



**FOR IMMEDIATE RELEASE**  
**October 27, 2009**

**Former State Director of USDA Rural Development Pleads Guilty**

Jackson, Miss - Nick Walters, former State Director of USDA Rural Development, entered a guilty plea in U.S. District Court today, U.S. Attorney Don Burkhalter announced. Walters, as the former Rural Development State Director, admitted discussing with current employees of Rural Development a matter which had been pending in his office when he was Director. Such contact is prohibited by law, because of the potential for abuse through the use of insider information and personal relationships with former subordinates at USDA.

Rural Development has certain loan programs where an entity can apply for loans or grants through the agency. One such loan program is for community facilities. The community facility loans are set up by the federal government to provide loan and grant funds to a rural community that would help the overall community, such as providing financial assistance to rural hospitals. Walters admitted that sometime around March of 2006, the Natchez Regional Medical Center in Natchez, Mississippi was interested in the possibility of obtaining a community facilities loan. On March 21, 2006, Walters, as the director of Rural Development, and members of his staff met with the Board of Directors of Natchez Regional Medical Center and provided them with information about the community facilities loan programs. On March 23, 2006, the Board of Directors of Natchez Regional Medical Center executed a resolution wherein they authorized the CFO of the Natchez Regional Medical Center to apply for a community facilities loan with Rural Development. A copy of this resolution was provided to Walters as the Director of Rural Development.

Walters admitted that from March of 2006 through September 2006, he attended meetings, communicated with and advised the members of the Board of Directors of Natchez Regional Medical Center and their financial advisor, Kidwell and Company, about the USDA Rural Development community facilities loan program as it would apply to the Natchez Regional Medical Center.

On August 4, 2006, Nick Walters resigned as the Mississippi Director of Rural Development. Walters then communicated with the staff of USDA Rural Development, on behalf of the Natchez Regional Medical Center, about the community facilities loan and application. On August 21, 2006 Nick Walters assisted the Natchez Regional Medical Center in filing a formal application for the community facilities loan with Rural Development in an attempt to influence the USDA to fund a community facilities loan to the Natchez Regional Medical Center.

A sentencing date for Walters has not yet been scheduled by the Court.

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