STATEMENT OF
SPECIAL AGENT IN CHARGE GREGORY JONES
FEDERAL BUREAU OF INVESTIGATION

We are here today because of a pervasive pattern of government corruption which victimized the citizens of the City of Atlanta and deprived them of the honest services of their public officials. Over the past five years, the FBI, along with our partners at the Internal Revenue Service and the United States Attorney's Office, has conducted a thorough investigation into numerous allegations of corruption, bribery, tax fraud, perjury, obstruction of justice, and illegal campaign contributions. This investigation has resulted in criminal convictions against ten individuals, including the top three officials under Mayor Campbell:

1. COO Larry Wallace, who was the highest ranking City official under the Mayor, was prosecuted for taking payoffs from a City vendor and pleaded guilty to bribery and tax fraud.

2. Deputy Chief Operating Officer Joseph Reid was prosecuted for taking payoffs from a City Vendor and pleaded guilty to bribery.

3. Commissioner of Administrative Services Herbert McCall was prosecuted for lying to the grand jury about corruption, went to trial and was convicted on all counts of perjury and obstruction of justice.

4. Thodur Bavan, the Deputy Director of Operations and Maintenance, was charged with taking payoffs from a City vendor. He pled guilty to bribery.

5. Jonathan Dodd, the Director of the Bureau of Motor Transport Services, was charged with embezzling funds from the City. He also pled guilty.

6. Vertis McManus, a City Vendor, pled guilty to making payoffs to Larry Wallace.

7. Ronnie Thornton, a City Vendor, pled guilty to structuring financial transactions to make illegal campaign contributions to Mayor Campbell's campaign.

8. Sam Barber, a City Vendor, pled guilty to lying to the grand jury to cover up his illegal campaign contributions to Mayor Campbell.

9. Michael Childs, an Atlanta club owner, pled guilty to arson, tax fraud, and making corrupt payments to Mayor Campbell.

10. Fred Prewitt, a City employee and contractor, pled guilty to tax fraud.

Nine of these individuals pled guilty. Only one went to trial, where he was convicted on all counts.

It would be an understatement to say that these types of investigations take time. The illegal conduct alleged in the indictment of Mayor Campbell spanned over five years, and involved a number of complex schemes, financial transactions, and individuals. Investigating the various allegations of corruption required gathering and analyzing voluminous detailed records and interviewing numerous witnesses. Further, the investigation was made even more difficult and prolonged by the refusal of certain witnesses to cooperate, and by the outright obstruction of justice caused by certain co-conspirators, who lied both to investigators and to the Grand Jury.

The goal of this investigation was simple and clear: to bring to justice those who abuse their positions of public trust and who defraud the citizens of Atlanta. As you will read in the indictment, the Grand Jury has found probable cause to charge former Mayor Campbell with: racketeering, which charges Mr. Campbell with directing and participating in a pattern of organized criminal activities, including bribery and fraud; three counts of bribery, involving payments ranging from $10,000 to $25,000; and three counts of filing false tax returns. The Grand Jury has found that while he served as Atlanta's Mayor, Mr. Campbell used his office to solicit and receive bribes and other benefits from City contractors, including cash, home improvements, and trips (including a vacation in Paris, France). The indictment alleges that Mr. Campbell received over $150,000 in specific secret cash payments from City contractors and individuals either seeking City business or seeking licenses from the City. The indictment also alleges that third-party conduits, or "bagmen," ferried these illicit payments to Mr. Campbell.

Because we are limited in our comments to what is alleged in the indictment, I cannot discuss investigative techniques or the identification or testimony of any specific witnesses. I can tell you, however, that great care was taken to ensure that the evidence of these very serious charges was fairly evaluated for presentation to the Grand Jury.

I would like to now introduce Special Agent in Charge James Vickery of the Internal Revenue Service - Criminal Investigation.