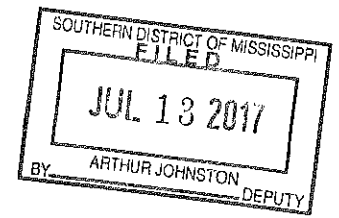


IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION



ELIZABETH R. ALEXANDER, JOHN P. ALEXANDER,
MARY SESSUMS, SANDRA GLASSMIRE, JAI
GIBSON, SHARON JOSEPH, *individually and on behalf
of all others similarly situated*

PLAINTIFFS

v.

CIVIL ACTION NO. 3:17cv560LG
RHW

GLOBAL TEL LINK CORPORATION, CHRISTOPHER
EPPS, SAM WAGGONER AND DEFENDANT DOES 1 -
5

DEFENDANTS

LOCAL RULE 83.8 RICO STATEMENT

As set forth in Local Rule 83.8, Plaintiffs respectfully submit the following RICO

Statement:

- L.R. 83.8(b)(1): *State whether the alleged unlawful conduct is in violation of 18 U.S.C. §§ 1962(a), (b), (c), and/or (d).*

The alleged unlawful conduct is in violation of 18 U.S.C. 1962(a), (b), (c) and (d).

- L.R. 83.8(b)(2); *List each Defendant and state the alleged misconduct and basis of liability of each Defendant.*

Defendant 1 - Global Tel Link Corporation ("GTL"): GTL bribed former MDOC Commissioner Christopher Epps over \$300,000 in exchange for exclusive control over inmate calling services in prisons operated by MDOC, then took advantage of this monopoly by charging exorbitant rates and ancillary fees which were not authorized under GTL's contract with MDOC.

Defendant 2 - Christopher Epps: Epps is the former MDOC Commissioner who took bribes from GTL in return for granting GTL exclusive control over inmate calling services in prisons operated by MDOC. He violated Mississippi public bid laws by repeatedly recommending renewal of GTL's contract without re-bidding as required by Mississippi's public bid laws and allowed GTL to charge exorbitant rates and ancillary fees which were not authorized under GTL's contract with MDOC.

Defendant 3 - Sam Waggoner: Waggoner was a long-time GTL agent and consultant who served as the bagman/liason between GTL and Epps. He served as the conduit for GTL's bribes by splitting his 5% commission with Epps, and promoted GLT's interests by advocating for new and more expensive services.

- L.R. 83.8(b)(3): *List the alleged wrongdoers, other than the Defendant(s) listed above, and state the alleged misconduct of each wrongdoer.*

None are known at this time.

- L.R. 83.8(b)(4): *List the alleged victims and state how each victim was allegedly injured.*

The victims of Defendants' racketeering activities include all persons who used GTL's inmate calling services (either the inmates themselves, their friends, family members and/or other acquaintances) to speak with MDOC inmates during the Class Period. The following named Plaintiffs have each been injured by being forced to pay exorbitant rates and illegal ancillary charges under the scheme described above. They are all willing to serve as class representatives:

Elizabeth Alexander
John Alexander
Mary Sessums
Sandra Glassmire
Sharon Joseph
JoAnn Houston

- L.R. 83.8(b)(5): *Describe in detail the pattern of racketeering activity or collection of unlawful debts alleged for each RICO claim. A description of the pattern of racketeering must include the following information:*
 - L.R. 83.8(b)(5)(A): *List the alleged predicate acts and the specific statutes which were allegedly violated.*

The RICO Defendants conducted or participated in and/or conspired to conduct the affairs of the RICO Enterprise by engaging in the following predicate acts of racketeering activity under 18 U.S.C. § 1961(1): **(1) Bribery of public officials in violation of Miss. Code Ann. § 91-II-II** ("racketeering activity" under § 1961(1)(A) includes "any act or threat involving . . . bribery . . . which is chargeable under State law and punishable by imprisonment for more than one year"); and **(2) Money laundering in violation of 18 U.S.C. § 1956** (specifically listed as "racketeering activity" under § 1961(1)(B)).

- L.R. 83.8(b)(5)(B): *Provide the dates of the predicate acts, the participants*

in the predicate acts, and a description of the facts surrounding the predicate acts.

Defendant Sam Waggoner has confessed that he paid over \$300,000.00 in bribes to Defendant Epps, for the benefit of GTL, over a long period of time commencing not later than 2011 and extending through 2014. He admitted in his plea hearing that bribes were paid on the following specific dates: April 2013; July 30, 2014; and August 26, 2014 (not an exclusive list). He stated, for example, "When I was at his house, I'd just put it on the counter by him. And if we're having lunch, I'd just hand it to him." GTL's regional manager, Robert Orso, designated Waggoner as GTL's liason with Epps and authorized the payment of 5% of GTL's gross revenues to Waggoner, which payment was split evenly between Waggoner and Epps after deduction of 30% to cover Waggoner's taxes.

- o L.R. 83.8(b)(5)(C): *If the RICO claim is based on the predicate offenses of wire fraud, mail fraud, or fraud in the sale of securities, the "circumstances constituting fraud or mistake shall be stated with particularity." FED. R. CIV. P. 9(b). Identify the time, place, and contents of the alleged misrepresentations, and the identity of persons to whom and by whom the alleged misrepresentations were made.*

Not applicable.

- o L.R. 83.8(b)(5)(D): *State whether there has been a criminal conviction for violation of the predicate acts.*

Yes. Both Waggoner and Epps have pleaded guilty to federal offenses related to the bribery and kickback scheme and are serving time in federal prison.

- o L.R. 83.8(b)(5)(E): *State whether civil litigation has resulted in a judgment in regard to the predicate acts.*

No civil judgment has been rendered at this time, to our knowledge.

- o L.R. 83.8(b)(5)(F): *Describe how the predicate acts form a "pattern of racketeering activity."*

The Defendants jointly committed multiple acts of racketeering activity between 2011 and 2014. According to Waggoner's testimony in the plea hearing, he bribed Epps the entire time by splitting his 5% commission (after deducting 30% to cover taxes) with Epps, in return for which Epps allowed GTL to exercise a monopoly over inmate calling services and charge exorbitant fees and illegal ancillary charges to people (like Plaintiffs) using the prison telephone system. On multiple occasions Epps recommended the renewal of GTL's contract without public bids, in violation of Mississippi's public bid statutes. The Defendants also illegally laundered the monetary proceeds of their racketeering enterprise.

- o L.R. 83.8(b)(5)(G): *State whether the alleged predicate acts relate to each other as part of a common plan. If so, describe in detail.*

GTL's bribery of Epps (via their consultant/bagman Waggoner) was directly related to their scheme to gain exclusive control over the State's prison telephone system (*i.e.*, "inmate calling services") and thereafter extract exorbitant fees and illegal ancillary charges from the Plaintiffs. The bribery, the illegal issuance/renewal of the ICS contract and the systematic overcharging of ICS users were all part of a common scheme or plan.

- L.R. 83.8(b)(6): *Describe in detail the alleged enterprise for each RICO claim. A description of each enterprise must include the following information:*
 - o L.R. 83.8(b)(6)(A): *State the names of the individuals, partnerships, corporations, associations, or other legal entities which allegedly constitute the enterprise.*

GTL, Epps and Waggoner were the joint participants in the racketeering enterprise, denoted in the class action complaint as the "Mississippi Prison Phone Scam" or "MPPS."

- o L.R. 83.8(b)(6)(B): *Describe the structure, purpose, function, and course of conduct of the enterprise.*

GTL is the largest provider of inmate calling services in the United States. Waggoner was a long-time consultant and agent for GTL in Mississippi, and Epps was the Commissioner of the Mississippi Department of Corrections. GTL, Epps and Waggoner jointly conspired to, and did in fact, gain control over inmate calling services (as well as other services) in prisons and jails operated by MDOC, after which they charged exorbitant fees and illegal ancillary charges to the plaintiffs. GTL paid 5% of gross revenues from this enterprise to Waggoner, who then split his portion with Epps.

- o L.R. 83.8(b)(6)(C): *State whether any Defendants are employees, officers, or directors of the alleged enterprise.*

The MPPS was an enterprise-in-fact but was never formally incorporated. As such, it did not have "employees, officers or directors."

- o L.R. 83.8(b)(6)(D): *State whether any Defendants are associated with the alleged enterprise.*

Each RICO Defendant is associated with the alleged enterprise.

- o L.R. 83.8(b)(6)(E): *State whether the Plaintiff is alleging that the Defendants are individuals or entities separate from the alleged enterprise, or that the Defendants are the enterprise itself, or are members of the enterprise.*

Plaintiffs allege the RICO Defendants are individuals separate from the alleged enterprise.

- o L.R. 83.8(b)(6)(F): *If any Defendants are alleged to be either the enterprise itself or members of the enterprise, explain whether such Defendants are perpetrators, passive instruments, or victims of the alleged racketeering activity.*

As members of the enterprise, the RICO Defendants are perpetrators, through the enterprise, of the alleged racketeering activity.

- L.R. 83.8(b)(7): *State whether the Plaintiff is alleging that the pattern of racketeering activity and the enterprise are separate or have merged into one entity. In either event, describe in detail.*

The pattern of racketeering activity and the enterprise are separate. The enterprise exists independently from the racketeering activity as an ongoing business relationship between the RICO Defendants with the common purpose of illegally procuring a monopoly over inmate calling services in the State of Mississippi through a pattern of bribery and public corruption, and then charging exorbitant rates and illegal ancillary fees to users of that service.

- L.R. 83.8(b)(8): *Describe the alleged relationship between the activities of the enterprise and the pattern of racketeering activity. Discuss how the racketeering activity differs from the usual and daily activities of the enterprise, if at all.*

The enterprise was formed for the exclusive purpose of carrying out the aforementioned racketeering activities (*i.e.*, illegally procuring a monopoly over inmate calling services in the State of Mississippi through a pattern of bribery and public corruption, and then charging exorbitant rates and illegal ancillary fees to users of that service). The enterprise had no “usual and daily activities” which did not involve the racketeering activities described in the class action complaint.

- L.R. 83.8(b)(9): *Describe what benefits, if any, the alleged enterprise receives from the alleged pattern of racketeering.*

The RICO enterprise is not a legal entity and thus itself did not profit from the alleged pattern of racketeering activity. However, the individual members of the enterprise profited as follows: (1) GTL made millions by charging exorbitant rates and illegal ancillary charges to users of the prison phone system; (2) Epps received bribes paid out of these ill-gotten gains from GTL; and (3) Waggoner retained a portion of the bribes as hush money and for his services in persuading Epps to expand the scope of services (and profits) of GTL.

- L.R. 83.8(b)(10): *Describe the effect of the activities of the enterprise on interstate or foreign commerce.*

The Defendants utilized U.S. Mail and interstate wire services to carry out their racketeering activities. They communicated with each other via telephone to coordinate their activities and then extracted exorbitant fees and illegal ancillary charges from both intra- and interstate users of the inmate calling services.

- L.R. 83.8(b)(11): *If the complaint alleges a violation of 18 U.S.C. § 1962(a), provide the following information:*
 - o L.R. 83.8(b)(11)(A): *State who received the income derived from the pattern of racketeering activity or through the collection of an unlawful debt; and,*

GTL, as the operator of the inmate calling system under its contract with MDOC, collected millions of dollars from members of the Plaintiff Class in the form of exorbitant fees and illegal ancillary charges, and then bribed Epps with a portion of the revenues. Waggoner retained a portion of the revenues as well in return for his role as the bagman, and also for his role in continually urging Epps to expand GTL's "services" and hence profits.

- o L.R. 83.8(b)(11)(B): *Describe the use, investment, or locus of such income.*

The income derived from the racketeering activity was used, in part, to bribe Epps and pay for the silence of Waggoner, the bagman. This was essential to the formation and operation of the enterprise-in-fact, designated in the class action complaint as the Mississippi Prison Phone Scam or "MPPS."

- L.R. 83.8(b)(12): *If the Complaint alleges a violation of 18 U.S.C. § 1962(b), describe in detail the acquisition or maintenance of any interest in or control of the alleged enterprise.*

The Defendants jointly created and control the criminal enterprise, as described in detail above.

- L.R. 83.8(b)(13): *If the Complaint alleges a violation of 18 U.S.C. § 1962(c), provide the following information:*
 - o L.R. 83.8(b)(13)(A): *State who is employed by or associated with the enterprise; and,*

GTL, Epps and Waggoner were each associated with the enterprise, although none were formally "employed" by it since it was an enterprise-in-fact.

- o L.R. 83.8(b)(13)(B): *State whether the same entity is both the liable "person" and the "enterprise" under § 1962(c).*

The RICO Defendants are not both the liable "persons" and the "enterprise" under § 1962(c).

- L.R. 83.8(b)(14): *If the Complaint alleges a violation of 18 U.S.C. § 1962(d), describe in detail the alleged conspiracy.*

The Defendants agreed among themselves to pursue the unlawful purpose of illegally gaining control of MDOC's inmate calling services and then bilking members of the plaintiff class (people using or paying for the use of the prison telephone system) by charging exorbitant rates and illegal ancillary charges. Overt acts in furtherance of the conspiracy included, *inter alia*, (1) the payment of bribes and kickbacks from GTL to Epps via GTL's bagman/consultant, Sam Waggoner, (2) Epps' illegal award/renewal of GTL's contract as a result of said bribes in violation of Mississippi's public bid laws; (3) charging exorbitant rates and illegal ancillary fees to users of the inmate calling services; and (4) illegally laundering the monetary proceeds of their criminal racketeering enterprise. Resulting damage to members of the plaintiff class occurred when they were forced to pay exorbitant fees and illegal ancillary charges in order to use the prison phone system.

- L.R. 83.8(b)(15): *Describe the direct causal relationship between the alleged injury and the violation of the RICO statute.*

Plaintiffs suffered damages by reason of the RICO Defendants' violations of the RICO statute. The RICO Defendants, through the RICO enterprise, illegally gained exclusive control over MDOC's inmate calling system and then, once in control, bilked members of the plaintiff class out of millions of dollars by charging exorbitant rates and illegal ancillary charges.

- L.R. 83.8(b)(16): *List the actual damages for which Defendant is allegedly liable.*

Defendants are liable for the amount by which they were unjustly enriched at the expense of members of the Plaintiff Class by charging exorbitant rates and illegal ancillary charges under a contract with MDOC illegally procured through bribery and public corruption. The exact amount of damages owed to each individual defendant will vary depending on the amount which they paid GTL - amounts easily ascertainable by reference to GTL's books and records. Plaintiffs assert claims for treble damages and punitive damages as well.

- L.R. 83.8(b)(17): *List all other federal causes of action, if any, and provide citations to the relevant statute(s).*

None at this time.

- L.R. 83.8(b)(18): *List all pendent state claims, if any.*

Negligence *per se*; civil conspiracy; common law fraud; unjust enrichment - restitution; punitive damages.

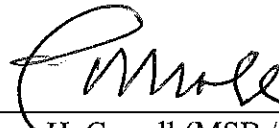
- L.R. 83.8(b)(19): *Provide any additional information that you feel would be helpful to the Court in considering your RICO claim.*

Plaintiffs do not believe there is additional information not already provided in this statement and in the Complaint that would be helpful to the Court in considering the Plaintiffs' RICO claims.

RESPECTFULLY SUBMITTED, this the 13th day of July, 2017.

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