



U.S. Department of Justice

*United States Attorney
Southern District of Georgia*

Post Office Box 8970
Savannah, GA 31412
(912) 652-4422

100 Bull Street
Savannah, GA 31401
FAX (912) 652-4388

**FOR IMMEDIATE RELEASE
JUNE 23, 2004**

**CONTACT: DAN DRAKE
PHONE: (912) 201-2669**

***FORMER STATE SENATOR CHARLES W. WALKER
AND HIS DAUGHTER, MONIQUE WALKER-HILL, ARE
INDICTED ON CONSPIRACY, FRAUD, AND TAX CHARGES***

SAVANNAH: Paul B. Murphy, United States Attorney for the Southern District of Georgia, announced today that a federal grand jury sitting in Savannah has returned an indictment against CHARLES W. WALKER, SR., age 56, former Georgia Senate Majority Leader, and his daughter, YOLANDA MONIQUE WALKER-HILL, age 36, both of Augusta, Georgia. Three companies owned and operated by the Walkers, including THE CWW GROUP (also known as THE WALKER GROUP), GEORGIA PERSONNEL SERVICES, INC., and THE AUGUSTA FOCUS, are also charged in the indictment. The indictment contains conspiracy charges under 18 U.S.C. § 371, mail fraud charges under 18 U.S.C. §§ 1341 and 1346, and federal tax charges under 26 U.S.C. §§ 7206(1) and 7206(2).

The indictment arises out of a joint federal-state investigation and charges the defendants with devising and participating in the following five related fraudulent schemes:

With regard to the first fraudulent scheme, Charles W. Walker and his daughter are charged with using Walker's small weekly newspaper, the Augusta Focus, to defraud corporate advertisers, such as K-Mart and Best Buy. The indictment alleges that, for several years, the Walkers deceived such advertisers into paying for the insertion of thousands of more advertising flyers than was justified by the newspaper's circulation. According to the

indictment, the Walkers misrepresented that the weekly circulation of the Augusta Focus was between twenty thousand and thirty thousand. In reality, the newspaper sold, on average, only about 2,400 newspapers each week. Over the years, the K-Mart Corporation alone has sent and paid for over 2.6 million excess advertising flyers. The indictment alleges that K-Mart has suffered losses of approximately \$207,000 as a result of this fraudulent scheme.

The second scheme to defraud involved Grady Memorial Hospital, Georgia's largest public hospital, located in Atlanta, Georgia. The indictment alleges that Charles W. Walker misused his public office for private gain and, in so doing, deprived the public of its right to his honest services as a state legislator. The indictment charges that Walker stalled the passage of legislation affecting the Grady's funding until hospital executives agreed to use exclusively personnel from Walker's temporary employment agency to work at the hospital.

In the third fraudulent scheme, the indictment alleges that Charles W. Walker deceived executives at Georgia's state medical college, the Medical College of Georgia, into using his temporary employment agency for personnel to work at the hospital and into advertising in the Augusta Focus. Walker deceived college officials by misrepresenting that he did not own his two businesses, a move he took in order to circumvent a state conflict of interest law that generally prohibits state public officials from doing business with state entities such as the medical college. According to the indictment, Walker also breached his fiduciary duty to the public by failing to disclose these transactions, on state-mandated financial disclosure forms for public officials, until a media inquiry forced him to do so.

The fourth fraudulent scheme involved Charles W. Walker's alleged misuse of his political campaign account for personal expenses, including among others: a \$38,000 campaign account check written by Walker to his newspaper for allegedly "consulting" with

himself about his own campaign, a campaign account check written to a Lake Tahoe casino to cover travel expenses associated with a personal gambling trip, and campaign account checks to a friend's girl friend to help her with her personal finances. The indictment further alleges that Walker also breached his fiduciary duty to the public by misrepresenting the purposes of these expenditures on state-mandated campaign contribution disclosure forms.

The fifth scheme to defraud involved an Augusta, Georgia charity, the CSRA Classic, which has been operated by Charles W. Walker since 1993. The Classic was created by Walker and a friend, purportedly to bring an annual college football game to Augusta and to generate funds for college scholarships for deserving young people. However, according to the indictment, Walker and his daughter have for years stolen thousands of dollars from the charity, including most of the cash proceeds from the football game and concession sales.

Finally, the indictment charges Charles W. Walker and Monique Walker-Hill with making and subscribing to false federal income tax returns for the years 1998 through 2002. The defendants are also charged with aiding and assisting in the preparation of false and fraudulent charitable tax returns for the CSRA Classic during the years 1998 through 2001.

The maximum statutory penalties for a violation of 18 U.S.C. § 371 (Conspiracy) and 18 U.S.C. §§ 1341 and 1346 (Mail Fraud) include: not more than five (5) years imprisonment, a fine of not more than \$250,000, and a term of supervised release of not more than three (3) years. The maximum statutory penalties on the tax charges include: not more than three (3) years in prison, a fine of not more than \$100,000, and a term of supervised release of not more than three (3) years.

Murphy stated that the indictment is the culmination of a joint investigation by Special Agent Joel Ozburn of the Internal Revenue Service; Special Agents Derek Edwards

and John Parrish of the Federal Bureau of Investigation; and Special Agents Tony Williamson, Pat Morgan, Clay Nix, Maria Irizarri, and Bobby Stanley of the Georgia Bureau of Investigation.

Murphy emphasized that an indictment is only an accusation and is not evidence of guilt. The defendants are entitled to a fair trial, during which it will be the government's burden to prove guilt beyond a reasonable doubt.

The government is being represented in this case by Assistant United States Attorneys Richard H. Goolsby and Patricia G. Johnson.

XXXXXX

09-04