in any calendar year.

**STATE OF MARSHAL REVISED STATUTES**

5/2-7. “Felony" means an offense for which a sentence to a term of imprisonment in a penitentiary for one year or more is provided.

33-3. “Official Misconduct” means a public officer or employee commits misconduct when, in his official capacity, he solicits or knowingly accepts for the performance of any act a fee or reward which he knows is not authorized by law.

A public officer or employee convicted of violating any provision of this Section forfeits his office or employment. In addition, he may be sentenced to a term of imprisonment of not less than three years nor more than ten years.

**JURY INSTRUCTIONS: PEOPLE v. CASEY N. LEE**

**INSTRUCTIONS CONSTRUCTIVELY READ TO THE JURY PRIOR TO TRIAL**

Members of the Jury: Before we begin, I would like to explain how the trial will proceed, and what each Participant’s role in the trial will be -- you, the lawyers for both sides, and myself. At the end of the trial I will give you more detailed guidance on how you are to go about reaching your decision. But for now I simply want to explain how the trial will proceed.

This criminal case has been brought by the People of the State of Marshall. I will sometimes refer to the People as the prosecution. The People are represented here by Mr./Ms.\_\_ and Mr./Ms.\_\_\_. The defendant, Casey N. Lee, is represented by his/her lawyers, Mr./Ms. \_\_\_\_\_ and Mr./Ms.\_\_\_

The defendant has been charged by the prosecution with Official Misconduct. The charge against the defendant is contained in what is known as the Indictment. The Indictment is not evidence of anything, but rather is simply the description of the charge brought by the prosecution against the defendant. The defendant has pleaded not guilty to the charge; that is, he/she denies committing the offense I spoke of before. The defendant is presumed innocent and may not be found guilty by you unless all twelve of you unanimously find that the prosecution has proved his/her guilt beyond a reasonable doubt.

The first step in the trial will be the opening statements, to be given by each side. Just as the indictment is not evidence, neither is the opening statement evidence. Its purpose is only to help you understand what the evidence will be and what the prosecution will try to prove. The prosecution in its opening statement will tell you about the evidence which it intends to put before you, so that you will have an idea of what the prosecution’s case is going to be.

After the prosecution’s opening statement, the defendant’s attorney will make an opening statement. At this point in the trial, no evidence has been offered by either side.

Next the prosecution will offer evidence that it says will support the charge against the defendant. The prosecution’s evidence in this case will consist of the testimony of witnesses as well as exhibits. Some of you have probably heard the terms “circumstantial evidence" and “direct evidence." Do not be concerned with these terms. You are to consider all the evidence given in this trial.

After the prosecution’s evidence, the defendant’s lawyer may present evidence on the defendant’s behalf, but is not required to do so. I remind you that the defendant is presumed innocent and it is the prosecution’s burden to prove the defendant's guilt beyond a reasonable doubt, and that burden remains with the prosecution throughout the trial. The defendant does not have to prove anything.

After you have heard all the evidence, the prosecution and the defense will each be given time for their final arguments. I just told you that the opening statements by the lawyers are not evidence. The same applies to the closing arguments. They are not evidence either. In their closing arguments the lawyers for the prosecution and the defense will be attempting to summarize their cases and help you understand the evidence that was presented.

The final part of the trial occurs when I instruct you about the rules of law which you are to use in reaching your verdict. After hearing my instructions, you will leave the courtroom together to make your decision. Your deliberations will be secret. You will never have to explain your verdict to anyone.

You should not form any definite or fixed opinion on the merits of the case until you have heard all the evidence, the argument of the lawyers, and the instructions on the law by the judge. Until that time you should not discuss the case among yourselves. The case must be tried by you only on the evidence presented during the trial in your presence and in the presence of the defendant, the attorneys, and the judge. You must not discuss this case with anyone and you must not speak with the attorneys, the witnesses, or the defendant about any subject until your deliberations are finished.

Now that I have described the trial itself, let me explain the roles that each of us has to perform during the trial. It is the judge’s duty to determine which rules of law apply to this case. This determination is made after consultations with the lawyers for both sides. These rules will be given to you during the trial in response to questions raised by the attorneys and in the final instructions I will give to you after the evidence and arguments are completed. You will decide whether the prosecution has proved, beyond a reasonable doubt, that the defendant has committed the crime of Obstruction of Justice. You must base that decision only on the evidence in the case and my instructions about the law. If you find the defendant guilty, it will then be my job to decide what punishment should be imposed. In considering the evidence and arguments that will be given during the trial, you should not guess about the punishment. It should not enter into your consideration or discussions at any time.

At times during the trial, a lawyer may make an objection to a question asked by another lawyer, or to an answer given by a witness. This simply means that the lawyer is requesting that I make a decision on a particular rule of law. Do not draw any conclusion from such objections, as it is the lawyer’s duty to make objections deemed appropriate, nor should you draw any conclusions from my rulings on the objections. These only relate to the legal questions that I must determine and should not influence your thinking. If I sustain an objection to a question, the witness may not answer it. Do not attempt to guess what answer might have been given had I allowed the question to be answered. Similarly, if I tell you not to consider a particular statement, you should put that statement out of your mind, and you may not refer to that statement in your later deliberations.

Finally, let me clarify something you may wonder about later. During the course of the trial I may have to interrupt the proceedings to confer with the attorneys about the particular rules of law which should apply here. Sometimes we will talk here, at the bench. But some of these conference may take time. So, as a convenience to you, I will excuse you from the courtroom. I will try to avoid such interruptions as much as possible, but please be patient even if the trial seems to be moving slowly because conferences often save time for all of us.

Now we will begin the trial, and I thank you for your attention.

**INSTRUCTIONS CONSTRUCTIVELY READ AT THE END OF TRIAL**

Members of the Jury: You will soon leave the courtroom and begin your deliberations and discussions about this case. It is your duty to determine the facts from the evidence in this case. You are apply the law given to you in these instructions to the facts and in this way decide the case.

It is your duty to follow all of the instructions as given by me. You must not question any rule of law stated by me in these instructions. Regardless of any opinion you may have as to what the law ought to be, you must base your verdict upon the law given by me.

It is your job to decide if the prosecution has proven the guilt of the defendant beyond a reasonable doubt. An important part of that job will be making judgments about the testimony of the witnesses [--including the defendant--] who testified in this case. You are the sole judges of the credibility of the witnesses, and of the weight to be given to the testimony of each of them.

In considering the testimony of any witness, you may take into account that witness’s intelligence, ability to observe, opportunity to observe, age, memory, manner while testifying, any interest, bias or prejudice the witness may have, and the reasonableness of the witness’s testimony considered in the light of all the evidence in the case.

[You should judge the testimony of the defendant in the same manner as you judge the testimony of any other witness.]

You should decide whether you believe what each person had to say, and how important that testimony was. In making that decision I suggest that you ask yourself a few questions: Did the person impress you as honest? Did he or she have any particular reason not to tell the truth? Did he or she have a personal interest in the outcome of the case? Did the witness seem to have a good memory? Did the witness have the opportunity and ability to observe accurately the things he or she testified about? Did he or she appear to understand the questions clearly and answer them directly? Did the witness’s testimony differ from the testimony of other witnesses? These are a few of the considerations that will help you determine the accuracy of what each witness said.

During the course of the trial you have received all the evidence that you may properly consider for deciding this case. Your decision in this case must be made solely on the evidence presented at the trial. Do not be concerned about whether evidence is “direct evidence" or “circumstantial evidence.” You should consider all the evidence that was presented to you.

At times during the trial you saw lawyers make objections to questions asked by other lawyers, and to answers by witnesses. This simply meant that the lawyers were requesting that I make a decision on a particular rule of law. Do not draw any conclusion from such objections or from my rulings on the objections. These only related to the legal questions that I had to determine and should not influence your thinking. When I sustained an objection to a question, and the witness was not allowed to answer a question asked, you must not attempt to guess what answer might have been given had I allowed the question to be answered. Similarly, when I told you not to consider a particular statement, you were told to put that statement out of your mind, and you may not consider that statement in your deliberations.

It is the court’s role to determine what rules of law apply to the case. Some of these rules have been explained to you in the course of the trial, and I will be explaining others of them to you before you go to the jury room. This is my job; it is not the job of the lawyers. So, while the lawyers may have commented during the trial on some of these rules, you are to be guided only by what I say about them. You must follow all of the rules as I explain them to you. You may not follow some and ignore others. Even if you disagree or don’t understand the reasons for some of the rules, you are bound to follow them.

If you decide that the prosecution has proved beyond a reasonable doubt that Casey N. Lee is guilty of the crime charged, it will also be my job to decide what the punishment will be. You should. not try to guess what the punishment might be. It should not enter into your consideration or discussions at any time.

The decision you reach in the jury room, whether guilty or not guilty, must be unanimous; that is, all twelve of you must agree. Your deliberations will be secret. You will never have to explain your verdict to anyone.

STIPULATIONS OF TESTIMONY

During the course of the trial you were told that the prosecution and the defendant agreed, or stipulated, would be \_\_\_\_\_\_\_\_\_’s testimony if \_\_\_\_\_\_\_\_ were called as a witness. You are to consider that to be the testimony of \_\_\_\_\_\_\_\_\_\_ as if he/she were in court and testifying here.

STIPULATIONS OF FACT

While we were hearing evidence you were told that the prosecution and the defendant agreed, or stipulated, that [stipulation]. This means simply that they both accept the fact that [stipulated fact]. There is no disagreement over that, so there was no need for evidence by either side on that point. You must accept that as fact in your deliberations, even though nothing more was said about it one way or the other.

EVIDENCE ADMITTED FOR A LIMITED PURPOSE: JURY TO LIMIT ITS CONSIDERATION

Several times during the trial I told you that certain evidence was allowed into this trial for a particular and limited purpose. [Describe evidence.] When you consider that evidence, you must consider if for that limited purpose only.

Circumstantial evidence is the proof of facts or circumstances which give rise to a reasonable inference of other facts which tend to show the guilt or innocence of the defendant. Circumstantial evidence should be considered by you together with all the other evidence in the case in arriving at your verdict.

PRESUMPTION OF INNOCENCE--REASONABLE DOUBT--BURDEN OF PROOF

As I have said many times, the defendant is presumed innocent of the charge. This presumption remains with the defendant throughout every stage of the trial and during your deliberations on the verdict, and is not overcome unless from all the evidence in the case you are convinced beyond a reasonable doubt that the defendant is guilty. The prosecution has the burden of proving the guilt of the defendant beyond a reasonable doubt and this burden remains on the prosecution throughout the case. Some of you may have served as jurors in civil cases, where you were told that it is only necessary to prove that a fact is more likely true than not true. In criminal cases, the prosecution’s proof must be more powerful than that. It must be beyond a reasonable doubt.

CHARGES

A public officer commits the offense of Official Misconduct when, in his or her official capacity, he or she knowingly accepts a fee or reward which he or she knows is not authorized by law, for the performance of any act. The term “public officer" means a person who is elected to office pursuant to statute to discharge a public duty for the State of Marshall.

OFFICIAL MISCONDUCT

To sustain the Charge of Official Misconduct, the State must prove the following propositions:

FIRST PROPOSITION: That the defendant CASEY LEE was a public officer;

SECOND PROPOSITION: That when in his [her] official capacity, the defendant CASEY LEE knowingly accepted for the performance of any act, a fee or reward which he [she] knew was not authorized by law.

If you find from your consideration of all the evidence that each of these propositions has been proved beyond a reasonable doubt, you should find the defendant CASEY LEE guilty.

If you find from your consideration of all the evidence that either of these propositions has not been proved beyond a reasonable doubt, you should find the defendant CASEY LEE not guilty.

When the word “knowingly” is used in these instructions, it means that the defendant realized what he [she] was doing and was aware of the nature of his [her] conduct, and did not act through ignorance, mistake or accident. (Knowledge may be proved by the defendant’s conduct, and by all the facts and circumstances surrounding the case.)

The court further instructs you that a public official may lawfully receive funds, up to the limit authorized by law, to support a public official’s campaign for public office, to support that public official’s general political philosophy, or to support that public official’s position on public issues of general concern. Neither a public official nor to his/her campaign fund may receive funds or any other thing of value which he/she knows is tendered with the intent to influence the performance of any act related to the employment or function of the public official.

The prosecution must prove that the defendant acted corruptly. Corruptly means accepting anything of value which was offered for the purpose of influencing official action.

An official act is any decision or action on any question which may at any time be pending, or which may by law be brought before any public official in his/her official capacity or in his/her place of trust.

It is not necessary that the public official had the power to perform the act for which he/she was promised or given a thing or value; it is sufficient if the matter was one that was before him/her in his/her official capacity. Nor does it matter that the defendant's intent was to influence a lawful act, or even one that is desirable or in the public interest.

The prosecution must prove that the giving of a promise or gift was not provided for by law. It is unlawful for an officer or employee of the State of Marshall to receive anything of value for his/her official services from any source other than the State of Marshall, except as may be contributed out of the treasury of any state, county, or municipality of the State of Marshall.

It is not necessary that the defendant had the power to perform the act for which he/she received or agreed to receive a thing of value; it is sufficient if the matter was one that was before him/her in his/her official capacity.

Nor is it necessary that the defendant in fact intended to be influenced. It is sufficient the defendant knew that the thing of value was offered with the intent to influence official action.

DEFINITION OF A PUBLIC OFFICIAL

A public official includes an officer, employee, or person acting on behalf of the State of Marshall, or any department, agency, or branch of the Government of the State of Marshall in any official function under or by authority of any such department, agency, or branch.

The court instructs you that the defendant, Casey N. Lee was a public official of the State of Marshall on December 20, 2018.

IMPEACHMENT BY PRIOR CONVICTION (WITNESS OTHER THAN DEFENDANT)

Evidence that a witness has been convicted of an offense may be considered by you only as it may affect the believability of the witness.

IMPEACHMENT BY PRIOR INCONSISTENTSTATEMENTS, NOT UNDER OATH

You will recall that \_\_\_ testified during the trial [description, if needed]. You will also recall that it was brought out that before this trial he/she made statements about this matter. These earlier statements were brought to your attention to help you decide if you believe \_\_\_’s testimony. You cannot use these earlier statements as evidence in this case. However, if \_\_\_\_\_ said something different about this matter earlier, and the two stories were conflicting, then there may be reason for you to doubt \_\_\_\_\_’s testimony here. That’s up to you to decide.

IMPEACHMENT BY PRIOR INCONSISTENT STATEMENTS, UNDER OATH

You may recall that \_\_testified during the trial [description, if needed]. You will also recall that it was brought out that before this trial he/she made statements concerning the subject matter of this trial. Even though these statements were not made in this courtroom they were made under oath at \_\_\_\_\_ [describe proceeding.] Because of this you may consider these statements as if they were made at this trial and rely on them as much, or as little, as you think proper.

SELECTION OF FOREPERSON; COMMUNICATION WITH JUDGE; VERDICT FORMS

When you go to the jury room to begin considering the evidence in this case I suggest that you first select one of the members of the jury to act as your foreperson. This person will help to guide your discussions in the jury room. Once you are there, if you need to communicate with me, the foreperson will send a written message to me. However, don’t tell me how you stand as to your verdict -- for instance, if you are split 6-6 or 8-4, don’t tell me that in your note. As I have mentioned several times, the decision you reach must be unanimous: you must all agree. I want to read to you now. This is simply the written notice of the decision that you reach in this case. [The Court here reads the verdict forms.] When you have reached a decision, each of you should sign the verdict form, put the date on it, and return it to me.

**VERDICT FORMS**

We, the jury, find the defendant Casey N. Lee Not Guilty of the offense of official misconduct.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Foreperson

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Lines for eleven other jurors)

We, the jury, find the defendant Casey N. Lee Guilty of the offense of official misconduct.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Foreperson

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Lines for eleven other jurors)