

640 F.3d 1159  
United States Court of Appeals,  
Eleventh Circuit.

UNITED STATES of America, Plaintiff–Appellee,

v.

Don Eugene SIEGELMAN, Richard  
Scrushy, Defendants–Appellants.

No. 07–13163. | May 10, 2011.

### Synopsis

**Background:** Two defendants, one of whom was a former state official, were convicted in the United States District Court for the Middle District of Alabama, No. 05-00119-CR-F-N, Mark E. Fuller, J., of federal funds bribery, honest services conspiracy, and honest services mail fraud, and one of those defendants was also convicted of obstruction of justice. Defendants appealed. The Court of Appeals, 561 F.3d 1215, affirmed in part, reversed in part, and remanded. Defendants petitioned for writ of certiorari. The Supreme Court granted the petition, vacated judgment, and remanded.

**Holdings:** On remand, the Court of Appeals held that:

- 1 district court did not commit reversible error in instructing jury on bribery charge under federal funds bribery statute;
- 2 evidence was sufficient to support defendants' convictions for federal funds bribery;
- 3 any error by district court in instructing jury on bribery theory of honest services fraud was harmless;
- 4 evidence was insufficient to hold state official defendant liable for honest services fraud based on second defendant's conduct on the state's Certificate of Need Review Board (CON Board);
- 5 evidence was insufficient to support second defendant's honest services fraud conviction based on bribery of another board member;
- 6 evidence was sufficient to support state official defendant's conviction of obstruction of justice; and
- 7 district court did not abuse its discretion in denying defendants' motion for a new trial.

Affirmed in part, reversed in part, and remanded.

West Headnotes (32)

#### 1 Criminal Law

- 🔑 Substantial evidence

A jury's verdict commands the respect of an appellate court, and must be sustained if there is substantial evidence to support it.

#### 2 Criminal Law

- 🔑 Inferences or hypotheses from evidence

#### Criminal Law

- 🔑 Province of jury or trial court

To the extent that a jury verdict rests upon the jury's evaluations of the credibility of individual witnesses, and the reasonable inferences to be drawn from that testimony, an appellate court owes deference to those decisions.

1 Cases that cite this headnote

#### 3 Extortion and Threats

- 🔑 Elements of Offenses

A state official must agree to take or forego some specific action in exchange for a campaign donation in order to be convicted of extorting campaign contributions under the Hobbs Act; in the absence of such an agreement on a specific action, even a close-in-time relationship between the donation and the act will not suffice. 18 U.S.C.A. § 1951.

#### 4 Extortion and Threats

- 🔑 Elements of Offenses

There is no requirement that a state official's agreement to take or forego some specific action in exchange for a campaign donation be memorialized in writing, or even be overheard by a third party, in order for the state official to be convicted of extorting campaign contributions under the Hobbs Act. 18 U.S.C.A. § 1951.

#### 5 Extortion and Threats

- 🔑 Evidence

In convicting a state official of extorting campaign contributions under the Hobbs Act, a state official's explicit agreement to take or forego some specific action in exchange for a campaign

donation may be implied from the official's words and actions. 18 U.S.C.A. § 1951.

1 Cases that cite this headnote

## 6 Criminal Law

🔑 Elements and incidents of offense; definitions

District court did not commit reversible error by instructing jury that they could not convict two defendants, one of whom was a former state official, of bribery under federal funds bribery statute unless they found that “the Defendant and official agree[d] that the official w[ould] take specific action in exchange for the thing of value,” even assuming a *quid pro quo* instruction was required; instruction required the jury to find an agreement to exchange a specific official action for a campaign contribution, which would have satisfied requirement for an explicit agreement involving a *quid pro quo*. 18 U.S.C.A. § 666.

4 Cases that cite this headnote

## 7 Bribery

🔑 Weight and sufficiency

Evidence of corrupt agreement between two defendants, one of whom was a former state official, to exchange state's Certificate of Need Review Board (CON Board) seat for a campaign donation was sufficient to permit a reasonable juror, in convicting defendants of bribery under federal funds bribery statute, to find an explicit agreement involving a *quid pro quo*. 18 U.S.C.A. § 666.

2 Cases that cite this headnote

## 8 Criminal Law

🔑 Elements and incidents of offense

Any error by the district court in failing to instruct the jury that the government was required to prove a *quid pro quo* in order to convict defendants, one of whom was a former state official, on a bribery theory of honest services fraud was harmless; honest services fraud alleged in the indictment was predicated upon the same pay-to-play scheme that was alleged in counts against defendants

under federal funds bribery statute, and the jury was instructed on the federal funds bribery counts that they could not convict defendants unless they found that the defendants “agree[d] that the official [would] take specific action in exchange for the thing of value,” and having been instructed that they had to find a *quid pro quo* to convict defendants of the bribery alleged under the federal funds bribery statute, the jury did so. 18 U.S.C.A. §§ 666, 1341, 1346.

3 Cases that cite this headnote

## 9 Bribery

🔑 Nature and Elements of Offenses

There was no evidence from which a jury could have inferred, that, after first defendant, who was a former state official, exchanged state's Certificate of Need Review Board (CON Board) seat to second defendant for a campaign donation, first defendant knowingly agreed to or participated in a broader scheme that included second defendant's alleged subsequent self-dealing while on the Board, as required for first defendant to be liable for honest services fraud based on second defendant's conduct on the board. 18 U.S.C.A. §§ 1341, 1346.

## 10 Bribery

🔑 Nature and Elements of Offenses

Evidence that defendant, as a member of state's Certificate of Need Review Board (CON Board), was aware that his attorney hired another board member to prepare scanner application for major hospital corporation defendant founded, which the other board member did, and for which the other board member was paid, was insufficient to support defendant's honest services fraud conviction based on the bribery of other board member to attempt to affect the interests of major hospital corporation and its competitors. 18 U.S.C.A. §§ 1341, 1346.

## 11 Criminal Law

🔑 Construction in favor of government, state, or prosecution

**Criminal Law**

🔑 Inferences or deductions from evidence

**Criminal Law**

🔑 Reasonable doubt

In evaluating the sufficiency of the evidence to support a jury's verdict, a court of appeals is required to view the evidence in the light most favorable to the government and resolve all reasonable inferences and credibility evaluations in favor of the jury's verdict; the evidence needs not be wholly inconsistent with every conclusion except that of guilt, provided that a reasonable trier of fact could find that the evidence established guilt beyond a reasonable doubt.

**12 Criminal Law**

🔑 Circumstantial Evidence

In the absence of a defendant's confession or observation of his wrongdoing by a third person, proof by circumstantial evidence and the fair inferences to be drawn therefrom is both necessary and permissible.

**13 Obstructing Justice**

🔑 Weight and sufficiency

Evidence was sufficient to support jury's finding, in convicting defendant, a former state official, of obstruction of justice by persuading his associate to write a sham check in an effort to cover up defendant's arrangement of providing official action for campaign contributions, that delivery of final check from associate to defendant, in the presence of two lawyers, and use of the lawyers to "finalize" the sale of defendant's motorcycle to associate was an attempt to create witnesses as part of a cover-up and to use unwitting third parties or entities to deflect the efforts of law enforcement agents to discover the truth in their federal-state corruption investigation; jury was entitled to infer from the sham check transaction in the associate's lawyer's presence that defendant intended to mislead the lawyer into believing that the transaction was legitimate, that associate had, indeed, purchased the motorcycle from him, and

that the check was final payment. 18 U.S.C.A. § 1512(b)(3).

**14 Criminal Law**

🔑 Furtherance or Execution of Common Purpose

A court applies a liberal standard in determining whether a co-conspirator's statement was in furtherance of a conspiracy, under rule permitting admission of certain co-conspirator statements; the statement need not be necessary to the conspiracy, but must only further the interests of the conspiracy in some way. Fed.Rules Evid.Rule 801(d)(2)(E), 28 U.S.C.A.

**15 Criminal Law**

🔑 Character of acts or declarations

If a co-conspirator's statement could have been intended to affect future dealings between the parties, then the statement is in furtherance of a conspiracy under rule permitting admission of certain co-conspirator statements. Fed.Rules Evid.Rule 801(d)(2)(E), 28 U.S.C.A.

**16 Criminal Law**

🔑 Character of acts or declarations

Statements between conspirators which provide reassurance, serve to maintain trust and cohesiveness among them, or inform each other of the current status of the conspiracy further the ends of the conspiracy, under rule permitting admission of certain co-conspirator statements. Fed.Rules Evid.Rule 801(d)(2)(E), 28 U.S.C.A.

**17 Criminal Law**

🔑 Character of acts or declarations

Boasting or bragging is in furtherance of a conspiracy, under rule permitting admission of certain co-conspirator statements, if the statements are directed at obtaining the confidence or allaying the suspicions of co-conspirators. Fed.Rules Evid.Rule 801(d)(2)(E), 28 U.S.C.A.

**18 Criminal Law****🔑** Character of acts or declarations

In defendants' trial for bribery and honest services fraud, district court did not abuse its discretion in admitting co-conspirator's out-of-court statement to major medical corporation's chief financial officer (CFO) bragging about the fact that he was able to get the corporation a spot on the state's Certificate of Need Review Board (CON Board) with the help of a campaign donation; co-conspirator's bragging informed CFO that their plan had worked and that CFO's involvement had helped, and the statement affected co-conspirator's future dealings because CFO's assistance might have been needed in connection with a second donation. 18 U.S.C.A. §§ 666, 1341, 1346; Fed.Rules Evid.Rule 801(d)(2)(E), 28 U.S.C.A.

**19 Criminal Law****🔑** Misconduct of or affecting jury

A court of appeals reviews the denial of a motion for new trial based on alleged juror misconduct for an abuse of discretion.

1 Cases that cite this headnote

**20 Criminal Law****🔑** Deliberations in General

A jury must determine guilt solely on the basis of the evidence presented at trial and the court's instructions as to the applicable law.

**21 Criminal Law****🔑** Custody and conduct of jury

A court presumes that a jury has been impartial. U.S.C.A. Const.Amend. 6.

**22 Criminal Law****🔑** Objections and disposition thereof

A defendant who alleges denial of his right to an impartial jury resulting from juror exposure to

extraneous information has the burden of making a colorable showing that the exposure has, in fact, occurred; if the defendant does so, prejudice to the defendant is presumed and the burden shifts to the government to show that the jurors' consideration of extrinsic evidence was harmless to the defendant. U.S.C.A. Const.Amend. 6.

**23 Criminal Law****🔑** Issues related to jury trial**Criminal Law****🔑** Issues related to jury trial

If a district court concludes juror exposure to extrinsic evidence was harmless to the defendant, on appeal, an appellate court reviews that conclusion for an abuse of discretion; in doing so, an appellate court looks at all the circumstances and considers (1) the nature of the extrinsic evidence, (2) the manner in which it reached the jury, (3) the factual findings in the district court and the manner of the court's inquiry into the juror issues, and, (4) the strength of the government's case.

**24 Criminal Law****🔑** Considering Matters Not in Evidence

District court did not abuse its discretion, in denying defendants' motion for a new trial, in concluding that extrinsic evidence accessed from district court's own website by a juror and mentioned by him in jury deliberations concerning the process of deliberation was harmless beyond a reasonable doubt; district court carefully investigated the matter, its factual findings that the information was unrelated to the charges or any evidentiary matter in the case, and that it was introduced by a juror, not an outside influence, were not clearly erroneous, and the government's case was strong on the counts of conviction.

1 Cases that cite this headnote

**25 Criminal Law****🔑** Considering Matters Not in Evidence

District court did not abuse its discretion, in denying defendants' motion for a new trial, in concluding that jury's exposure to extrinsic evidence in the form of unredacted second superseding indictment from court's website was harmless beyond a reasonable doubt; district court specifically found that, prior to the redaction, the jurors had been repeatedly exposed to comment by the court and all the parties on the contents of the second superseding indictment, and that the exposure of any juror to the unredacted indictment would not have provided that juror with factual information to which the juror did not already properly have access, nor would it have provided that juror with any legal knowledge different from that provided to the jury as a whole.

## 26 Criminal Law

🔑 Custody and conduct of jury

The jury is presumed to follow the district court's instructions.

3 Cases that cite this headnote

## 27 Criminal Law

🔑 Access to or reading newspapers

District court did not abuse its discretion in denying defendants' motion for a new trial based on three jurors revealing that they had inadvertently experienced limited exposure to some media coverage during defendants' trial, in light of the limited and incidental nature of the exposure, which included overhearing snippets of television coverage or seeing headlines regarding the case in newspapers or online, and the substantial evidence of defendants' guilt.

## 28 Criminal Law

🔑 Communications by or with jurors

District court did not abuse its discretion in deciding that purported e-mails allegedly exchanged between jurors during trial and deliberations did not entitle defendants to a new trial; district court applied the relevant factors to the e-mail evidence, including the totality of the circumstances, the strength of

the government's case, the length of the jury deliberations, and the court's instructions to the jury, including the instructions not to decide or discuss the case prematurely, and concluded that the e-mails did not demonstrate premature deliberation or deliberation with fewer than all jury members sufficient to arise to a constitutional violation under the Sixth Amendment. U.S.C.A. Const.Amend. 6.

## 29 Criminal Law

🔑 Statements, Affidavits, and Testimony of Jurors

By disallowing a juror to impeach the jury's verdict by testimony about their deliberations, the Federal Rules of Evidence operate to protect jurors from postverdict investigation and to protect the verdict from endless attack. Fed.Rules Evid.Rule 606(b), 28 U.S.C.App.(2000 Ed.)

1 Cases that cite this headnote

## 30 Judges

🔑 Time of making objection

A motion for recusal based upon the appearance of partiality must be timely made when the facts upon which it relies are known; the untimeliness of such a motion is itself a basis upon which to deny it.

## 31 Judges

🔑 Time of making objection

The purpose of the rule requiring a motion for recusal based upon the appearance of partiality to be timely made when the facts upon which it relies are known is to conserve judicial resources and prevent a litigant from waiting until an adverse decision has been handed down before moving to disqualify the judge.

1 Cases that cite this headnote

## 32 Jury

🔑 Constitution and Selection of Jury

Mere technical deviations from the Juror Selection and Service Act's (JSSA) requirements

do not violate the JSSA if they do not result in impermissible discrimination in the jury selection process. 28 U.S.C.A. §§ 1861–1869.

### Attorneys and Law Firms

**\*1163** David Allen McDonald, Kilborn, Roebuck & McDonald, Vincent F. Kilborn, III, Mobile, AL, Arthur W. Leach, Alpharetta, GA, Hiram Chester Eastland, Jr., Eastland Law Offices, PLLC, Greenwood, MS, G. Robert Blakey, Notre Dame Law Sch., Notre Dame, IN, James K. Jenkins, Maloy Jenkins Parker, Atlanta, GA, Leslie V. Moore, Moore & Associates, Birmingham, AL, Bruce Rogow, Cynthia E. Gunther, Bruce S. Rogow, P.A., Ft. Lauderdale, FL, Sam Heldman, The Gardner Firm, Washington, DC, for Defendants–Appellants.

John Alex Romano, U.S. Dept. of Justice, Crim. Div., App. Section, Washington, **\*1164** DC, Louis V. Franklin, Sr. and Stephen P. Feaga, Asst. U.S. Attys., James B. Perrine, Montgomery, AL, for Plaintiff–Appellee.

David A. Sifre, Stroock & Stroock & Lavan, LLP, New York City, for Amicus Curiae.

Appeals from the United States District Court for the Middle District of Alabama.

ON REMAND FROM THE UNITED STATES SUPREME COURT.

Before TJOFLAT, EDMONDSON and HILL, Circuit Judges.

### Opinion

PER CURIAM:

This case is before us on remand from the Supreme Court of the United States for reconsideration in light of *Skilling v. United States*, 561 U.S. —, 130 S.Ct. 2896, 177 L.Ed.2d 619 (2010). The parties were ordered to re-brief the case; oral argument was heard.

#### I.

Don Eugene Siegelman is the former Governor of Alabama. Richard Scrushy is the founder and former Chief Executive Officer of HealthSouth Corporation (“HealthSouth”), a major hospital corporation with operations throughout Alabama. The defendants were convicted of federal funds bribery, in

violation of 18 U.S.C. § 666(a)(1)(B), and five counts of honest services mail fraud and conspiracy, in violation of 18 U.S.C. §§ 1341, 1346, and 18 U.S.C. § 371. Siegelman was also convicted of obstruction of justice, in violation of 18 U.S.C. § 1512(b)(3).

The bribery convictions were based on allegations that the defendants made and executed a corrupt agreement whereby Scrushy gave Siegelman \$500,000 in exchange for Siegelman's appointing him to Alabama's Certificate of Need Review Board (the “CON” Board). The honest services mail fraud convictions were also based in part upon these bribery allegations, but two of the counts also alleged that Scrushy used the CON Board seat to obtain favorable treatment for HealthSouth's applications. The conspiracy count alleged that Scrushy and Siegelman conspired to violate the honest services statute. Siegelman's obstruction of justice conviction is based on allegations that he corruptly influenced another to create a series of sham check transactions to cover up a separate “pay-to-play” payment to him.<sup>1</sup>

<sup>1</sup> The obstruction of justice allegations involved conduct unrelated to the Siegelman–Scrushy bribery, mail fraud and conspiracy charges.

This is an extraordinary case. It involves allegations of corruption at the highest levels of Alabama state government. Its resolution has strained the resources of both Alabama and the federal government.

**1** But it has arrived in this court with the “sword and buckler” of a jury verdict. The yeoman's work of our judicial system is done by a single judge and a jury. Twelve ordinary citizens of Alabama were asked to sit through long days of often tedious and obscure testimony and pour over countless documents to decide what happened, and, having done so, to apply to these facts the law as the judge has explained it to them. And they do. Often at great personal sacrifice. Though the popular culture sometimes asserts otherwise, the virtue of our jury system is that it most often gets it right. This is the great achievement of our system of justice. The jury's verdict commands the respect of this court, and that verdict must be sustained if there is substantial evidence to support it. **\*1165** *Glasser v. United States*, 315 U.S. 60, 80, 62 S.Ct. 457, 86 L.Ed. 680 (1942).

**2** Furthermore, to the extent that the verdict rests upon the jury's evaluations of the credibility of individual witnesses, and the reasonable inferences to be drawn from that testimony, we owe deference to those decisions. In our system, the jury decides what the facts are, by listening to the

witnesses and making judgments about whom to believe. This they have done, and, though invited to do so,<sup>2</sup> we shall not substitute our judgment for theirs.

- 2 The defendants assert that this is a case in which we owe no deference to the jury's findings of fact, but we disagree.

This is not to say that the judgment below is inviolable. Having determined what the facts are, a jury applies the law as the judge instructs them. The defendants' lawyers assert that there were errors in those instructions. They also contend that the court committed other legal mistakes during the course of the trial. Our duty as an appellate court is to answer properly presented questions from the parties in the case as to whether the law was correctly interpreted by the district court. With this in mind, we have reviewed the claims of legal error in the proceedings below, and our opinion as to their merit follows. First, however, we recount the facts as the jury found them.<sup>3</sup>

- 3 Where the jury need not have found a particular fact to be established in order to reach their verdict, we indicate who testified to that fact.

## II.

Don Siegelman was elected Governor of Alabama in 1998 on a campaign platform that advocated the establishment of a state lottery to help fund education in Alabama. After his election, he established the Alabama Education Lottery Foundation (the "Foundation") to raise money to campaign for voter approval of a ballot initiative to establish a state lottery. Darren Cline, the Foundation's fundraising director, testified that Siegelman "called the shots" on the lottery campaign. The lottery initiative was eventually defeated in a referendum held in October of 1999.

On March 9, 2000, the Foundation borrowed \$730,789.29 from an Alabama bank in order to pay down debt incurred by the Alabama Democratic Party for get-out-the-vote expenses during the lottery campaign. This note was personally and unconditionally guaranteed by Siegelman.<sup>4</sup>

- 4 There was another personal guarantor, but each was individually liable.

Richard Scrushy, the CEO of HealthSouth had served on the CON Board under three previous governors of Alabama. The CON Board is an arm of the State Health Planning and Development Agency and exists to prevent unnecessary duplication of healthcare services in Alabama. The Board

determines the number of healthcare facilities in Alabama through a process that requires healthcare providers to apply for and obtain a certificate of a healthcare need before opening a new facility or offering a special healthcare service. The CON Board decides which healthcare applications will be approved for an announced healthcare need, choosing between competing applications and ruling on objections filed by an applicant's competitor. The Governor of Alabama has sole discretion to appoint the members of the CON Board, who serve at his pleasure.<sup>5</sup> Scrushy had supported Siegelman's opponent in the just prior election.

- 5 Three of the nine seats on the Board are reserved for health care industry providers.

\*1166 Nick Bailey was one of Siegelman's closest associates and had worked on Siegelman's campaign for governor. Cline testified that "whatever [Bailey] told me that the Governor wanted was what the Governor said." Cline also testified that "if the Governor wanted to get something done, then [Bailey] went ahead—blindly went ahead and did it."

Bailey testified that, after Siegelman's election in 1998, Siegelman met with Eric Hanson, an outside lobbyist for HealthSouth, and told Hanson that because Scrushy had contributed at least \$350,000 to Siegelman's opponent in the election, Scrushy needed to "do" at least \$500,000 in order to "make it right" with the Siegelman campaign. Bailey testified that Siegelman was referring to the campaign for the lottery initiative, and that Hanson was to relay this conversation to Scrushy. Bailey also testified that, in another conversation, Hanson told Bailey that Scrushy wanted control of the CON Board.

Mike Martin is the former Chief Financial Officer of HealthSouth. He testified that having influence over the CON Board was important to Scrushy and HealthSouth because it determined the number of healthcare facilities in the state, thereby affecting HealthSouth's ability to grow. He testified that Scrushy told him that to "have some influence or a spot on the CON Board," they had to help Siegelman raise money for the lottery campaign. Scrushy said that if they did so, "[they] would be assured a seat on the CON Board." Martin testified, "[W]e were making a contribution ... in exchange for a spot on the CON Board."

Bailey testified that lobbyist Hanson "made it clear to him that if Mr. Scrushy gave the \$500,000 to the lottery campaign that we could not let him down" with respect to the CON Board seat. Bailey also testified that he "reminded the Governor periodically of the conversations that [Bailey] had with Eric

Hanson and the conversations that the Governor had with Eric Hanson about what Mr. Scrusy wanted for his contributions, and that was the CON Board.”

Martin also testified that Scrusy told him that HealthSouth could not make the payment to the lottery campaign, nor could he do it personally because “we [HealthSouth] had not supported that and that his wife, Leslie, was against the lottery, and it would just look bad if HealthSouth made a direct contribution to the lottery, so we needed to ask—he instructed me in particular to ask our investment banker, Bill McGahan, from [the Swiss bank] UBS, to make the contribution.”

Bill McGahan did not want to make such an “out of the norm” donation and hoped the matter would “go away.” Over the next two weeks, Martin called McGahan at least once a day to ask him about the status of the UBS donation, and told McGahan that Scrusy was going to fire UBS if it did not make the contribution. Finally, Martin testified, Scrusy himself called McGahan to “put more pressure” on him to make the contribution.

McGahan testified that he did not want UBS to make such a large contribution directly, so he told Martin that he would get Integrated Health Services (“IHS”) of Maryland to make the donation to the lottery campaign in exchange for UBS reducing an outstanding fee that IHS owed UBS. IHS agreed to this arrangement and donated \$250,000 to the Foundation in exchange for a reduction of \$267,000 in the fee it owed UBS.

The IHS “donation” was in the form of a check dated July 19, 1999, made payable from itself to the Foundation. Martin testified that Scrusy told him it was important that he, Scrusy, hand deliver the \*1167 IHS check to Siegelman, so Martin delivered the check to Scrusy so that he could do so.

Some time later,<sup>6</sup> Siegelman and Scrusy met in Siegelman's office. Bailey testified that after Scrusy left, Siegelman showed the IHS check to Bailey and told him that Scrusy was “halfway there.” Bailey asked, “what in the world is he [Scrusy] going to want for that?” Siegelman replied, “the CON Board.” Bailey then asked, “I wouldn't think that would be a problem, would it?” Siegelman responded, “I wouldn't think so.”

6 Bailey told the FBI that Scrusy gave the check to Siegelman in a meeting on July 14, 1999, but testified at trial that he did not remember exactly when the meeting was.

Siegelman appointed Scrusy to the CON Board on July 26, 1999—one week after the date on the IHS check.<sup>7</sup> Siegelman directed Bailey to contact the Board chair-designee to tell her that Siegelman wanted Scrusy to be vice-chair of the CON Board, and the Board so chose. Bailey testified that Siegelman made Scrusy vice-chair “[b]ecause [Scrusy] asked for it.” Scrusy stayed on the Board until January of 2001, at which time Siegelman appointed Thom Carman, HealthSouth's vice-president, to the remainder of Scrusy's term. Siegelman subsequently reappointed Carman to a full term. While Carman was on the Board, HealthSouth successfully applied for and received Certificates of Need for a mobile PET scanner and a rehabilitation hospital.

7 Seven other Board members were appointed that day.

Darren Cline, the Foundation's fundraising director, testified that Siegelman gave him the IHS check and told him it was from Scrusy. Cline was concerned about the amount of the donation from one person, and Siegelman told him to hold the check. In November of 1999, however, at Siegelman's direction, Bailey retrieved the check and opened a new checking account in the Foundation's name at a Birmingham bank. Bailey made an initial deposit of \$275,000—the \$250,000 IHS check and a \$25,000 check from another company. Cline was never told.

On March 9, 2000, the Foundation borrowed, from the same Birmingham bank, \$730,789.29 to repay the Alabama Democratic Party's debt in connection with the lottery initiative and Siegelman guaranteed the loan. At that time, the Foundation had over \$447,000 in its checking account at the bank, \$250,000 of which had come from the IHS check deposited in November of 1999. On March 13, 2000, \$440,000 was debited from the account to pay down the Foundation's loan.

In May, Siegelman and Bailey traveled to HealthSouth's headquarters in Birmingham, where Siegelman met privately with Scrusy in Scrusy's office. At that meeting, Scrusy gave Siegelman a check issued by HealthSouth for \$250,000 payable to the Foundation.<sup>8</sup> On May 23, 2000, the \$250,000 check was applied directly against the Foundation's loan balance.

8 HealthSouth's political contributions coordinator testified that she did not know about the donation until she read about it in the newspaper. The Foundation's fundraising director testified that he was not present when Scrusy gave Siegelman either of the checks.

The Foundation was required to disclose contributions received and expenditures made in statements filed with the Alabama Secretary of State. It failed to file timely any disclosure regarding any funds received until July of 2002, after Alabama newspapers questioned whether the financial dealings between the Foundation and the Alabama Democratic Party had been properly reported and the Secretary of State's Office had written a letter to the \*1168 state Attorney General's Office about the Foundation's non-disclosure of the payoff of the Democratic Party's campaign loan. All funds received were then reported.

Lanny Young was a long-time business associate of Siegelman's who testified that he was part of a "pay-to-play" arrangement with Siegelman existing over many years. He testified that he would provide money, campaign contributions, and other benefits in return for official action, as needed, that benefitted Young's business interests. He testified that in January of 2000, Siegelman asked him for \$9,200 to buy a motorcycle. The evidence was that Siegelman had already purchased the motorcycle. Young testified that he and Bailey worked out the details for the transaction.

Bailey testified that he did not want Young to give the money directly to Siegelman, so Bailey told Young to write the check to him, Bailey, which he deposited into his own account. He then wrote a check to Lori Allen, Siegelman's wife, which he gave to Siegelman and which was deposited into Siegelman's bank account that same day. There was testimony that a check written to the IRS for fourth quarter estimated taxes would not have cleared the account but for the \$9200 deposit.

By June of 2001, Siegelman was well aware of the federal-state investigation into the Foundation's finances and his dealings with Young. Bailey and Young each testified that, in an effort to cover up Young's \$9,200 payment to Siegelman, Bailey gave Young a check for \$10,503.39, on which he noted "repayment of loan [the \$9,200] plus interest" in order to make it appear that he had borrowed the \$9,200 from Young. Bailey also wrote a check to Siegelman for \$2,973.35 with the notation "balance due on m/c" to provide a reason for his borrowing money from Young, which was to purchase the motorcycle from Siegelman. Bailey testified that he did not borrow the money to buy the motorcycle, but that Young's \$9,200 had gone through him to Siegelman and "we used the motorcycle to cover it up." Bailey testified that Siegelman was aware of and approved Bailey's writing of the \$10,503.39 check to Young.

Bailey testified that he gave Siegelman the \$2,973.35 check at the office of Siegelman's attorney, who, along with Bailey's own attorney, was present for the transfer. Neither lawyer was told that the purpose of the transaction was part of the coverup of the \$9,200 payment from Young to Siegelman. Siegelman accepted the check, and provided Bailey with a bill of sale for the motorcycle, which the attorneys helped finalize. Bailey testified that he lied about the transaction to the lawyers, that he and Siegelman knew that the federal investigation was going on, and that he later lied to federal investigators about the transaction to protect himself and Siegelman.

On December 12, 2005, a grand jury returned a second superseding indictment against Siegelman and Scrusby and two other defendants.<sup>9</sup> Both Siegelman and Scrusby were charged with federal funds bribery, honest services conspiracy and honest services mail fraud.<sup>10</sup> Siegelman \*1169 was also charged with multiple counts of racketeering conspiracy, racketeering, honest services wire fraud, obstruction of justice and extortion.

9 The superseding indictment replaced an earlier version of the indictment.

10 The federal funds bribery statute criminalizes the taking of a bribe by an official of a state agency that receives over \$10,000 in federal funds annually. 18 U.S.C. § 666. Honest services mail fraud criminalizes the mailing of a letter in connection with a scheme to defraud a state agency of an official's honest services in the performance of his official duties. 18 U.S.C. §§ 1341 and 1346. The conspiracy count charged the defendants with agreeing to violate the honest services statute. 18 U.S.C. § 371.

Trial on the indictment began on May 1, 2006. On June 29, 2006, the jury convicted Siegelman and Scrusby on the bribery, conspiracy and honest services mail fraud counts, and Siegelman was convicted of one count of obstruction of justice. The jury acquitted Siegelman on the remaining twenty-two counts. The other two defendants were acquitted on all counts against them.

Siegelman and Scrusby were each sentenced to approximately seven years in federal prison.<sup>11</sup>

11 Siegelman and Scrusby were denied bond pending appeal, but a panel of this court subsequently released Siegelman pending resolution of this appeal.

On appeal, Siegelman and Scrushy together allege nine errors in the trial proceedings. With respect to the bribery, conspiracy and honest services mail fraud counts against them, defendants assert that the court's instructions erroneously failed to require the jury to find a *quid pro quo* in order to convict; that, in any event, there was insufficient evidence of any *quid pro quo*; that the bribery counts were barred by the statute of limitations; and that the trial court erroneously admitted hearsay to prove these counts. Defendants also allege that there was juror misconduct requiring the grant of a new trial and that the procedures used to select their grand and petit juries violated the Jury Selection and Services Act of 1968 and the United States Constitution. Siegelman contends that there was insufficient evidence that he obstructed justice and that the district court abused its discretion in sentencing him by upwardly departing from the Sentencing Guidelines. We shall consider each of these allegations of error in turn.

### III.

#### 1. Counts 3 and 4: Federal Funds Bribery.

The bribery statute under which defendants were convicted makes it a crime for a state official to corruptly agree to accept anything of value from another person “intending to be influenced” in that person's favor in an official action. 18 U.S.C. § 666(a)(1)(B).

Siegelman and Scrushy's bribery convictions in this case were based upon the donation Scrushy gave to Siegelman's education lottery campaign.<sup>12</sup> As such, the convictions impact the First Amendment's core values—protection of free political speech and the right to support issues of great public importance. It would be a particularly dangerous legal error from a civic point of view to instruct a jury that they may convict a defendant for his exercise of either of these constitutionally protected activities.<sup>13</sup> In a political system that is based upon raising private contributions for campaigns for public office and \*1170 for issue referenda, there is ample opportunity for that error to be committed.

12 Although the conspiracy and mail fraud counts (Counts 5–9) alleged a broader scheme for Scrushy to self-deal once on the CON Board, they also incorporated the bribery scheme alleged in Counts 3 and 4.

13 Arguably, the potential negative impact of these statutes on issue-advocacy campaigns is even more dangerous than it is to candidate-election campaigns. Issue-

advocacy campaigns are a fundamental right in a free and democratic society and contributions to them do not financially benefit the individual politician in the same way that a candidate-election campaign contribution does. Defendants assert, and we do not know otherwise, that this is the first case to be based upon issue-advocacy campaign contributions.

The Supreme Court has guarded against this possibility by interpreting federal law to require more for conviction than merely proof of a campaign donation followed by an act favorable toward the donor. *McCormick v. United States*, 500 U.S. 257, 111 S.Ct. 1807, 114 L.Ed.2d 307 (1991). In reviewing a Hobbs Act prosecution for the federal crime of extortion under color of official right, the Court said:

Serving constituents and supporting legislation that will benefit the district and individuals and groups therein is the everyday business of a legislator. It is also true that campaigns must be run and financed. Money is constantly being solicited on behalf of candidates, who run on platforms and who claim support on the basis of their views and what they intend to do or have done. Whatever ethical considerations and appearances may indicate, to hold that legislators commit the federal crime of extortion when they act for the benefit of constituents or support legislation furthering the interests of some of their constituents, shortly before or after campaign contributions are solicited and received from those beneficiaries, is an unrealistic assessment of what Congress could have meant by making it a crime to obtain property from another, with his consent, “under color of official right.” To hold otherwise would open to prosecution not only conduct that has long been thought to be well within the law but also conduct that in a very real sense is unavoidable so long as election campaigns are financed by private contributions or expenditures, as they have been from the beginning of the Nation.

*Id.* at 272, 111 S.Ct. 1807.

To avoid this result, the Court made clear that only if “payments are made in return for an *explicit* promise or undertaking by the official to perform or not to perform an official act, are they criminal.” *Id.* at 273, 111 S.Ct. 1807 (emphasis added). The Court quoted the Court of Appeals for the Fifth Circuit, which had said that:

A moment's reflection should enable one to distinguish, at least in the abstract, a legitimate solicitation from the exaction of a fee for a benefit conferred or an injury

withheld. Whether described familiarly as a payoff or with the Latinate precision of *quid pro quo*, the prohibited exchange is the same: a public official may not demand payment as inducement for the promise to perform (or not to perform) an official act.

*Id.* (quoting *United States v. Dozier*, 672 F.2d 531, 537 (5th Cir.1982)).

While the Supreme Court has not yet considered whether the federal funds bribery, conspiracy or honest services mail fraud statutes require a similar “explicit promise,” the Seventh Circuit Court of Appeals has observed that extortion and bribery are but “different sides of the same coin.” *United States v. Allen*, 10 F.3d 405, 411 (7th Cir.1993).<sup>14</sup>

14 We acknowledge, as the defendants point out, that several district courts, in unpublished opinions, have extended the *McCormick* rationale to the bribery and honest service statutes. The government points to no contrary authority, relying instead on inapposite authority not involving campaign contributions.

The district court in this case instructed the jury that they could not convict the defendants of bribery in this case unless “the defendant and the official *agree* that the official will take specific action in exchange for the thing of value.” (emphasis added). This instruction was fashioned by \*1171 the court in direct response to defendants’ request for a *quid pro quo* instruction, and was given in addition to the Eleventh Circuit’s pattern jury instruction for § 666 bribery cases. So, even if a *quid pro quo* instruction was required, such an instruction was given.

Defendants, however, assert that this instruction was inadequate under *McCormick*. Defendants assert that the instruction failed to tell the jury that not only must they find that Siegelman and Scrusby agreed to a *quid pro quo*, the CON Board seat for the donation, but that this agreement had to be *express*. We disagree that *McCormick* requires such an instruction.

*McCormick* uses the word “explicit” when describing the sort of agreement that is required to convict a defendant for extorting campaign contributions. Explicit, however, does not mean *express*. Defendants argue that only “proof of actual conversations by defendants,” will do, suggesting in their brief that only *express* words of promise overheard by third parties or by means of electronic surveillance will do.

But *McCormick* does not impose such a stringent standard. One year after *McCormick*, the Supreme Court approved the following jury instruction:

However, if a public official demands or accepts money in exchange for [a] specific requested exercise of his or her official power, such a demand or acceptance does constitute a violation of the [federal extortion statute] regardless of whether the payment is made in the form of a campaign contribution.

*Evans v. United States*, 504 U.S. 255, 258, 112 S.Ct. 1881, 119 L.Ed.2d 57 (1992). The Court held that the instruction “satisfies the *quid pro quo* requirement of *McCormick v. United States*.” *Id.* at 268, 112 S.Ct. 1881. The Court said that the “Government need only show that a public official has obtained a payment to which he was not entitled, knowing that the payment was made in return for official acts.” *Id.*

3 The instruction approved in *Evans* required that the acceptance of the campaign donation be in return for a *specific* official action—a *quid pro quo*.<sup>15</sup> No generalized expectation of some future favorable action will do. The official must agree to take or forego some specific action in order for the doing of it to be criminal under § 666. In the absence of such an agreement on a specific action, even a close-in-time relationship between the donation and the act will not suffice.

15 The Latin means “something for something,” *Black’s Law Dictionary* 1282 (8th ed. 2004).

4 But there is no requirement that this agreement be memorialized in a writing, or even, as defendants suggest, be overheard by a third party. Since the agreement is for some specific action or inaction, the agreement must be *explicit*, but there is no requirement that it be *express*. To hold otherwise, as Justice Kennedy noted in *Evans*, would allow defendants to escape criminal liability through “knowing winks and nods.” 504 U.S. at 274, 112 S.Ct. 1881 (Kennedy, J. concurring). See also *United States v. Blandford*, 33 F.3d 685, 696 (6th Cir.1994) (“*Evans* instructed that by ‘explicit’ *McCormick* did not mean *express*”); accord *United States v. Giles*, 246 F.3d 966, 972 (7th Cir.2001); *United States v. Tucker*, 133 F.3d 1208, 1215 (9th Cir.1998); \*1172 *United States v. Hairston*, 46 F.3d 361, 365 (4th Cir.1995).<sup>16</sup>

16 Nor is this court’s prior holding in *United States v. Davis*, 30 F.3d 108 (11th Cir.1994), to the contrary. In *Davis*, we acknowledged that, after *McCormick*, “an explicit promise by a public official to act or not act

is an essential element of Hobbs Act extortion, and the defendant is entitled to a reasonably clear jury instruction to that effect.” *Id.* at 108. We reversed Davis’ conviction not only because his jury did not receive a reasonably clear instruction, but because the court in that case “informed the jury that ‘a specific *quid pro quo* is not always necessary for a public official to be guilty of extortion.’ ” *Id.*

5 Furthermore, an explicit agreement may be “implied from [the official’s] words and actions.” *Evans*, 504 U.S. at 274, 112 S.Ct. 1881 (Kennedy, J., concurring). As Justice Kennedy explained:

The criminal law in the usual course concerns itself with motives and consequences, not formalities. And the [jury] is quite capable of deciding the intent with which words were spoken or actions taken as well as the reasonable construction given to them by the official and the payor.

*Id.* See also *United States v. Massey*, 89 F.3d 1433, 1439 (11th Cir.1996) (holding that bribery conviction under general federal bribery statute, 18 U.S.C. § 201, may be supported by “inferences drawn from relevant and competent circumstantial evidence”).

6 7 In this case, the jury was instructed that they could not convict the defendants of bribery unless they found that “the Defendant and official *agree[d]* that the official will take *specific* action in *exchange* for the thing of value.” This instruction required the jury to find an agreement to exchange a specific official action for a campaign contribution. Finding this fact would satisfy *McCormick’s* requirement for an explicit agreement involving a *quid pro quo*. Therefore, even assuming a *quid pro quo* instruction is required to convict the defendants under § 666, we find no reversible error in the bribery instructions given by the district court.<sup>17</sup> Furthermore, the evidence of a corrupt agreement between Siegelman and Scrushy to exchange the CON Board seat for a campaign donation was sufficient to permit a reasonable juror to find such a *quid pro quo*.

17 *Skilling* did not deal with federal funds bribery under § 666 at all and, so, does not affect our consideration of these counts of conviction.

## 2. Counts 5, 6, 7, 8, 9: Honest Services Mail Fraud & Conspiracy

Counts 6, 7, 8 and 9 charge Siegelman and Scrushy with violations of 18 U.S.C. §§ 1341 and 1346, which criminalize

the use of the mails “to deprive another of the intangible right of honest services.” Count 5 charges the defendants with a conspiracy to commit these “honest services” offenses, in violation of 18 U.S.C. § 371. Both defendants were convicted of all these counts.

After the defendants were convicted, the Supreme Court had the opportunity to consider the reach of these honest services criminal statutes. In *Skilling v. United States*, 561 U.S. —, 130 S.Ct. 2896, 177 L.Ed.2d 619 (2010), the Court held that Congress intended these statutes to reach only those schemes to defraud the public that are based upon allegations of bribery and/or kickbacks.<sup>18</sup> After *Skilling*, therefore, \*1173 prosecutions based upon any other theory—for example, self-dealing—are not permitted. The defendants contend that *Skilling*, and other errors, require that their honest services convictions be overturned.

18 Deprivation of an intangible right to honest services was a lower court sanctioned theory of prosecution under the mail fraud statute—§ 1341—at one time. In *McNally v. United States*, 483 U.S. 350, 360, 107 S.Ct. 2875, 97 L.Ed.2d 292 (1987), however, the Supreme Court held that the mail fraud statute reached only schemes to defraud another of tangible property. Congress responded almost immediately by enacting § 1346, which broadened mail fraud to reach schemes to defraud another of the intangible right to honest services. After twenty years of widely diverging theories as to what could be prosecuted as a deprivation of honest services, the Court in *Skilling* clarified that Congress intended to reenact only that portion of the *pre-McNally* case law that was aimed at bribery and kickback schemes. 130 S.Ct. at 2905.

### A. Counts 6 and 7: The Bribery of Siegelman as Honest Services Fraud

Counts 6 and 7 charge that Scrushy’s bribery of Siegelman deprived the public of the right to the defendant’s honest services. Thus, there is no *Skilling* error here—a bribery (or kickback) scheme is required under *Skilling* and one was alleged.

8 Notwithstanding this fact, the defendants assert that their convictions on these counts must be reversed because the jury was not instructed that the government was required to prove a *quid pro quo* in order to convict them on a bribery theory of honest services fraud.<sup>19</sup> We find no merit in this contention.

19 This is the same argument defendants asserted as to the § 666 bribery instructions.

The honest services fraud alleged in Counts 6 and 7 of the indictment is predicated upon the same pay-to-play scheme that was alleged in the § 666 bribery counts—Counts 3 and 4.<sup>20</sup> Without deciding whether a *quid pro quo* must be proved in an honest services bribery prosecution,<sup>21</sup> we hold that any error in the \*1174 honest services instructions as to Counts 6 and 7 was harmless. Since Counts 6 and 7 re-allege the pay-to-play scheme charged in Counts 3 and 4, the jury instructions as to all these counts may be read in tandem. On Counts 3 and 4, the jury was instructed that they could not convict Scrusby of bribing Siegelman unless they found that the defendants “agree[d] that the official will take specific action in exchange for the thing of value.” Having been instructed they must find a *quid pro quo* to convict of the bribery alleged in Counts 3 and 4, and having done so, any error in the honest services instructions as to Counts 6 and 7 was harmless. See *Cupp v. Naughten*, 414 U.S. 141, 148–48, 94 S.Ct. 396, 38 L.Ed.2d 368. (1973) (jury instructions must be evaluated as a whole). Therefore, we shall affirm defendants' convictions on Counts 5, 6 and 7.<sup>22</sup>

20 Count 6 charges mail fraud in connection with the mailing of a letter appointing Thom Carman as Scrusby's replacement on the CON Board. Count 7 charges a mailing in connection with Carman's reappointment to the Board.

21 *Skilling* limited § 1346 to bribery and kickback schemes, holding that, in the absence of such narrowing, the statute would provide insufficient notice of what conduct is prohibited by it. The Court's rationale reminds us that even the narrowed honest services statute must provide constitutionally adequate notice of what conduct is prohibited.

Since a campaign donation—unlike bags of cash delivered to the official himself—is protected First Amendment activity and, indeed, the normal course of politics in this country, due process requires that the potential campaign donor have notice of what sort of conduct is prohibited. Absent an explicit agreement to “buy an appointment” there is nothing inherently corrupt about a donation followed by an appointment. It is the corrupt *agreement* that transforms the exchange from a First Amendment protected campaign contribution and a subsequent appointment by a grateful governor into an unprotected crime.

In *McCormick*, which interpreted the extortion under color of official right statute, the Court required such an agreement—a *quid pro quo*—in order to prove that the official and the campaign contributor *corruptly*

*agreed* to a *specific exchange*. In so doing, the Court protected both the First and the Fifth Amendments by reading the statute to require an agreement to swap money for office, thereby putting both government officials and potential contributors on notice that such an agreement would subject them to prosecution.

Although *Skilling* refers us to the *pre-McNally* bribery cases as examples of the fact patterns that would supply notice of what constitutes an honest services bribery violation, none of these cases was a campaign donation case. After *Skilling*, it may well be that the honest services fraud statute, like the extortion statute in *McCormick*, requires a *quid pro quo* in a campaign donation case. Thus seen, § 1346 would criminalize only the *agreement* to exchange a campaign donation for an appointment. The official's duty to provide honest services, which includes the duty to exercise his appointment powers independently of the receipt of any campaign donation, would be violated only by an agreement to exchange an appointment for a campaign donation. Such an agreement would amount to the official's “selling” to the appointee the official's duty and authority to make appointments.

22 We held above that the evidence of a bribery scheme was sufficient to support the jury's verdict as to Counts 3 and 4, and, similarly, we hold it sufficient as to the same scheme alleged in Counts 5, 6, and 7.

### B. Counts 8 and 9: Scrusby's Self-Dealing

Counts 8 and 9 allege a broader scheme than that alleged in Counts 6 and 7. These counts allege that Scrusby “would and did use his seat on the CON Board to attempt to affect the interests of HealthSouth and its competitors,” and that Scrusby “would and did offer things of value to another Board member to attempt to affect the interests of HealthSouth and its competitors.”<sup>23</sup> Although Scrusby was not on the Board when the alleged self-dealing occurred, the indictment charged that it was part of the scheme that Siegelman and Scrusby “orchestrated Scrusby's replacement on the Board by another person employed by HealthSouth.” The mailings charged in connection with these allegations were letters sent by the Board to HealthSouth, notifying it that it had been awarded Certificates of Need in connection with the rehabilitation hospital (Count 8) and the PET scanner (Count 9).

23 The government's initial brief on appeal states that, as to Counts 8 and 9, “the jury had to find that Scrusby and Siegelman intended to deprive the public of their right to honest services and intended to deceive the public, and

that Siegelman intended to alter his official actions as a result of Scrushy's purported campaign contributions." Red Brief, p. 53–54 (emphasis added).

9 Although Counts 8 and 9 incorporate the bribery scheme, thus surviving *Skilling*, they allege a broader scheme of which, Siegelman argues, he was unaware and in which he did not participate. He contends that there was no evidence at trial to link him to Scrushy's self-dealing scheme. We agree.

Siegelman may be held criminally liable for Scrushy's conduct on the Board only if he was a knowing party to a scheme that included that conduct. *United States v. Toney*, 598 F.2d 1349, 1355 (5th Cir.1979). It was the government's theory, argued at trial and in its brief on appeal, that not only did Siegelman know that Scrushy wanted the seat in order to self-deal on the CON Board, but that "it was certainly foreseeable to Siegelman that Scrushy would bribe another Board member to further HealthSouth's interests" since "[a]fter all, Scrushy paid Siegelman \$500,000 to get HealthSouth a seat on the Board in the first place." The problem for the government is that there was scant evidence at trial to support this position.

The evidence at trial was that Scrushy resigned from his seat on the Board in \*1175 January of 2001 and that, the next day, Siegelman appointed Thom Carman, HealthSouth vice-president, to the remainder of the term. When Scrushy's term expired in July, Siegelman reappointed Carman.

While on the Board, Carman employed another member of the Board, Tim Adams, to prepare the application for the PET scanner, paying him \$8000 to do so.<sup>24</sup> There was also testimony that Adams was paid another \$3000 for "additional work he apparently had done on the PET scanner application" in return for his agreement to attend the CON Board meeting at which HealthSouth's application for a rehabilitation hospital in Phenix City was considered. At the meeting, Carman recused himself from voting on the application. Adams attended, and although he abstained from voting, under the Board's rules, his abstention did not affect the quorum his presence established, thus permitting a vote to be taken. There was no opposition to the application and the Board unanimously approved the application.

24 There was testimony that Adams had never written a CON Board application, and that his work was substandard.

Six months later, the PET scanner application was also approved. At this meeting, Adams' presence was

not necessary to the quorum. Carman recused himself, and Adams abstained from voting. The application was unopposed and passed unanimously.

Alva Lambert, the Executive Director of the Board, testified that unopposed applications were routinely approved, and that both these applications were consistent with prior Board actions. There was no evidence that Siegelman knew of Carman's actions in hiring Adams to prepare the application. There was no evidence that he knew of any of these Board actions.

The testimony in support of the government's allegation of a pay-to-play scheme whereby Scrushy paid Siegelman for a seat on the CON Board came principally from Bailey, Martin, Young, McGahan, and Skelton. Of these witnesses, only Skelton, HealthSouth's lawyer in charge of certificates of need, had any knowledge about Scrushy's subsequent alleged self-dealing while on the CON Board. Her testimony, however, did not mention Siegelman. Alva Lambert, the Executive Director of the CON Board during the relevant time and the other primary government witness in support of the allegations of Scrushy self-dealing, testified that the Siegelman CON Board was an "extremely well-balanced" Board, that CON Boards had never to his knowledge turned down an application for a PET scanner, and that he never saw Siegelman exert any influence or try to exert any influence whatsoever over a Board decision.

Neither in its brief nor at oral argument did the government point to *any* testimony in support of its allegation that Siegelman and Scrushy agreed to a broader scheme in which Scrushy would self-deal on the Board. Nor has our independent and careful review of record revealed any.

Rather, the government's brief argues that Siegelman's knowing participation in the broader self-dealing scheme may be inferred from three facts proven at trial: first, that Siegelman and Scrushy agreed to exchange the CON Board seat for money; second, that the amended Foundation financial statements that disclosed the Scrushy donations, which were filed around the time of the mailings, did not list Scrushy as the ultimate source of the IHS check; and third, that Siegelman was still governor when the PET scanner and \*1176 Phenix City projects were approved and could have removed Scrushy or Carman from the Board at any time. The first two of these facts relate primarily to the initial pay-to-play scheme, and the final fact is not sufficient to show participation in a broader scheme, much less knowing

participation. None is remotely sufficient to permit a jury to infer that Siegelman agreed to a broader self-dealing scheme.

In view of this absolute lack of any evidence whatsoever from which the jury could infer that Siegelman knowingly agreed to or participated in a broader scheme that included Scrushy's alleged subsequent self-dealing while on the Board, we shall reverse Siegelman's convictions on Counts 8 and 9.

**10** As to Scrushy's convictions on Counts 8 and 9, one thing is clear. After *Skilling*, his conviction cannot rest upon the self-dealing theory articulated in the indictment. The government, therefore, points to other allegations in Counts 8 and 9 that Scrushy bribed Tim Adams (a member of the CON Board) in order to obtain favorable CON Board action on the two HealthSouth applications. This post-*Skilling* theory of Scrushy's honest services fraud as to the Board remains viable. The issue on appeal, then, is whether the government sufficiently proved that Scrushy bribed Adams.<sup>25</sup>

**25** Scrushy did not challenge the sufficiency of the evidence as to Counts 8 and 9 in his initial brief on appeal. He did challenge the legal sufficiency of the charges. This challenge has now been vindicated by *Skilling*. In view of the fact that the government has now offered a bribery theory in support of the convictions on these counts, he is entitled to challenge that evidence this time around.

The government's proof of these allegations was that Scrushy resigned from his seat on the CON Board in January of 2001 and that, the next day, Siegelman appointed Thom Carman, HealthSouth vice-president, to the remainder of the term.

Carman employed another member of the Board, Tim Adams, to prepare the application for the PET scanner, paying him \$8000 for the work. There was testimony that Scrushy "was aware" of this. There was also testimony that Adams was paid another \$3000 for "additional work he apparently had done on the PET scanner application" in return for his agreement to attend the CON Board meeting at which HealthSouth's application for a rehabilitation hospital in Phenix City was considered. Lori Skelton, a HealthSouth lawyer testified that Adams had never written a CON Board application and that his work was substandard. At the meeting during which the hospital application was considered, Adams attended but abstained from voting, as he had prepared the application. Under the rules, his abstention did not affect the quorum, thus permitting a vote to be taken. There was no opposition to the application and the Board unanimously approved the application.

Six months later the PET scanner application was also approved. At this meeting, Adams' presence was not necessary to the quorum, and he again abstained from voting. The application was unopposed and passed unanimously. Alva Lambert, the Executive Director of the board testified that the unopposed applications were routinely approved, and that both these applications were consistent with prior board actions. There was no evidence that Scrushy knew of any of these actions.

During closing, the government primarily argued the Siegelman/Scrushy pay-to-play conspiracy, but did say that:

[Scrushy's] own lawyer [Skelton] told you that Adams began to ask him for \*1177 stuff, and they began to be concerned that he was trying to use his position. And they were concerned that he might harm their interests. So what did they do? Did they report him? No, because that's not why Scrushy was up here. He was trying to influence him. What did he do? He paid him, even though his lawyer told him you need to leave this guy alone; this isn't good.

The government also argued that, as a result of the CON Board seat, Scrushy was able "to start manipulating Tim Adams' activities, start courting him and bringing him down and engaging in agreements to give him money."

We conclude that the evidence that Scrushy bribed Adams is insufficient to support Scrushy's conviction on these counts. The evidence at best shows only that Skelton hired Adams to prepare the scanner application, which he did, and for which he was paid. Scrushy was "aware" of this.

The government's case, even in Counts 8 and 9, was always primarily focused on the pay-to-play scheme between Scrushy and Siegelman. The vast majority of the allegations and testimony went to prove this scheme. The government always described the scheme alleged in Counts 8 and 9 as self-dealing, and its attempt now—post-*Skilling*—to emphasize the alleged bribery of Adams finds some, but not much, support in the proof. The evidence that Adams intended to alter his official actions as a result of the receipt of benefits from Scrushy is insufficient, and Scrushy's convictions on Counts 8 and 9 must be reversed.<sup>26</sup>

**26** The legal sufficiency of the jury instruction regarding the bribery of Adams is not discussed here because we find the evidence insufficient to support the jury's verdict. But we note that the Adams bribery could not benefit from the same spill over effect of the *quid pro quo* instruction given in the § 666

instructions, since it was a different bribery. Therefore, the honest services jury instruction would have to support Scrusby's convictions on these counts, and that instruction is deficient if a *quid pro quo* is required for conviction. The instruction required that "they intended to alter their official actions as a result of the receipt of campaign contributions or other benefits." The instruction conveys the requirements for a *quid*—a campaign contribution—and a *quo* an official action—but the "as a result of" language fails adequately to require the *pro*—the corrupt agreement to make a specific exchange.

### 3. Count 17: Obstruction of Justice

Siegelman was charged with two counts of obstruction of justice.<sup>27</sup> The indictment alleged and the government undertook to prove that eighteen months after the \$9200 pay-to-play payment to Siegelman from Lanny Young, Siegelman and Bailey became aware of the federal-state corruption investigation and instigated a series of sham check transactions in an effort to cover up the payment. The coverup was designed to make it appear that Bailey had borrowed the \$9200 from Young so that he could buy a motorcycle from Siegelman.

- 27 Section 1512(b)(3) provides in pertinent part:
- Whoever knowingly uses intimidation, threatens, or corruptly persuades another person, or attempts to do so, or engages in misleading conduct toward another person, with intent to—
- ...
- (3) hinder, delay, or prevent the communication to a law enforcement officer or judge of the United States of information relating to the commission or possible commission of a Federal offense ...

Count 16 alleged that Siegelman corruptly persuaded Bailey to write a check for \$10,503 to Young with the notation "repayment of loan plus interest." Count 17 alleged that Siegelman corruptly persuaded Bailey to write and give him a \*1178 check for \$2973.35 with the notation on it that it was the "balance due on m/c." Count 17 also alleged that Siegelman engaged in misleading Bailey's attorney with the intent to hinder or prevent the attorney's communication of information regarding these transactions to the FBI.

The jury acquitted Siegelman of Count 16, but convicted him on Count 17. Siegelman contends that the evidence was insufficient to show that he persuaded Bailey to write the check charged in Count 17 or that he misled Bailey's attorney. We turn now to the evidence.

At trial, Young testified that in January of 2000, Siegelman asked him for \$9200 to buy a motorcycle and that he gave it to Siegelman as part of the pay-to-play, on-going agreement he had with Siegelman. He also testified that, eighteen months later, after the federal-state corruption investigation began, he and Bailey had the following conversation:

Young: Right after the investigation started, Nick [Bailey] called me and asked me if I could recall how I made out the check for the motorcycle. And I said—on what account I had written the check for the motorcycle. And I said no, why? He said because if it's on one of your personal accounts, you are going to have a motorcycle in your driveway tonight.

Bailey testified that the coverup began when:

Bailey: I found out about the investigation that was going on with Lanny—could have involved others; we weren't sure at the time. I wanted to repay Lanny's \$9200. I did it in the form of a check. Did a promissory note with Lanny to repay this \$9200 plus interest, \$10,503.

Bailey gave the following testimony regarding Siegelman's involvement in this first step in the coverup:

Government: When you went to write this check to Lanny [Young] to disguise this earlier transaction, did you do that with the knowledge of the Governor?

Bailey: Yes.

Government: Did you talk to him about it before you did it?

Bailey: Yes.

Government: Was he in agreement with you doing that?

Bailey: Yes.

Government: When you talked to him about why you were going to do that, did you guys talk about the fact that this criminal investigation was going on?

Bailey: Yes.

Government: What were you and the Governor trying to accomplish when you wrote that check back to Lanny Young 17 months after that check had been written for \$9200 to the Governor?

Bailey: To disguise the \$9200 that went from Lanny to me to the Governor.

Young's testimony regarding the purported repayment was:

Government: Had you loaned Nick Bailey any money that would cause him to give you that \$10,503 check?

Young: No.

Government: Well, what was going on when he wrote you that check, if you know?

Young: He was trying to make the \$9200 look like a loan.

Bailey testified that the final step in the coverup was to give Siegelman a \$2,793.35 check with the notation on it that it was "balance due on m/c" to make it appear \*1179 that the check was Bailey's final payment for the motorcycle. His testimony about Siegelman's involvement in this step of the coverup was:

Government: What was going on here?

Bailey: We made a decision to finalize the agreement we made regarding the motorcycle early on, and this was to finish that. We met at the Governor's attorney's office and with my attorney, and that's when I finished paying the Governor in full for the motorcycle to carry out the plan that we had entered into probably 12 to 18 months earlier.

Government: And what was that plan?

Bailey: To disguise the \$9200 from Lanny to the Governor.

Finally, Bailey testified regarding his interview with the FBI regarding this meeting:

Government: Now, not long after [he gave the check to Siegelman] you had an occasion to be interviewed by federal and state criminal investigators, didn't you.

Bailey: Yes, sir.

Government: When they questioned you about this transaction on that occasion, did you tell them the truth about what had happened?

Bailey: No.

Government: Why not?

Bailey: There were a number of reasons; but primarily, I was still trying to protect myself and my boss.

The jury considered all of this testimony and found Siegelman guilty of the obstruction of justice charged in Count 17, but not in Count 16. This means that the jury decided, as a matter of fact, that Siegelman persuaded Bailey to write the check for \$2973.35, but not the initial check for \$10,500.

**11** In evaluating the sufficiency of the evidence to support the jury's verdict, we are required to "view the evidence in the light most favorable to the government and resolve all reasonable inferences and credibility evaluations in favor of the jury's verdict." *United States v. Robertson*, 493 F.3d 1322, 1329 (11th Cir.2007). The evidence needs not "be wholly inconsistent with every conclusion except that of guilt, provided that a reasonable trier of fact could find that the evidence established guilt beyond a reasonable doubt." *Id.* (internal quotation marks omitted).

A reasonable juror could have concluded that Siegelman persuaded Bailey (he asked and Bailey agreed) to take the final step in the coverup by giving him a \$2793.35 check with the notation that it was final payment for the motorcycle. *See United States v. Tocco*, 135 F.3d 116, 126–27 (2d Cir.1998) (affirming jury inference of persuasion from defendant's strong influence over witness who was employee); *United States v. Morrison*, 98 F.3d 619, 629–30 (D.C.Cir.1996) (making a request sufficient persuasion). The testimony was that Siegelman knew and agreed that Bailey would disguise Young's payment to Siegelman as a loan to Bailey to buy the motorcycle by "paying back" Young with his own check. The evidence further showed that Siegelman accepted and cashed the \$2973.35 check from Bailey with the notation that it was final payment for the motorcycle. Finally, the jury had heard testimony that Bailey always did what Siegelman asked him to do.

The jury's acquittal on Count 16 shows that it was not convinced beyond a reasonable doubt that Siegelman instigated the coverup by directing Bailey to "pay back" Young with the initial \$10,500 check. But, by the time Bailey wrote the check to Siegelman for \$2793.35, just over four months later, as a final step in the coverup, \*1180 the jury's conviction on Count 17 indicates that it concluded Siegelman not only knew what Bailey was doing to cover up Young's corrupt payment, but that he was directing the coverup by persuading Bailey to write the check to him.

This sort of split verdict is itself evidence that the jury considered the charges carefully and individually, addressed the strength of the evidence on each charge, and reached a reasoned conclusion. *See United States v. Dominguez*, 226 F.3d 1235, 1248 (11th Cir.2000) (making these comments in the context of allegations of premature jury deliberations).

Siegelman's argument against the sufficiency of this evidence is the same he made against his convictions on virtually all the other counts—that the evidence in this case was not perfect, that it relied too heavily on circumstances and required the jury to draw inferences from those circumstances that might have been drawn differently by different jurors.

**12** But this is far too academic a view of trial by jury. In the absence of a defendant's confession or observation of his wrongdoing by a third person, proof by circumstantial evidence and the fair inferences to be drawn therefrom is both necessary and permissible. Siegelman's contention throughout his brief that “there was no evidence” to support a particular inference too often means merely that there was no evidence other than Bailey or Young's testimony. While Siegelman may not approve that the testimony of co-conspirators was sufficient to support the jury's findings of fact, the jury was free to disregard or disbelieve it. They believed it.

**13** With respect to the “misleading” prong of the statute, the evidence was more than sufficient to support the jury's finding that the delivery of the final check in the presence of the two lawyers and the use of the lawyers to “finalize” the sale of the motorcycle to Bailey was an attempt to “create witnesses as part of a cover-up and to use unwitting third parties or entities to deflect the efforts of law enforcement agents in discovering the truth,” *United States v. Veal*, 153 F.3d 1233, 1247 (11th Cir.1998) (statute satisfied by “the *possibility* or *likelihood* that [the defendants'] false and misleading information would be transferred to federal authorities ...”). The jury was entitled to infer from the sham check transaction in Bailey's lawyer's presence that Siegelman intended to mislead the lawyer into believing that the transaction was legitimate, that Bailey had, indeed, purchased the motorcycle from him, and that the check was final payment. As the “unwitting third party,” the lawyer would be in a position factually to support the coverup since Siegelman clearly knew that there was a “possibility” that the federal investigators would come asking.<sup>28</sup>

<sup>28</sup> Indeed, the “bill of sale” for the motorcycle, prepared by the attorneys, was introduced at this trial. Similarly, Bailey had also delivered the “loan re-payment” check

for \$10,503.39 to Young in the office of Young's lawyer.

#### 4. Admission of a Co-conspirator's Statement

Defendants challenge the admission of Hanson's out-of-court statement to Martin at a HealthSouth retreat in the fall of 1999. Martin testified that Hanson “was bragging about the fact that he was able to get [HealthSouth] a spot on the CON Board with the help of the [IHS] check.”

Under Fed.R.Evid. 801(d)(2)(E), a court has the discretion to admit co-conspirator statements made during and in furtherance of the conspiracy. The court's admission **\*1181** of such statements is an abuse of its discretion to do so if the statements do not meet this legal standard. *United States v. Magluta*, 418 F.3d 1166 (11th Cir.2005).

**14 15 16 17** This court applies a liberal standard in determining whether a statement was in furtherance of a conspiracy. *United States v. Santiago*, 837 F.2d 1545, 1549 (11th Cir.1988). “The statement need not be necessary to the conspiracy, but must only further the interests of the conspiracy in some way.” *United States v. Miles*, 290 F.3d 1341, 1351 (11th Cir.2002). “[I]f the statement ‘could have been intended to affect future dealings between the parties,’ then the statement is in furtherance of a conspiracy.” *United States v. Caraza*, 843 F.2d 432, 436 (11th Cir.1988) (quoting *United States v. Patton*, 594 F.2d 444, 447 (5th Cir.1979)). Finally, “[s]tatements between conspirators which provide reassurance, serve to maintain trust and cohesiveness among them, or inform each other of the current status of the conspiracy further the ends of the conspiracy ....” *United States v. Ammar*, 714 F.2d 238, 252 (3d Cir.1983). Even defendants concede that boasting or bragging is in furtherance of a conspiracy if the statements are directed at obtaining the confidence or allaying the suspicions of co-conspirators. *Santiago*, 837 F.2d at 1549.

**18** Hanson's statement at the HealthSouth retreat furthered the conspiracy. We agree with the government that, given Martin's own involvement in the conspiracy (obtaining the IHS check), Hanson's bragging to him about purchasing the CON Board seat “with the help of” the IHS check informed Martin that their plan had worked and that Martin's involvement had helped. This alone is sufficient to permit its introduction under *Ammar*, 714 F.2d at 252. Additionally, however, the statement is easily seen to affect the co-conspirators' future dealings because Martin's assistance might be needed in connection with the second \$250,000

donation and Hanson knew this. Thus, Hanson's statement easily meets the *Caraza* standard. 843 F.2d at 436 (approving statement admitted after several acts of conspiracy helping to ensure final acts). The district court did not abuse its discretion in admitting this evidence.

### 5. Juror Misconduct

19 Defendants filed a joint motion for a new trial under Fed.R.Crim.P. 33(a), alleging juror misconduct by way of both juror exposure to extraneous information as well as by improper juror deliberation and that each impropriety violated the Sixth Amendment and requires a new trial.<sup>29</sup> After conducting two evidentiary hearings on this issue,<sup>30</sup> the district court held that no substantial violation of the Sixth Amendment occurred that required a new trial. We review the denial of a motion for new trial based on alleged juror misconduct for an abuse of discretion. *United States v. Venske*, 296 F.3d 1284, 1290 (11th Cir.2002).<sup>31</sup> We will consider each of the claims of misconduct in turn.

29 Scrusby has moved this court to appoint a special master under Fed. R. App. R. 48 to investigate the matter. The request is denied.

30 In the first of these hearings, the court considered the affidavit of Juror 5 to determine whether it established sufficient reason to conduct further inquiry, concluding that it did.

31 Of course, the district court's findings of facts supporting its legal conclusion are reviewed only for clear error. *United States v. Cuthel*, 903 F.2d 1381, 1383 (11th Cir.1990).

#### A. Juror Exposure to Extraneous Information

20 The Sixth Amendment to the United States Constitution guarantees the \*1182 right to trial by an impartial jury. U.S. Const. amend. VI. To protect the right to an impartial jury, the Supreme Court has recognized that “[d]ue process means a jury capable and willing to decide the case solely on the evidence before it, and a trial judge ever watchful to prevent prejudicial occurrences and to determine the effect of such occurrences when they happen.” *Smith v. Phillips*, 455 U.S. 209, 217, 102 S.Ct. 940, 71 L.Ed.2d 78 (1982). The jury must determine guilt solely on the basis of the evidence presented at trial and the court's instructions as to the applicable law. *Turner v. Louisiana*, 379 U.S. 466, 472–73, 85 S.Ct. 546, 13 L.Ed.2d 424 (1965).

21 22 We presume, however, that the jury has been impartial. *United States v. Winkle*, 587 F.2d 705, 714 (5th Cir.1979).<sup>32</sup> A defendant who alleges denial of this right resulting from juror exposure to extraneous information has the burden of making a colorable showing that the exposure has, in fact, occurred. *Id.* See also *United States v. Ayarza–Garcia*, 819 F.2d 1043, 1051 (11th Cir.1987). If the defendant does so, prejudice to the defendant is presumed and the burden shifts to the government to show “that the jurors' consideration of extrinsic evidence was harmless to the defendant.” *Remmer v. United States*, 347 U.S. 227, 74 S.Ct. 450, 98 L.Ed. 654 (1954); *United States v. Ronda*, 455 F.3d 1273, 1299 (11th Cir.2006).<sup>33</sup>

32 All decisions of the Fifth Circuit prior to October 1, 1981, when this court was established, have been adopted as decisions of this court. *Bonner v. Prichard*, 661 F.2d 1206, 1209 (11th Cir.1981).

33 *Ronda* recognized that there has been some inconsistency in our application of *Remmer*, but, as in *Ronda*, we decline to consider this issue because it has no bearing on the outcome. 455 F.3d at 1299 n. 36.

23 If the district court concludes the exposure to the extrinsic evidence was harmless to the defendant, on appeal, we review this conclusion for an abuse of discretion. *Id.* at 1296 n. 33. In doing so, we look at all the circumstances and we consider: (1) the nature of the extrinsic evidence; (2) the manner in which it reached the jury; (3) the factual findings in the district court and the manner of the court's inquiry into the juror issues; and, (4) the strength of the government's case. *Id.* at 1299–1300.

Defendants attached several exhibits to their motion regarding juror misconduct, including news articles after the trial and copies of affidavits by Juror 5 and his wife and his wife's pastor. This material, especially the affidavit of Juror 5, suggested that, during the trial, some of the jurors may have seen information about the trial on the internet.

Finding that the defendants had made a colorable showing of extrinsic influence on the jury, the district court held a hearing to which all twelve jurors were summoned and told to bring with them any material related to outside information that they or any other juror considered during trial or deliberations. At the hearing, the court asked each juror a series of twelve questions designed to reveal the nature and extent of any extrinsic evidence to which the jurors were exposed.<sup>34</sup> Each juror testified under oath in response to the twelve questions and follow-up questions.

34 These questions are attached as Exhibit “A” to this opinion.

Based upon this testimony, the district court found that there was credible evidence establishing that during deliberations some of the jurors were exposed to the following extrinsic evidence: (1) a copy of the Second Superseding Indictment obtained \*1183 from the district court's own website; and (2) juror information from the website concerning the foreperson's obligation to preside over the jury's deliberations and to give every juror a fair opportunity to express his views.

### 1. Exposure to a Book About the Role of the Foreperson

24 As a matter of fact, and based upon the testimony given by the jurors in the hearing, the district court found that the extrinsic evidence accessed from the district court's own website by Juror 7 and mentioned by him in jury deliberations did not pertain to any substantive issue in defendants' trial. It concerned only the process of deliberation. Furthermore, it did not contradict any instruction given by the court, was consulted and discussed for only a few moments of a more than five-day deliberation. It was discussed to encourage full participation by all the jurors. The district court concluded that the exposure of the jury to this extrinsic information was harmless to the defendants.

We agree. In substantially similar circumstances, we affirmed a district court's decision that a new trial was not required in a case where the jury foreman went to the library and checked out a book entitled *What You Need to Know for Jury Duty*, and then exposed the jury to it. *United States v. De La Vega*, 913 F.2d 861, 869 (11th Cir.1990). In that case, the foreperson read the book, implemented suggestions for jury procedures outlined in the book, brought the book to the jury room, and showed some other jurors a page in the book that outlined organizational steps for deliberation. *Id.* at 869–70. We held that the district court did not abuse its discretion in concluding that there was no reasonable possibility that the introduction of this extrinsic information prejudiced the defendants such that a new trial was required. *Id.* at 870–71.

The district court did not abuse its discretion in concluding that the introduction of similar information in this case was harmless beyond a reasonable doubt. The district court carefully investigated this matter. Its factual findings that this information was unrelated to the charges or any evidentiary matter in the case, and that it was introduced by a juror, not an outside influence, are not clearly erroneous. Furthermore,

the district court held, and we agree, that the government's case was strong on the counts of conviction. In view of these findings, we conclude that the district court did not abuse its discretion in holding that there was no reasonable possibility of prejudice to the defendants arising out of the exposure of the jury to this extrinsic evidence and denying the motion for a new trial.

### 2. Exposure to the Unredacted Second Superseding Indictment

During trial, the district court granted the government's motion to cure what the court had determined was multiplicitous charging of the federal funds bribery counts by removing reference to Siegelman in Count 4 and to Scrusby in Count 3 of the Second Superseding Indictment.<sup>35</sup> The district court provided the jury with a copy of the resulting redacted Second Superseding Indictment for its deliberations.

35 The government had charged both in each count, thereby permitting each to be convicted twice for the same offense.

25 Based upon its questioning of the jurors, the district court found that Juror 7 and Juror 40 accessed a copy of the unredacted Second Superseding Indictment early during the jury's deliberations. \*1184 They each obtained the indictment from the court's website in order to be able to review the allegations outside of the jury deliberation room. Additionally, some other members of the jury became aware that Jurors 7 and 40 had spent time outside of the jury room reviewing the content of this document. While the jury did not discuss this fact at length, it did discuss it. There was no evidence, however, that any members of the jury other than Jurors 7 and 40 actually read the unredacted Second Superseding Indictment, or that either Juror 7 or Juror 40 ever realized that there was any difference between the two indictments.

The district court found that the two jurors had been exposed to the unredacted indictment, which was extrinsic information, and that other jurors had been exposed to the fact that those jurors had obtained a copy of the document from the internet. Considering the totality of the circumstances, including the substantial evidence of defendants' guilt on the counts of conviction, the district court concluded that the jury's exposure to this extrinsic information was harmless beyond a reasonable doubt and it denied them a new trial.

We agree. This extrinsic evidence was the charging document itself. The district court specifically found that, prior to the redaction, the jurors had been repeatedly exposed to comment by the court and all the parties on the contents of the Second Superseding Indictment. Exposure to the original indictment, including the duplicitous charging, was, therefore, innocuous and cumulative of information properly before the jury. The district court specifically found that the exposure of any juror to the unredacted indictment would not have provided that juror with factual information to which the juror did not already properly have access, nor would it have provided that juror with any legal knowledge different from that provided to the jury as a whole.

26 Furthermore, the jury was repeatedly instructed that the indictment was not evidence of guilt, and that it must decide the case solely on the evidence properly admitted during the trial. The jury is presumed to follow the district court's instructions. See *United States v. Shenberg*, 89 F.3d 1461, 1472 (11th Cir.1996).

Based upon the district court's investigation of this claim, its careful review of the nature, source and use of the extrinsic information in the context of the substantial evidence of defendants' guilt, we hold that the district court did not abuse its discretion in denying defendants a new trial for this reason.

### 3. Exposure to Limited Portions of Media Coverage

27 During the hearing, Jurors 7, 22, and 40 revealed that they had inadvertently experienced limited exposure to some media coverage during the trial. These jurors testified that, despite their best efforts, they had overheard snippets of television coverage or seen headlines regarding the case in newspapers or online. The court found that such limited, inadvertent exposure was not surprising given the intense media scrutiny of the trial. The court further found that the jurors' testimony was especially credible since it was clear to it that the jurors felt compelled to disclose even the most incidental and inadvertent exposure to extrinsic information. Juror 22 testified that she would leave the room or mute the television when the news came on, and Jurors 7 and 40, who saw headlines, testified that they did not read the accompanying stories prior to the verdict. The court also found that there was \*1185 no evidence that the jury discussed any media reports prior to the verdict.

Our review of the record supports these findings and the district court's conclusion that the exposure of these jurors

to media reports about the trial was harmless. In view of the limited and incidental nature of this exposure and the substantial evidence of defendants' guilt on the counts of conviction, we hold that the district court did not abuse its discretion in denying the defendants a new trial for this reason.

### B. Juror Deliberations

28 Defendants rely upon purported emails allegedly exchanged between jurors during trial and deliberations. Documents said to be copies of such exchanges were mailed anonymously to the defense, to argue that there was both premature jury deliberation and deliberation by fewer than all the jurors in this case, and that this improper deliberation deprived the defendants of their Sixth Amendment right to an impartial jury.

These allegations posed a very different problem for the district court from those suggesting that the jury had been subject to external influences. District courts are subject to very stringent limitations on their authority to question jurors about their deliberations, and to use one or more juror's testimony to impeach the verdict of all. In fact, for nearly a century, the Supreme Court has recognized a near-universal and firmly established common-law rule *flatly prohibiting* the use of juror testimony to impeach a verdict. *Tanner v. United States*, 483 U.S. 107, 117, 107 S.Ct. 2739, 97 L.Ed.2d 90 (1987); *McDonald v. Pless*, 238 U.S. 264, 35 S.Ct. 783, 59 L.Ed. 1300 (1915).

The Court has repeatedly emphasized the important policy considerations that require the shielding of juries from public scrutiny of their deliberations. *Williams v. Florida*, 399 U.S. 78, 100, 90 S.Ct. 1893, 26 L.Ed.2d 446 (1970). "The essential feature of a jury obviously lies in the interposition between the accused and his accuser of the commonsense judgment of a group of laymen, and in the community participation and shared responsibility that results from that group's determination of guilt or innocence." *Id.* Because our system of justice so prizes this unique and essential feature of our criminal justice system, it both anticipates and tolerates some level of imperfection in the system. *United States v. D'Angelo*, 598 F.2d 1002, 1004-05 & n. 4 (5th Cir.1979).<sup>36</sup> As the Supreme Court has explained:

36 For example, we permit logically inconsistent jury verdicts as to different counts, and even as to different co-defendants. We permit jury nullification. We do not inquire whether a verdict is the result of compromise, mistake or even carelessness.

There is little doubt that postverdict investigation into juror misconduct would in some instances lead to the invalidation of verdicts reached after irresponsible or improper juror behavior. It is not at all clear, however, that the jury system could survive such efforts to perfect it. Allegations of juror misconduct, incompetency, or inattentiveness, raised for the first time days, weeks, or months after the verdict, seriously disrupt the finality of the process. Moreover, full and frank discussions in the jury room, jurors' willingness to return an unpopular verdict, and the community's trust in a system that relies on the decisions of laypeople would all be undermined by a barrage of postverdict scrutiny of juror conduct.

*Tanner*, 483 U.S. at 120–21, 107 S.Ct. 2739 (internal citations omitted).

Permission to attack jury verdicts by postverdict interrogations of jurors would \*1186 allow defendants to launch inquiries into jury conduct in the hope of discovering something that might invalidate the verdicts against them. “Jurors would be harassed and beset by the defeated party in an effort to secure from them evidence of facts which might establish misconduct sufficient to set aside a verdict.” *Id.* at 119–20, 107 S.Ct. 2739 (quoting *McDonald*, 238 U.S. at 267–68, 35 S.Ct. 783). Such events would result in “the destruction of all frankness and freedom of discussion” in the jury room. *Id.* And, as early as 1892, the Supreme Court expressed concern that such postverdict investigation would “induce tampering with individual jurors subsequent to the verdict.” *Mattox v. United States*, 146 U.S. 140, 149, 13 S.Ct. 50, 36 L.Ed. 917 (1892). In a justice system that depends upon public confidence in the jury's verdict, such events are unacceptable.

In an effort to protect the jury system, the Federal Rules of Evidence enshrine the common law rule against the admission of a juror's testimony to impeach the jury's verdict. Rule 606(b) provides:

(b) **Inquiry into validity of verdict or indictment.** Upon an inquiry into the validity of a verdict or indictment, a juror may not testify as to any matter or statement occurring during the course of the jury's deliberations or to the effect of anything upon that or any other juror's mind or emotions as influencing the juror to assent to or dissent from the verdict or indictment or concerning the juror's mental processes in connection therewith, except that a juror may testify on the question whether extraneous prejudicial information was improperly brought to the jury's attention

or whether any outside influence was improperly brought to bear upon any juror. Nor may a juror's affidavit or evidence of any statement by the juror concerning a matter about which the juror would be precluded from testifying be received for these purposes.

Fed.R.Evid. 606(b).

**29** By disallowing a juror to impeach the jury's verdict by testimony about their deliberations, the rule operates to protect jurors from postverdict investigation and to protect the verdict from endless attack.<sup>37</sup>

<sup>37</sup> The only exception to the rule is to permit the sort of examination of jurors conducted by the district court in this case to determine whether the jury considered extrinsic information to the defendant's prejudice, as discussed in the immediately preceding portion of this opinion. The district court found as a matter of fact that it had “no doubt whatsoever that the documents purporting to be juror emails on which the Defendants rely are wholly unrelated to any evidence of jury exposure to extraneous information or outside influence.” We conclude that this finding of fact is not clearly erroneous. In addition, we see no abuse of discretion in the way the district court dealt with the three other emails called to its attention after the evidentiary hearings.

We have previously affirmed district courts that have denied motions for a new trial while declining to conduct investigations into jury deliberations. *Cuthel*, 903 F.2d at 1381. In *Cuthel*, we held that the district court did not abuse its discretion in failing to conduct an evidentiary hearing despite evidence of premature deliberations by the jury and evidence of intrajury pressure to reach a verdict. *Id.* at 1383; *see also United States v. Barshov*, 733 F.2d 842, 852 (11th Cir.1984) (duty to investigate arises only in the context of extrinsic influence); *McElroy by McElroy v. Firestone Tire & Rubber Co.*, 894 F.2d 1504, 1511 (11th Cir.1990) (denying defendant's requests to interview the jury members based on allegations of improper deliberations).

\*1187 The district court said that it had serious reservations about the authenticity of these purported emails, but concluded that the law barred it from questioning the jurors about their deliberations, or about the emails purporting to suggest that the jurors deliberated improperly.<sup>38</sup> Instead, it stated that “[e]ven if the Court were to assume *arguendo* the authenticity of these documents,” it would not find that the

emails established that the jury either deliberated prematurely or without all its members in any significant measure.

38 Defendants urged the court to obtain information regarding the emails from the jurors' internet providers but provided the court with no legal authority in support of this "unusual and intrusive investigation of jurors." In view of the law governing postverdict investigation of jurors, the court denied the request.

The court based this conclusion upon its factual findings that some of the emails might relate to discussion of the case prior to the submission of the case to the jury, that others might indicate limited deliberation by fewer than all the members of the jury, and that some indicate possible consideration of penalties faced by the defendants. According to the district court, this was the most that the emails showed.

The court concluded that, while "it is unquestionably clear that such discussions constitute misconduct, it is not the sort of conduct that this Court can or should directly inquire into by interrogating jurors, nor is it in this Court's view grounds for granting a new trial." Considering the totality of the circumstances, the strength of the government's case, the length of jury deliberations, and the court's instructions to the jury, including the instructions not to decide or discuss the case prematurely, the district court held that there was no reasonable possibility that the defendants suffered prejudice from any premature deliberations, discussion of penalty, or deliberation with fewer than all the members of the jury present.

We agree. Additionally, we note that the verdict in this case was split in that Siegelman was acquitted of many of the charges.<sup>39</sup> Such a split verdict lends supports to a conclusion that the jury carefully weighed the evidence and reached a reasoned verdict free of undue influence and did not decide the case prematurely. *United States v. Dominguez*, 226 F.3d 1235, 1248 (11th Cir.2000); *Cuthel*, 903 F.2d at 1383.

39 Scrusby argues that because he was convicted on all counts against him, that the verdict was not split as to him. The law, however, is to the contrary. See *United States v. Baker*, 432 F.3d 1189, 1237 (11th Cir.2005) (a split verdict is one in which the jury finds "guilt as to some defendants or charges but not as to others").

We conclude, therefore, that the district court did not abuse its discretion in deciding that the purported emails, assuming they are authentic, do not entitle defendants to a new trial. The district court applied the relevant factors to the email evidence, and was well within its discretion to conclude

that they did not demonstrate premature deliberation or deliberation with fewer than all jury members sufficient to arise to a constitutional violation.<sup>40</sup>

40 Defendants moved just before oral argument for permission to file supplemental information regarding juror misconduct. At oral argument, the government represented to the court that its investigation into that misconduct did not involve the allegations of juror misconduct at issue in this appeal. For this reason, we shall deny the motion.

## 6. District Court Failure to Recuse

Scrusby contends that he is entitled to a new trial because Chief Judge Fuller should have disclosed his "extraordinary extrajudicial income from business contracts \*1188 with the United States Government pursuant to 28 U.S.C. § 455(a)." This claim is predicated upon Chief Judge Fuller's ownership interest in two aviation companies that engage in business with agencies of the United States government. This claim was raised over nine months after trial and incorporated information learned from the internet and from Chief Judge Fuller's Financial Disclosure Reports.

30 31 A motion for recusal based upon the appearance of partiality must be timely made when the facts upon which it relies are known. The untimeliness of such a motion is itself a basis upon which to deny it. *Phillips v. Amoco Oil Co.*, 799 F.2d 1464, 1472 (11th Cir.1986). The rule has been applied when the facts upon which the motion relies are public knowledge, even if the movant does not know them. See *National Auto Brokers Corp. v. General Motors Corp.*, 572 F.2d 953, 957–59 (2d Cir.1978). The purpose of the rule is to "conserve judicial resources and prevent a litigant from waiting until an adverse decision has been handed down before moving to disqualify the judge." *Summers v. Singletary*, 119 F.3d 917, 921 (11th Cir.1997).

Scrusby's recusal motion was untimely, based upon information readily available to him prior to trial, and has all the earmarks of an eleventh-hour ploy based upon his dissatisfaction with the jury's verdict and the judge's post-trial rulings. It has no merit.

## 7. Jury Selection Procedures

32 Federal criminal defendants have both a statutory and a constitutional right to a grand and a petit jury selected at random from a fair cross-section of their community. Juror Selection and Service Act of 1968, 28 U.S.C. §§ 1861–1869

(the “JSSA”); U.S. Const. amend. VI. By its terms, the JSSA provides remedies for only a “substantial failure to comply” with its requirements for jury selection procedures that are random, objective, and that produce a jury that is a fair-cross section of the community. 28 U.S.C. § 1861 and 1867(d). Mere technical deviations from the JSSA's requirements do not violate the JSSA if they do not result in impermissible discrimination in the jury selection process. *United States v. Gregory*, 730 F.2d 692, 699 (11th Cir.1984).

Before their trial, both Siegelman and Scrushy filed virtually identical motions, alleging that the Middle District of Alabama committed substantial violations of the JSSA in constructing its Qualified Jury Wheels in 2001 and 2005, and in the selection from those wheels of both their grand and petit juries. Defendants claimed that these violations resulted in their juries being not a fair-cross section of their community. Specifically, Scrushy and Siegelman challenged the Middle District's liberal deferral policy and its procedures for summoning previously deferred jurors, claiming that they resulted in juries that under-represented African-Americans. The district court denied these challenges. Defendants appeal this denial.

A panel of this court has upheld the jury selection procedures of the Middle District of Alabama in a case raising virtually the same claims as those asserted here. *United States v. Carmichael*, 560 F.3d 1270 (11th Cir.2009). *Carmichael* held that the Middle District's jury selection procedures—including the liberal deferral policy and the procedures for summoning previously deferred jurors—did not substantially violate the JSSA. *Id.* at 1281. Additionally, *Carmichael* held that the Middle District's jury selection procedures did not result in the systematic under-representation of African-American jurors on the 2001 Qualified Jury Wheel or **\*1189** in the jury pools selected from that wheel. *Id.*

In his brief, which Siegelman adopted, Scrushy acknowledges the identity between the claims presented in *Carmichael* and his claims presented here, conceding that “[b]ut for the fact that only the petit jury which was drawn from the 2001 jury wheel was challenged there [and the petit jury was drawn from the 2005 wheel here], the issues presented overlap.” This is not surprising since the same expert who opined in *Carmichael* about alleged violations of the JSSA and the Constitution is relied upon here, using the same evidence in support of those claims. At the time defendants filed their pre-trial motion, however, *Carmichael* had not yet been decided. Now that it has, it disposes of their claims as to the 2001 jury wheel.

With respect to the 2005 wheel, the district court in this case held that defendants were not entitled to any relief because the challenged objectivity and randomness practices did not apply to that wheel. Additionally, the district court found that defendants had not shown the absolute racial disparity between the composition of his juries and the community at-large of over 10% that is required to establish a statutory or constitutional violation. See *Carmichael*, *id.*; see also *United States v. Grisham*, 63 F.3d 1074, 1078–79 (11th Cir.1995). We agree.

Defendants' claims regarding the Middle District of Alabama's jury selection procedures are without merit and do not entitle them to any relief.

### 8. Siegelman's Sentence

Siegelman contends that the district court's decision to grant an upward departure under U.S.S.G. §§ 2C1.1 cmt. n. 5, 5K2.0 (2002) violated the First Amendment and 18 U.S.C. § 3553(a) because it was allegedly based on Siegelman's statements criticizing the prosecutors in and the prosecution of this case. If this were true, we might agree.<sup>41</sup> It does not, however, accurately describe the district court's reasons for the upward departure.

41 The government argues persuasively that, even if there was error here, it was harmless as the departure did not affect Siegelman's ultimate sentence. As we need not, we do not reach this argument.

In both its written motion for an upward departure and its arguments at sentencing, the government maintained that Siegelman's criminal conduct reflected such a systematic and pervasive corruption of the office of Governor and Lieutenant Governor, as well as various state agencies, such as the CON Board, as to cause a loss of public confidence in the government of the State of Alabama. The government's motion focused on this allegation of systematic and pervasive corruption of state government. The government contended that Siegelman “for over six years abused the Executive Branch of the State of Alabama.”

The statute permits and the cases relied upon by the government uphold upward departures where the district court finds that there was pervasive corruption of a governmental function resulting in a loss of public confidence in state or local government. See U.S.S.G. §§ 2C1.1 cmt. n. 5, 5K2.0; *United States v. Shenberg*, 89 F.3d 1461, 1476–77

(11th Cir.1996); *United States v. Reyes*, 239 F.3d 722, 744–45 (5th Cir.2001).

Although the government did refer at sentencing to Siegelman's very public criticisms of the federal criminal justice system, including complaints of selective prosecution, there is no indication that the court based its upward departure decision on these attacks. In replying to Siegelman's \*1190 counsel statement about saving the issue of alleged selective prosecution for another day, the court responded, "Then let's do that."

In considering the request for an upward departure "as set forth in the Government's motion," the district court found that Siegelman's conduct resulted in a loss of public confidence in the executive branch of Alabama government. The district court took judicial notice of the "plethora of media attention" to the case by the local and national media, and relied on this in finding that the case had severely undermined public confidence in Alabama state government.

Siegelman does not contend that an upward departure for his systematic and pervasive corruption of state government was inappropriate, and even his attorney at sentencing conceded that "certainly the argument could be made, in all candor, that there could be some question as to public confidence in this case."

The district court expressly stated that it was upwardly departing in order to "preserve the integrity of the judiciary and the confidence of the people of the state of Alabama in its elected officials." We find no abuse of discretion in the district court's upward departure in sentencing Siegelman.

#### IV.

As to Siegelman, we affirm Counts 3, 5, 6, 7 and 17. We reverse as to Counts 8 and 9 and vacate the convictions on these counts.

As to Scrushy, we affirm as to Counts 4, 5, 6, and 7. We reverse the convictions on Counts 8 and 9. Scrushy's sentence as to Counts 8 and 9 is vacated.

AFFIRMED IN PART, REVERSED IN PART, AND REMANDED. All pending motions in this case are DENIED. Remanded for resentencing.

#### Exhibit A

First question: Did anyone other than another juror try to influence your thinking about this case or your vote on the substantive counts against any Defendant?

Second question: Do you have any reason to believe that any juror was subjected to attempts to influence his or her thinking about the case by anyone other than another juror?

Third question: Did anyone other than another juror attempt to discuss the case with you during the time you were a juror in this case?

Fourth question: During the time that you were serving as a juror did you view any news reports or other information relating to this case or to any Defendant from sources such as newspapers, magazine, radio, or television broadcasts or Internet sites?

Fifth question: During the time that you were serving as a juror did you view any materials from any books, newspapers, Internet sites or any other source relating to any witness, any legal issue, or any factual issue related to this case?

Sixth question: During the time that you were serving as a juror did you in any way attempt to independently investigate any facts or law relating to this case?

Seventh question: During the time that you were serving as a juror did you overhear any conversations between persons not on the jury or between non-jurors as to any member of the jury relating to this case?

Eighth question: During the time that you were serving as a juror did you view or hear any extraneous information about \*1191 the penalty that might be applicable to any Defendant if he was convicted of the charges in this case?

Ninth question: During the time that you were serving as a juror did you obtain extraneous information from any source about your role as a juror, your jury service generally, or the role of the foreperson?

Tenth question: During the time that you served as a juror did any other juror say or do anything that caused you to believe that he or she may have been exposed to extraneous information as I have defined it about this case from any source?

Eleventh question: During the time that you were serving as a juror did you view or hear any extraneous information about

either the law applicable to this case or any factual material relating to this case?

Parallel Citations

Twelfth question: Did you bring any documents in response to the subpoena relating to extraneous information?

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