

**U.S. Department of Justice**

*United States Attorney  
Northern District of Mississippi*

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December 26, 2007

Honorable Hiram Eastland, Jr.  
610 Poplar Street  
Greenwood, MS 38930

Honorable Anthony L. Farese  
Post Office Box 98  
Ashland, MS 38603

Honorable John Kecker  
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San Francisco, CA 94111-1704

Honorable Frank W. Trapp  
Post Office Box 23066  
Jackson, MS 39225-3066

RE: United States of America v. Richard "Dickie" Scruggs, et al  
Criminal Case No. 3:07CR192

Gentlemen:

In furtherance of our continuing obligations regarding discovery under Rule 16 of the Federal Rules of Criminal Procedure, please find enclosed the following:

- 1) Thirteen cassette tapes reflecting:
  - \* 1D3: May 3, 2007, telephone call between Tim Balducci and Henry Lackey
  - \* 1D4: May 4, 2007, telephone call between Tim Balducci and Henry Lackey
  - \* 1D5: May 21, 2007, telephone call between Tim Balducci and Henry Lackey
  - \* 1D7: May 29, 2007, telephone call between Tim Balducci and Henry Lackey
  - \* 1D10: August 3, August 9 and August 27, 2007, telephone calls between Tim

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Balducci and Henry Lackey

\* 1D11: September 18, 2007, telephone call between Tim Balducci and Henry Lackey

\* 1D12: September 11, 2007, telephone call between Tim Balducci and Henry Lackey

\* 1D15: September 20, 2007, telephone call between Tim Balducci and Henry Lackey

\* 1D16: September 24, 2007, telephone call between Tim Balducci and Henry Lackey

\* 1D18: October 4, 2007, telephone call between Tim Balducci and Henry Lackey

\* 1D22: October 16, 2007, telephone call between Tim Balducci and Henry Lackey

\* 1D29: October 31, 2007, telephone call between Tim Balducci and Henry Lackey

\* 1D30: October 18, 2007, telephone call between Tim Balducci and Henry Lackey

2) November 1, 2007, letter from Richard F. Scruggs to Tim Balducci concerning "jury instructions in addition to the voir dire template to be used in Lisanby." Attached to this letter is a Court Reporter's Transcript of Trial, pages 1261-1346, from Kevin and Sherry Webster v. USAA Casualty Insurance Company.

3) E-mail from Margaret Wasmund to Angela Edwards to Tim Balducci beginning on November 2, 2007, and concluding on November 4, 2007. Attached to this e-mail is a Court Reporter's Transcript of Trial, pages 1261-1346, from Kevin and Sherry Webster v. USAA Casualty Insurance Company.

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- 4) October 18, 2007, letter from Richard F. Scruggs to Tim Balducci concerning "voir dire in Webster v. USAA." Attached to this letter is a "transcript of the Webster voir dire" and the Scruggs Firm's abstract of that transcript.
- 5) Copies of photographs taken of evidence collected on September 27, 2007. The photos reflect an envelope bearing Tim Balducci's name, cash delivered by Balducci to Judge Henry Lackey, and a proposed order given to Judge Lackey.
- 6) A Renasant Bank Transaction Detail showing a \$40,000 deposit on October 19, 2007.
- 7) An "Order Compelling Arbitration" from Jones, et al v. Scruggs, et al, sent via facsimile from Patterson Balducci on May 4, 2007. A second copy of the "Order Compelling Arbitration" without the facsimile information at the top of the page.
- 8) A one-page "Order" from Jones, et al v. Scruggs, et al, to stay the action and submit "all such claims to BINDING ARBITRATION as is provided for in the Joint Venture Agreement signed by all parties."
- 9) An "Order Sustaining Defendants' Motion to Submit this Cause to Binding Arbitration" dated October 13, 2007.
- 10) An "Order Sustaining Defendants' Motion to Submit this Cause to Binding Arbitration" dated October 31, 2007.
- 11) November 28, 2007, FBI report concerning the November 27, 2007, interview with Steven Patterson.
- 12) December 11, 2007, FBI report concerning the November 27, 2007, interview with Sidney Backstrom.
- 13) Subpoena and the incoming and outgoing calls for 662-534-9803 for the period September 1, 2007, through October 10, 2007, along with subscriber information for 662-534-9803.

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14) Application and Order and Application for Extension of Pen Register and Order Granting Extension of Pen Register for 662-416-4243 for the period August 27, 2007, through December 17, 2007. Also included is a disc containing the pen register and trap and trace information.

15) E-mail communications between Tim Balducci and Sid Backstrom dated November 26, 2007, from 9:08 a.m. to 9:31 a.m.

16) Thirteen discs reflecting:

\* 1A3: Photographs numbered 233-295 dated October 19, 2007 (the date the disc was entered into evidence, not the date the photos were taken)

\* 1A10: Photographs numbered 233-243 dated October 10, 2007

\* 1A11: Photographs numbered 244-272 dated October 16, 2007

\* 1A7: Video dated October 16, 2007

\* 1A8: Photographs numbered 273-295 dated October 18, 2007

\* 1A17: Photographs of cash delivered by Tim Balducci to Henry Lackey

\* Disc labeled "November 5, 2007 Surveillance Photos" with photographs showing \$10,000 check paid from the Scruggs Law Firm to Tim Balducci, the letter from Richard "Dickie" Scruggs to Tim Balducci, and documents related to that transfer. Also included are photographs of Tim Balducci's vehicle parked outside the bank in which he deposited the check.

\* 1D1: May 9, 2007 consensual meeting between Tim Balducci and Henry Lackey (audio)

\* 1D2: May 9, 2007 consensual meeting between Tim Balducci and Henry Lackey (video)

\* 1D6: May 30, 2007 consensual meeting between Tim Balducci and Henry Lackey

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\* 1D9: June 28, 2007 consensual meeting between Tim Balducci and Henry Lackey

\* 1D13: September 21, 2007 consensual meeting between Tim Balducci and Henry Lackey (audio)

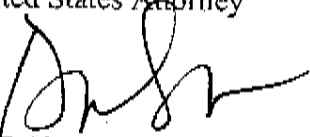
\* 1D14: September 21, 2007 consensual meeting between Tim Balducci and Henry Lackey (video)

I would also point out that in the December 17 discovery letter, I inadvertently described item # 4 as surveillance photos from November 27, 2007, when they were actually photos from September 27, 2007.

There may be other documents and tangible items which we do not have and may have to secure them with a subpoena. We will make those items available to you as they are received.

Very truly yours,

JIM M. GREENLEE  
United States Attorney

By:   
DAVID A. SANDERS  
Assistant United States Attorney

DAS:kr

Enclosures