

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

MILTON RUSSELL CRANFORD

a/k/a Rusty Cranford

[DOB: 04/26/1961],

Defendant.

No. 18-03020-01-CR-S-BCW

18 U.S.C. § 666(a)(2)

(Federal Program Bribery)

NMT 10 Years Imprisonment

NMT \$250,000 Fine, or NMT Twice the
Gain or Loss, Whichever is Greater

NMT 3 Years Supervised Release

Mandatory Restitution

Class C Felony

FORFEITURE ALLEGATION

18 U.S.C. § 981(a)(1)(C) and

28 U.S.C. § 2461

\$100 Special Assessment

INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information, unless otherwise set forth, with all dates and times alleged to be “on or about” or “in or about,” and all amounts alleged to be “approximately:”

GENERAL ALLEGATIONS

I. Relevant Individuals and Entities

a. The Defendant

1. The defendant, **MILTON RUSSELL CRANFORD**, also known as Rusty Cranford (“CRANFORD”), a resident of Rogers, Arkansas, was a lobbyist registered with the Arkansas Secretary of State. Cranford also was an employee of the Charity known as Preferred Family Healthcare, Inc., after April 30, 2015, and Alternative Opportunities, Inc., prior to May 1, 2015 (collectively, the “Charity”), serving as its executive overseeing company operations in the

state of Arkansas. CRANFORD operated three lobbying firms: The Cranford Coalition, The Capitol Hill Coalition, and Outcomes of Arkansas. (“CRANFORD Lobbying Firms.”)

b. The Charity

2. Preferred Family Healthcare, Inc. (“PFH”) was a Missouri nonprofit corporation headquartered at 1111 South Glenstone Avenue, in Springfield, Greene County, Missouri, within the Western District of Missouri. PFH and its subsidiaries provided a variety of services to individuals in Missouri, Arkansas, Kansas, Oklahoma and Illinois, including mental and behavioral health treatment and counseling, substance abuse treatment and counseling, employment assistance, aid to individuals with developmental disabilities, and medical services.

3. Originally, and for most of its existence, PFH was known as Alternative Opportunities, Inc. (“AO”), a Missouri nonprofit corporation headquartered at 1111 South Glenstone Avenue, in Springfield, Missouri. AO filed its Articles of Incorporation with the Missouri Secretary of State on December 3, 1991, and was granted corporate charter no. N00045067. On April 23, 2015, AO entered into an Agreement and Plan of Merger with Preferred Family Healthcare, Inc., of Kirksville, Missouri (Missouri corporate charter no. N00024607), under which PFH was the “Surviving Corporation” and AO was the “Non-Surviving Corporation.” (Hereinafter, “the Charity” shall refer to the entity known as Preferred Family Healthcare, Inc., after April 30, 2015, and Alternative Opportunities, Inc., prior to May 1, 2015.)

4. Both AO and PFH were recognized by the Internal Revenue Service (“IRS”) as non-profit public charities under Section 501(c)(3) of the Internal Revenue Code (United States Code, Title 26). AO applied for and was granted exemption from federal income tax under Internal Revenue Code Section 501(a)(2) as an organization described in Internal Revenue Code Section 501(c)(3) by Internal Revenue Service Letter 1045 dated August 25, 1993.

5. Section 501(c)(3) organizations were absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of, or in opposition to, any candidate for elective public office. Contributions to political campaign funds violated this prohibition, and could have resulted in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

6. AO's Articles of Incorporation, attached to its application for tax-exempt status, stated that the corporation's purpose was "[t]o provide supportive and alternative opportunities for individuals with mental retardation/developmental disabilities and other special needs. The organization is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code." AO's By-Laws, also attached to its application for tax-exempt status, stated:

The purpose for Alternative Opportunities, Inc. (AO) shall be to provide human services to include, but not be limited to, individual supported living, supported employment, community integration, and home management for persons who include, but are not limited to, the mentally retarded and developmentally disabled.

7. For the fiscal years 2008 through 2016, each fiscal year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity had total revenue in the amounts indicated below:

Fiscal Year	Entity	Total Revenue
FY2009	AO	\$ 63,847,299
FY2010	AO	\$ 64,779,466
FY2011	AO	\$ 77,271,030
FY2012	AO	\$ 77,112,631
FY2013	AO	\$ 90,033,026
FY2014*	AO	\$ 89,844,968
FY2014	PFH	\$ 66,264,806
FY2015	PFH	\$ 127,276,627
FY2016	PFH	\$ 180,737,583
Total:		\$ 837,167,436

* For AO, FY2014 ended 04/30/2015 because AO merged with the Kirksville, Missouri based Preferred Family Healthcare, Inc.

8. For the fiscal years 2010 through 2016, each fiscal year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity received annually at least \$10,000 in funds from the Federal government, more particularly, the Departments of Health and Human Services (“HHS”), Labor (“DOL”), Veterans Affairs (“VA”), Housing and Urban Development (“HUD”), Justice (“DOJ”), Agriculture (“USDA”), and Education (“DoED”) under programs involving grants, contracts, loans, guarantees, insurance, and other forms of federal assistance.

9. For the calendar years 2011 through 2016, the Charity received more than \$384,000,000 in Medicaid reimbursements from the states of Arkansas, Kansas, Missouri, and Oklahoma, the Federal portion of which was more than \$255,000,000.

10. Between 2010 and 2016, CRANFORD was an employee of the Charity, for which he was paid the following amounts directly, and through Entity A:

Calendar Year	Amount
2010	\$111,819
2011	\$139,100
2012	\$145,937
2013	\$191,087
2014	\$273,597
2015	\$267,902
2016	\$180,655
Total	\$1,310,097

c. Other Persons and Entities

11. “Person #1,” a resident of Springfield, Missouri, and Boulder, Colorado, was one of the original founders of the Charity. Person #1 was the Charity’s Chief Financial Officer (“CFO”), and had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity.

12. “Person #2,” a resident of Springfield, Missouri, and Boulder, Colorado, began working for the charity in 1994. Person #2 was the Charity’s Chief Operating Officer (“COO”), and served as the chief administrator over personnel in all programs and services. Person #2 had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity, and was commonly recognized as the “boss” of the Charity.

13. “Person #3,” a resident of Springfield, Missouri, began working at the charity in 1992. Person #3 was the Charity’s Chief Executive Officer (“CEO”), and oversaw the Charity’s lobbying and governmental affairs activities. Person #3 had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity.

14. “Person #5,” a resident of Springfield, Missouri, was a Licensed Psychologist and Certified Substance Abuse Counselor. Person #5 was a consultant for the Charity before joining the Charity in 1994, and thereafter held the position of Chief Clinical Officer (“CCO”), responsible for overseeing clinical operations and the provision of services. Person #5 was responsible for quality control matters for the Charity’s services, assisted in drafting the Charity’s grant proposals involving clinical and medical grants, and was a signatory on the Charity’s bank accounts.

15. The term “Resource Team,” often abbreviated “RT,” was used within the Charity to refer to the Charity’s highest level of executive leadership. The composition of the Resource Team changed slightly over time, but throughout the period relevant to this Information, the Resource Team included Person #1, Person #2, Person #3, and Person #5.

16. Eddie Wayne Cooper (“Cooper”), charged elsewhere, was an Arkansas State Representative from 2006 through January 2011, and a lobbyist registered with the Arkansas Secretary of State from January 20, 2011, onward. On April 20, 2009, the Charity hired Cooper as a full-time employee, with the job title of “Regional Director.” Cooper’s employment with the

Charity ended on April 26, 2017. For the years 2009 through 2016, the Charity paid Cooper wages totaling \$723,644. From October 2009 through April 2015, Cooper also was a member of AO's Board of Directors. Cooper also worked for The Cranford Coalition as a lobbyist, and received payments from The Cranford Coalition as a contract employee.

17. Donald Andrew Jones, also known as "D.A." Jones ("Jones"), charged elsewhere, was a resident of Willingboro, New Jersey, and a Philadelphia, Pennsylvania-based political operative. Jones owned and operated the firm, D.A. Jones & Associates, which purported to provide political and advocacy services, including consulting, analysis, and public relations.

18. "Entity A" was a Missouri limited liability company that was used as the management company for AO. Entity A was formed in 1995 by Person #1, Person #2, Person #3, Person #5, and three of their associates. In 2006, Entity A was sold to a publicly-traded corporation by its five remaining owners, including Person #1, Person #2, Person #3 and Person #5; however, Person #1 continued to exercise actual control over the bank accounts and activities of Entity A.

19. "Entity B" was a Missouri limited liability company formed in 2005, and owned by Person #1, Person #2, Person #3, Person #5, and one other person. Immediately prior to the 2006 sale of Entity A to a publicly-traded corporation, Entity B acquired title to all real estate formerly held by Entity A.

20. "Entity C" was a Missouri limited liability company formed in 2007, and owned by Person #1, Person #2, Person #3, Person #5, and Entity B. Entity C held the title to the building located at 1111 Glenstone Avenue, in Springfield, Missouri, which was the corporation's headquarters, and duplex homes located on Olive Street, in Springfield, Missouri.

21. "Entity E" was a Missouri S-corporation that was in the business of re-packaging and selling indoor thermostats imported from China. Entity E was formed in 2006, using funds

Person #1 and Person #2 received from the sale of Entity A to a publicly traded corporation. Person #1 and Person #2 owned a combined 45.1086 percent share of Entity E, and a relative of Person #2 owned another 45.1086 percent.

22. Dayspring Behavioral Health Services (“Dayspring”) was an Arkansas limited liability company providing behavioral health services, which was acquired by AO in 2007 and thereafter continued as a business alias of the Charity. Doing business as Dayspring, the Charity operated dozens of clinics throughout the state of Arkansas, offering a variety of behavioral health services to individuals, families, and groups.

23. “Entity F” was an Arkansas non-profit corporation located in Magnolia, Arkansas, which was a provider of youth services to delinquent and at-risk youth. “Person #6” served as the Executive Director of Entity F until 2017 and caused Entity F to make payments to Cranford Coalition and Outcomes of Arkansas. Between January 2012 and July 2013, Entity F paid Cranford Coalition more than \$60,000. Between July 30, 2013 and September 14, 2014, Entity F paid Outcomes of Arkansas \$112,000.

24. “Entity H” was an out-of-state non-profit corporation that registered in Arkansas in 2011. Generally, Entity H focused on expanding opportunity for under-privileged children through education. Entity H was a CRANFORD Client beginning in the fall of 2014.

25. In 2013 and 2014, the CRANFORD Lobbying Firms represented, and were paid by, a number of clients, including but not limited to, the Charity, and Entities F and H as defined in this Information (“CRANFORD Clients”) to advance their interests in the legislature.

26. “Person #8,” a member of the Arkansas State House of Representatives from 2009 through 2013, was a Charity employee from 2011 until the present, most recently holding the title of Regional Director. Prior to having been employed by the Charity, Person #8 had been an

employee of Decision Point, an Arkansas nonprofit corporation that the Charity acquired in 2011. In 2013 and 2014, Person #8 also was a lobbyist registered with the Arkansas Secretary of State as working for The Cranford Coalition and Outcomes of Arkansas.

27. “Person #9” was a former Arkansas state employee who, during the times relevant to the information, worked for the Charity as an employee and also employed CRANFORD as a lobbyist to represent the interests of health service providers. Person #9 worked for the Charity from March 23, 2014 until December 1, 2017.

28. “Entity I” was a private “provider” association focusing on community health. This association was associated with CRANFORD, who was employed as their lobbyist, Arkansas Senator A, who was allegedly employed as their attorney, and Person #9 who organized the provider meetings and assisted in training, education, and policy making. According to Person #9, providers paid dues of \$5,000 and \$10,000 per year for membership into the association. Arkansas Senator A, CRANFORD, and Person #9 all received a percentage of the membership dues in exchange for their work for Entity I. This group was formed to advocate for issues relating to “providers” at the Arkansas state legislature and in state departments while also increasing communications between those entities. Both Arkansas Senator A and CRANFORD received income directly from the membership dues paid by these providers.

29. Jonathan Earl Woods (“Woods”), charged elsewhere, served as a Senator in the Arkansas Senate from 2013 to 2017. As a member of the Arkansas Senate, Woods represented District 7 of the State of Arkansas, which includes Washington County, Arkansas. As a Senator, Woods had responsibility and authority to, among other things, draft and vote on proposed bills and legislation, to appropriate government monies including funds from the State of Arkansas’s General Improvement Fund (“GIF”), and to direct the allocation of GIF monies. Prior to his

service in the Arkansas Senate, Woods served as a Representative of House District 93 in the Arkansas House of Representatives from 2007 until 2012. Both House District 93 and Senate District 7 are located in the Western District of Arkansas.

30. “Person #14” was an individual who was close to Woods.

31. “Arkansas Senator A” served as a Senator in the Arkansas Senate from 2011 to the present. Prior to his service in the Arkansas Senate, Arkansas Senator A previously served as a Representative in the Arkansas House of Representatives from 2000 until 2007. At all times material to this Information, Arkansas Senator A was also an attorney doing business as a Law Firm (“Arkansas Senator A’s Firm”).

32. Henry Wilkins IV (“Wilkins”), charged elsewhere, served as a Representative of House District 17 in the Arkansas House of Representatives from 1999 to 2001, and again from 2011 to 2015. Wilkins also served as a Senator representing District 5 in the Arkansas Senate from 2001 to 2011. Both House District 17 and Senate District 5 are located in the Eastern District of Arkansas. Wilkins also served as a pastor at St. James United Methodist Church (“SJUMC”) located in Pine Bluff, Arkansas.

d. Arkansas Legislature and Agencies

33. The Arkansas House of Representatives (“House”) and Arkansas Senate (“Senate”) were political subdivisions within the State of Arkansas.

34. In fiscal years 2010-2017, the State of Arkansas received more than \$10,000 per year in funds from the United States Government in the form of grants, contracts, subsidies, loans, guarantees, insurance, and other forms of federal assistance.

35. The Arkansas House consisted of 100 members (“Representatives” or “legislators”), each elected from a specific electoral district from across the state. The Arkansas

Senate consisted of 35 members (“Senators” or “legislators”) each representing a specific electoral district.

36. An Arkansas Representative’s or Senator’s duties included, but were not limited to: (a) investigating, studying, reporting, making recommendations, and amending or substituting measures or matters related to the jurisdiction of the House or Senate, or the Representative’s or Senator’s Committee; (b) scheduling and holding public hearings and meetings, summoning witnesses, and hearing testimony related to measures or matters within the jurisdiction of the House or Senate, or the Representative’s or Senator’s Committee; (c) drafting, filing, and voting on bills of law, resolutions, and substitute measures; and (d) appraising, approving, and overseeing budgets and the appropriation of state monies.

37. Article 19, Section 20 of the Arkansas Constitution requires that all Arkansas “Senators and Representatives, and all judicial and executive, State and county officers, and all other officers, both civil and military, before entering on the duties of their respective offices, shall take and subscribe to the following oath of affirmation: ‘I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will faithfully discharge the duties of the office of _____, upon which I am now about to enter.’” Arkansas House Representatives and Senators owe a fiduciary duty to provide honest services to the State of Arkansas and its citizens.

38. The Arkansas Department of Human Services (“DHS”) was an agency of the State of Arkansas that provided various services to individuals in the State of Arkansas to include behavioral health services, which were provided through the Division of Behavioral Health Services (“DBHS”). DBHS was established to provide a system of public mental health care and drug prevention and treatment throughout Arkansas. Through this system, community mental

health centers and specialty clinics were established that provide points of entry into the public mental health system across the state of Arkansas.

39. The Arkansas Bureau of Legislative Research (“BLR”) was a non-partisan organization that serviced the Arkansas House and Senate by providing, amongst other services: general subject, legal, and budget research; drafting and amending of bills, resolutions, amendments and interim study proposals; committee staffing; and monitoring of rules as proposed by Arkansas state agencies. BLR’s services are only available to Arkansas legislators.

40. The General Improvement Fund (“GIF”) was a fund established by the Arkansas General Assembly consisting of what was commonly referred to as “surplus” state revenues, which consisted of all revenue sources not allocated in the budget, as specified by the General Assembly.

II. CRANFORD and Others Bribe Public Officials for Legislative Action

41. In or about 2010-2017, CRANFORD, Person #1, Person #2, Person #3, other members of the Resource Team and others known and unknown to the United States, paid bribes in the form of money and other things of value to Woods, Wilkins, Arkansas Senator A, and others known and unknown to the United States, in exchange for them providing favorable legislative action for CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States.

a. Purpose of the Bribes

42. By paying bribes to Woods, Wilkins, Arkansas Senator A, and others known and unknown to the United States, CRANFORD, Person #1, Person #2, Person #3, other members of the Resource Team and others known and unknown to the United States, enriched themselves, the Charity, CRANFORD Clients, and others known and unknown to the United States by:

a. having Woods, Wilkins, Arkansas Senator A, and others known and unknown to the United States, provide favorable legislative action for CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States in exchange for the bribes;

b. maintaining political influence in the Arkansas legislature and with Arkansas State agencies to the benefit of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States; and

c. sending additional income, in the form of Arkansas GIF funds, to the Charity that CRANFORD, Person #1, Person #2, Person #3, other members of the Resource Team and others known and unknown to the United States, then embezzled, stole, obtained by fraud, and without authority knowingly converted to their own use, totaling at least \$5,000 that was under the care, custody, and control of the Charity.

b. CRANFORD Offered and Gave Bribes to Woods

43. In or about 2013, CRANFORD met Woods at various locations and times and offered and gave, and Woods accepted, more than five thousand dollars (\$5,000) in cash bribe payments. CRANFORD also provided other things of value to Woods, such as employment for Woods' associates. These cash payments and other things of value were provided to Woods with the understanding that in exchange, Woods would use his official position to take legislative action to benefit CRANFORD, CRANFORD clients, and the Charity.

44. In or about October 2013, CRANFORD assisted Person #14 in obtaining a job in exchange for Woods influencing and facilitating the granting of GIF funds to the Charity. CRANFORD caused, or caused others, to perform the following acts to obtain employment for Person #14:

a. In or about October 2013, CRANFORD discussed with Person #2 and other Charity employees that Person #14 was applying for a job at the Charity and that Person #14 was someone close to Woods.

b. On October 15, 2013, Person #1 sent an email to CRANFORD stating, "AO/Dayspring would like to interview [Person #14] for an executive position of Employee Placement for all of Arkansas. Pay would be \$90,000. Get with [Person #2]. A salary of that size needs a title to go with it." Approximately two minutes later, CRANFORD responded to Person #1, asking, "Are we in trouble." Person #1 responded, "[n]o, I told [Person #2] it would be funded. [Person #2] said it needed to be in [the Charity] because of the size and has exec team of similar levels." Person #1 also replied stating, "Senator is taken care of. He is new bubba for our team."

c. CRANFORD understood Person #14 was being interviewed and considered for the executive position in exchange for Woods influencing and facilitating the granting of GIF funds to the Charity.

d. On October 16, 2013, Person #14 sent an email to CRANFORD attaching his/her resume "as requested."

e. On February 10, 2014, a "Request for New Hire/Personnel Changes" was generated relating to the hiring of Person #14. This request showed the creation of a new position for Person #14 with the title "AR-OJT Program Coordinator" and a salary of \$70,000 per year with \$300 per month mileage expense and a cell phone reimbursement.

f. After the AR-OJT Program Coordinator was eventually vacated by Person #14, the position was advertised and hired with a wage of \$16.83 per hour (or \$35,006.40 per year) as well as the mileage and cell phone expense.

c. CRANFORD Offered and Gave Bribes to Wilkins

45. CRANFORD directed cash and checks from the Charity, CRANFORD Lobbying Firms, and CRANFORD Clients to Wilkins in exchange for Wilkins taking favorable legislative action on behalf of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States. The checks to Wilkins were deposited into the SJUMC Discretionary account controlled by Wilkins, including a \$30,000 check from the Charity deposited into the SJUMC Discretionary account on December 18, 2013.

46. To conceal the check payments to Wilkins, CRANFORD varied the increments of the checks deposited into the SJUMC Discretionary account and also paid Wilkins directly by giving Wilkins cash. CRANFORD also continued to make payments to SJUMC after Wilkins left the legislature to conceal the scheme.

47. CRANFORD submitted, or caused to be submitted, the following payments to the Discretionary account of SJUMC by a written check:

Date	Source	Amount
06/24/2010	The Cranford Coalition	\$ 5,000.00
02/22/2012	The Cranford Coalition	\$ 3,000.00
06/08/2012	The Cranford Coalition	\$ 2,000.00
09/27/2012	The Cranford Coalition	\$ 1,500.00
10/16/2012	The Cranford Coalition	\$ 2,500.00
11/05/2012	The Capitol Hill Coalition	\$ 2,500.00
12/19/2012	The Capitol Hill Coalition	\$ 1,000.00
02/01/2013	Outcomes of Arkansas	\$ 1,000.00
03/11/2013	The Cranford Coalition	\$ 1,000.00
03/18/2013	Outcomes of Arkansas	\$ 1,000.00
03/29/2013	The Cranford Coalition	\$ 1,200.00
05/01/2013	The Cranford Coalition	\$ 2,500.00
06/04/2013	The Cranford Coalition	\$ 1,500.00
06/14/2013	The Cranford Coalition	\$ 5,000.00
06/26/2013	The Cranford Coalition	\$ 4,000.00
08/12/2013	The Cranford Coalition	\$ 1,200.00
08/12/2013	The Cranford Coalition	\$ 1,200.00
09/12/2013	The Cranford Coalition	\$ 2,400.00

Date	Source	Amount
11/12/2013	The Cranford Coalition	\$ 2,000.00
12/18/2013	The Charity	\$ 30,000.00
02/03/2014	The Cranford Coalition	\$ 1,000.00
02/06/2014	The Cranford Coalition	\$ 1,000.00
05/08/2014	The Cranford Coalition	\$ 3,000.00
08/01/2014	The Cranford Coalition	\$ 1,000.00
08/12/2014	The Cranford Coalition	\$ 2,000.00
11/20/2014	The Cranford Coalition	\$ 1,000.00
01/08/2015	The Cranford Coalition	\$ 2,973.55
01/16/2015	The Cranford Coalition	\$ 1,000.00
03/20/2015	The Cranford Coalition	\$ 1,000.00
08/13/2015	The Cranford Coalition	\$ 1,000.00
11/30/2015	The Cranford Coalition	\$ 1,000.00
01/20/2016	The Cranford Coalition	\$ 1,000.00

48. From in or about 2010 through in or about 2014, CRANFORD offered and gave, which Wilkins accepted, approximately \$20,000 to \$30,000 in cash payments.

d. CRANFORD Offered and Gave Bribes to Arkansas Senator A

49. From 2012 to 2017, CRANFORD offered and gave, directly and indirectly, cash; checks; wire transfers; retainers; attorney's fees; and professional referrals to Arkansas Senator A in exchange for Arkansas Senator A taking favorable legislative action on behalf of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States, including but not limited to, holding up agency budgets; requesting legislative audits; sponsoring, filing and voting for legislative bills; and influencing the award of GIF funds to the Charity and CRANFORD clients.

50. From 2012 to 2017, Arkansas Senator A received over \$500,000 in cash; checks; wire transfers; retainers; and attorney's fees from CRANFORD, the Charity, CRANFORD Lobbying Firms, and CRANFORD Clients whom CRANFORD referred to Arkansas Senator A.

51. Between in or about 2012 to in or about 2017, CRANFORD offered and gave, which Arkansas Senator A accepted, approximately \$15,000 in cash.

52. Between in or about January 2013 and in or about March 2013, CRANFORD assisted and facilitated the hiring of Arkansas Senator A by the Charity, by causing, or causing others, to perform the following acts:

a. In or about February 2013, CRANFORD arranged for a meeting between Person #2 and Arkansas Senator A to discuss his hiring by the Charity.

b. In or about March 2013, CRANFORD met with Person #2 and discussed the potential hiring of Arkansas Senator A by the Charity. CRANFORD and Person #2 specifically discussed hiring Arkansas Senator A, in part, because of his status as an Arkansas Senator and because of the favorable legislative acts Arkansas Senator A could perform on behalf of the Charity.

c. In or about April 2013, as a benefit to Arkansas Senator A, he was hired by the Charity and began receiving \$7,500 a month. Beginning in or about May 2014, and continuing until 2017, Arkansas Senator A was paid \$9,000 a month.

53. In or about 2013, CRANFORD arranged for and offered paid-for hotel rooms and tickets to Major League Baseball games, including luxury box seats and tickets to the 2013 World Series, to Arkansas Senator A, which he accepted.

III. Woods, Wilkins, and Arkansas Senator A Performed Favorable Legislative Acts

54. In exchange for the above things of value, Woods, Wilkins, Arkansas Senator A, and others known and unknown to the United States, performed favorable legislative action for CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States, including, but not limited to, the following acts.

a. Woods, Wilkins and Arkansas Senator A Steered GIF Funds to the Charity and Others (Act 791)

55. On or about February 15, 2013, Woods sponsored Senate Bill 350, which later became Act 791 of the 2013 Regular Session, and which appropriated up to \$2 million of GIF funds to DHS-DBHS. In or about March 2013, Senator Woods and Arkansas Senator A voted in favor of the bill and Wilkins voted in favor of this bill in the House.

56. On or about October 15, 2013, Woods emailed CRANFORD a Request for Application (“RFA”) that was used to solicit grant requests for GIF funds appropriated by Act 791. CRANFORD forwarded this email to Person #1 stating, “[t]hat’s what I’ve been doing today revising this. We are pushing to get app release by Monday.”

57. On October 18, 2013, Woods forwarded the RFA for GIF funds to CRANFORD who forwarded it to Person #2, stating in the email “[Person #2], here is the application for \$1,000,000.00. Please click in the link to access the application.”

58. On October 22, 2013, CRANFORD emailed Person #1 stating, “...I’m with [Woods] working on finalizing GIF Grant he will hand deliver today.” Later that day, CRANFORD filed an application for GIF funds, representing that CRANFORD was the CEO of the Charity, and states, “We are requesting the funds in the amount of \$1,000,000 in a onetime grant that will be used immediately upon receipt of the Grant Award.”

59. In or about October 2013, Woods and Arkansas Senator A submitted, or caused to be submitted, letters of support advising DHS-DBHS to approve the Charity’s application for \$1,000,000 in GIF funds from Act 791.

60. On October 31, 2013, Woods also provided a letter of support advising DHS-DBHS to approve the application submitted by Entity F for \$600,000 of GIF funds from Act 791. Entity

F's request was later updated on November 1, 2013. On December 3, 2013, Entity F was awarded \$375,752 of the \$600,000 they had requested.

61. The Charity submitted an amended RFA on October 31, 2013.

62. On or about November 4, 2013, the Charity's RFA was approved for the full \$1,000,000 amount requested from Act 791.

63. CRANFORD forwarded a notice of the award to Person #2 stating, "We are 100 percent funded in one lump sum." Person #2 responded with a copy to Person #1 stating, "[c]an u get it signed?" CRANFORD replied "[i]t's done darling, Money on way." The form signed by CRANFORD and submitted to DHS to release payment also contained a certification that all documentation presented to obtain the sub-grant is true. The certification also required the recipient to agree to notify DHS of any changes in the documentation.

64. On December 12, 2013, a check for \$1,000,000 from the Auditor of the State of Arkansas was deposited in AO's Metropolitan National Bank Account ending in #2587. On that same date, a check for \$187,175 was issued to the CRANFORD Coalition from the Charity's Metropolitan Account ending in #2595.

b. Woods, Wilkins and Arkansas Senator A Steered GIF Funds to the Charity and Others (Act 818)

65. On or about February 26, 2013, Senate Bill 507 ("SB 507") was introduced in the Arkansas Senate entitled "an Act to make an appropriation to the Department of Human Services—Division of Behavioral Health for Behavioral Health Services; and For Other Purposes," by Arkansas Senator E.

66. On or about March 25, 2013, SB 507 passed the Arkansas Senate with Arkansas Senator A and Woods voting in favor. On or about April 2, 2013, SB 507 passed the Arkansas House of Representatives with Wilkins voting in favor.

67. On or about April 6, 2013, SB 507 was enacted as Act 818. Act 818 appropriated up to \$1,000,000 from the General Improvement Fund to DHS-DBHS.

68. On or about April 22, 2013, Wilkins voted in favor of House Bill 2232 which provided funding for the GIF appropriation legislation that had been approved previously, including \$365,000 in funding for Act 818.

69. On or about April 23, 2013, Wilkins voted in favor of Senate Bill 364, a companion bill to HB 2232, which provided funding for the GIF appropriation legislation that had been approved previously, including \$365,000 in funding for Act 818.

70. On or about October 18, 2013, CRANFORD sent an email to, amongst others, Person #1, stating in relevant part, “[Act 818] is for the Charity for \$150,000.00 . . . this is [Arkansas Senator E’s] bill but Wilkins’ money.”

71. On or about October 29, 2013, Person #6, on behalf of Entity F, applied for \$100,000 in GIF funds available under Act 818.

72. On or about October 31, 2013, Wilkins sent a letter of support advising DHS-DBHS to approve Entity F’s receipt of Act 818 GIF funds.

73. On or about October 31, 2013, Wilkins sent a letter of support advising DHS-DBHS to approve the Charity’s receipt of Act 818 GIF funds.

74. On or about November 1, 2013, CRANFORD, on behalf of the Charity, applied for \$200,000 in GIF funds available under Act 818.

75. On or about December 5, 2013, DBHS made disbursements from the funds appropriated by Act 818 to selected grant applications. From those funds, the Charity was granted \$122,564.93 and Entity F was granted \$61,218.06.

c. Arkansas Senator A and Wilkins Advanced HB 2209 on behalf of the Charity

76. In or about 2013, behavioral health service providers were rated by state regulators on their ability to adhere to certain regulations. Many behavioral health providers across the state of Arkansas, including the Charity, Entity F, and other CRANFORD Clients, wanted to end this rating system. Arkansas Senator A and Wilkins advanced the goal of ending this rating system by performing various legislative acts in exchange for money and other things of value.

77. On March 11, 2013, at CRANFORD's request, Wilkins filed House Bill 2209 ("HB 2209"). HB 2209 was a shell bill, which was designed to be backfilled with content should it need to be moved forward in the legislative session and passed. As written, HB 2209 would have been detrimental to the interests of the company that administered the behavioral health provider rating system that CRANFORD, the Charity, and other CRANFORD Clients wanted to end.

78. On April 4, 2013, CRANFORD sent an email to which he attached a copy of HB 2209 and stated to Person #2 and Person #3:

We will pass this on the House Floor this afternoon or tonight. After we pass this medicaid [sic] has ask[ed] for a meeting with Senator Wilkins and [Arkansas Senator A] and all of us for a tradeoff not to run the bill in the Senate. The tradeoff will be; something else other than the [current rating system], enhanced reconsideration until any regs are propagated then we will have the full appeal process. This means they will quit giving us bs reviews that are unfounded. Also, [t]he color code to grade us will be gone forever, they will halt the episodes of care until they can produce data of how many kids are no long[er] getting services due to the episodes. They must have approval on all ergs [sic] thru public health.

79. On April 4, 2013, HB 2209 passed the Arkansas House of Representatives with Wilkins voting in favor.

80. During the same legislative session, CRANFORD arranged a meeting between representatives of the company that administered the behavioral health provider rating system and CRANFORD, Arkansas Senator A and Wilkins. Subsequent to this meeting, and consistent with

CRANFORD's April 4, 2013 email, an agreement was reached regarding the implementation of the rating system with the company responsible for rating the Charity. This brokered agreement was favorable to CRANFORD, the Charity, and other CRANFORD Clients. HB 2209 died in the Arkansas Senate Committee on Public Health, Welfare and Labor.

d. Arkansas Senator A Steered GIF Funds to CRANFORD Clients (SB 62 and SB 655)

81. Beginning in November of 2014, CRANFORD was hired by Entity H to assist them in receiving state and federal funds from the state of Arkansas. Over the course of their business relationship, Entity H paid CRANFORD and his entities a total of \$76,000 beginning on November 17, 2014, at approximately \$4,000 per month.

82. In or about January 2015, CRANFORD asked Arkansas Senator A to use his official position to send GIF funds to Entity H. During CRANFORD's representation of Entity H, Arkansas Senator A was being paid by the Charity, CRANFORD, CRANFORD Lobbying Firms, and was receiving income from CRANFORD Clients who were referred to Arkansas Senator A by CRANFORD.

83. On January 14, 2015, CRANFORD arranged for Entity H officials to meet with Arkansas Senator A to discuss Entity H's legislative objectives.

84. On January 16, 2015, an employee of BLR emailed Arkansas Senator A stating, "[p]lease find attached a copy of the General Improvement bill you requested for a \$3 million grant for [Entity H]...." Arkansas Senator A then forwarded that email from BLR and the draft bill for the \$3,000,000 grant for Entity H to CRANFORD at his Charity email account. On the same date, CRANFORD forwarded the draft of the \$3,000,000 grant for Entity H to a representative of Entity H.

85. On January 20, 2015, Arkansas Senator A filed Senate Bill 62 (“SB 62”) of the 90th General Assembly entitled “[a]n Act to Make an Appropriation to the Department of Education for a Grant for [Entity H].”

86. On February 13, 2015, a representative of Entity H emailed CRANFORD and stated that they were working to secure \$3 million in pledges to Entity H in an effort to assist Arkansas Senator A’s ability to influence the Arkansas Governor’s office by providing an incentive for the Governor to provide the entire \$3 million in GIF funds to Entity H.

87. On February 21, 2015, the CRANFORD Coalition issued an invoice to Entity H for “Legislative Session 2015” for \$12,000.00.

88. On March 2, 2015, Arkansas Senator A introduced Senate Bill 655 (“SB 655”) entitled “[a]n Act to Make an Appropriation to the Department of Education for a grant for [Entity H]; and for other purposes.” SB 655 proposed an additional \$3,000,000 appropriation from the GIF to the Department of Education for Entity H.

89. On that same date, CRANFORD emailed representatives for Entity H with the subject line “SB655” and stated, “Take a look.” Attached to the email was Arkansas Senator A’s bill. On March 3, 2015, representatives for Entity H asked about the second bill, CRANFORD replied, “[Arkansas Senator A] ran a second one it gives us a better chance at funding.”

90. On March 5, 2015, Entity H issued a payment to CRANFORD Coalition for \$12,000.

91. On March 16, 2015, Arkansas Senator A voted in favor of SB 62, which later became Act 610 with an effective date of July 1, 2015. On the same day, CRANFORD Coalition issued an invoice to Entity H for \$4,000 for “March 16 Thru Session End.”

92. On April 6, 2015, Entity H issued a check to CRANFORD Coalition for \$4,000.

93. On April 11, 2015, CRANFORD sent an email to the Entity H representatives stating that Entity H is in the state budget and that he would like to discuss a new contract. On or about May 15, 2015, Entity H sent an email stating that they were renewing their contract with the CRANFORD Coalition.

94. SB 62 and SB 655 were bills designed to be favorable to the interests of Entity H, a CRANFORD Coalition client. In exchange for the stream of benefits coming from the Charity, the CRANFORD Coalition, and CRANFORD, Arkansas Senator A agreed to advance the interests of Entity H through his introduction of and vote on SB62 and his introduction of SB 655.

95. From January 20, 2015, when Arkansas Senator A filed SB62 until April 2015, Arkansas Senator A was paid: three (3) \$9,000 payments from the Charity through Dayspring on February 2, 2015, March 9, 2015, and March 30, 2015; one (1) \$8,125 payment from Entity I; and three (3) \$3,000 payments from another CRANFORD Client on February 9, 2015, March 9, 2015, and April 6, 2015, to whom CRANFORD referred Arkansas Senator A and recommended that Arkansas Senator A be placed on a monthly retainer.

e. Arkansas Senator A Advanced SB 932 and HB 1540 to the benefit of the Charity

96. On March 4, 2015, Person #9 sent an email from his Entity I email account to Arkansas Senator A and CRANFORD stating:

Hi [Arkansas Senator A]. We need to file a shell bill to take care of this issue, it may be possible we should be able to work this out with Workforce, however, ju[s]t to protect us we want to a shell bill. Let me know if you need additional information. Thanks. [Person #9]

The body of the email contained a summary analysis of the issues surrounding the legal definition of an “independent contractor” and “employee” in Arkansas. It also suggested a specific revision

to Arkansas Code Annotated § 11-10-210(e) to remedy the issues favorable to healthcare providers.

97. On or about March 7, 2015, Arkansas Senator A filed Senate Bill 932 (“SB 932”) in the 90th General Assembly Regular Session in 2015. The bill was a shell bill entitled “An Act to Amend the Law Concerning the Definition of ‘Independent Contractor’; and for Other Purposes.” Arkansas Senator A later voted in favor of a separate bill that suggested the same specific revision to Arkansas law as that forwarded to him by Person #9 and Entity I on March 4, 2015.

IV. CRANFORD and Others Embezzled and Stole from the Charity

98. In addition to the bribes alleged above, from October, 2009, until February 2017, in Greene County, Missouri, in the Western District of Missouri, and elsewhere, CRANFORD, Person #1, Person #2, Person #3, Person #5, Eddie Wayne Cooper, and others known and unknown to the United States embezzled, stole, obtained by fraud, and without authority knowingly converted to their own use, property worth at least \$5,000 that was under the care, custody, and control of the Charity.

a. Bribery/Kickback Scheme Involving Charity’s Contract with The CRANFORD Coalition

99. At least as early as 2013, Person #1, acting in his capacity as an executive of the Charity, caused the Charity enter into a contract with The CRANFORD Coalition, and influenced the Charity in its award of the contract whereby the Charity paid The CRANFORD Coalition for lobbying and advocacy services. In exchange for the Charity’s award of this contract to The CRANFORD Coalition, and as a condition for the Charity’s continued payments to The CRANFORD Coalition, Person #1 demanded CRANFORD pay him approximately half of the funds The CRANFORD Coalition obtained from the Charity.

100. Doing business as The CRANFORD Coalition, from 2013 through 2017, CRANFORD, Cooper, and others, known and unknown, solicited the assistance of elected and appointed officials regarding legislative issues that impacted the Charity, in particular matters involving the Charity, and in steering grants and other sources of funding to the Charity. These funding sources included proceeds from the Arkansas General Improvement Fund (“GIF”).

101. Person #1 regularly extended and renewed the Charity’s contract with The CRANFORD Coalition. In order to maintain The CRANFORD Coalition’s contract with the Charity, CRANFORD agreed to, and did pay, funds to Person #1, by checks made payable to Person #1 and in cash.

102. In June 2014, because CRANFORD owed large amounts of income taxes resulting from his inability to deduct the bribes and kickbacks paid to Person #1, CRANFORD and Person #1 agreed that CRANFORD would make cash payments to Person #1 of thirty percent (30%) of the funds The CRANFORD Coalition obtained from the Charity.

103. For the years 2013 through 2017, Person #1 caused the Charity to pay The CRANFORD Coalition \$2,897,889.73, with \$2,174,389.73 paid directly and the remainder paid through Entity A and Entity B. During the same period, CRANFORD paid kickbacks to Person #1, by way of checks totaling \$613,600, and on numerous additional occasions, in cash.

104. From January 15, 2010, until April 11, 2017, Person #1, Person #2, and Person #3 caused the Charity to disburse funds to The CRANFORD Coalition, directly and through its related for-profit corporations, into CRANFORD Coalition’s checking account at BancorpSouth ending in 2316, from the following entities and in the following amounts:

Calendar Year	The Charity	Entity A	Entity B	Total
2010	\$0	\$81,550.00	\$2,000.00	\$83,550.00
2011	\$0	\$213,750.00	\$0	\$213,750.00
2012	\$7,900.00	\$304,500.00	\$0	\$312,400.00
2013	\$795,615.00	\$663,500.00	\$60,000.00	\$1,519,115.00
2014	\$337,024.73	\$0	\$0	\$337,024.73
2015	\$547,750.00	\$0	\$0	\$547,750.00
2016	\$310,000.00	\$0	\$0	\$310,000.00
2017	\$184,000.00	\$0	\$0	\$184,000.00
Total	\$2,182,289.73	\$1,263,300.00	\$62,000.00	\$ 3,507,589.73

105. On May 20, 2013, Person #1 e-mailed CRANFORD, stating, in part, “Hey where are you tomorrow, am going to send you \$150k today. Send me \$75k overnight. Figure \$25k tax so we net \$50k. Our story is we got \$50k.”

106. Person #1 issued check #2117, dated May 21, 2013, drawn on Entity A’s Bank of Bolivar account ending in 3101, payable to The CRANFORD Coalition in the amount of \$150,000.

107. CRANFORD issued check #2170, dated May 20, 2013, drawn on The CRANFORD Coalition’s BancorpSouth account ending in 2316, payable to Person #1 in the amount of \$75,000.

108. On August 1, 2013, the conspirators caused the Charity to issue check #87602 from AO’s checking account, ending in 2595, at Metropolitan National Bank (now Bear State Bank), in the amount of \$144,000.

109. On or about July 31, 2013, CRANFORD wrote check #2217, payable to Person #1 from The CRANFORD Coalition’s checking account, ending in 2316, at BancorpSouth, in the amount of \$72,000.

110. On December 2, 2013, Person #1 and CRANFORD had the following correspondence, via e-mail:

Person #1: “awesome on the mil.”

CRANFORD: “Thanks brother.”

Person #1: "Santa is coming."

CRANFORD: "I need Santa."

111. On or about December 5, 2013, the conspirators caused the Charity to issue check #91293 from AO's checking account ending in 2595, at Metropolitan National Bank (now Bear State Bank), in the amount of \$150,000.

112. On or about December 12, 2013, CRANFORD wrote check #2320, payable to Person #1 from The CRANFORD Coalition's checking account ending in 2316, at BancorpSouth, in the amount of \$75,000.

113. On or about December 12, 2013, the conspirators caused the Charity to issue check #91508, payable to The CRANFORD Coalition, from AO's checking account ending in 2595, at Metropolitan National Bank (now Bear State Bank), in the amount of \$187,175. Of that, \$17,175 was for the rental of CRANFORD's Florida house.

114. On or about December 12, 2013, CRANFORD wrote check #2321, payable to Person #1, from The CRANFORD Coalition's checking account ending in 2316, at BancorpSouth, in the amount of \$85,000.

115. On June 5, 2014, Person #1 texted CRANFORD, stating, in part, "Hey from now on just send me 30% cash and you keep the rest for tax on [The CRANFORD Coalition] stuff. That gives you 40% of my half for tax. That way I don't get 1099 and you aren't short on tax."

116. On June 26, 2014, Person #1 and CRANFORD had the following correspondence, via text message:

Person #1: "At 30% I think about \$28,500 roughly. I think the total was \$95k or \$96k. That leaves you 40% of my half for taxes. I can give you exact later."

CRANFORD: "Ok brother I think I can send 15 no problem bubba."

Person #1: "Ok. No problem."

CRANFORD: "May call you later or in the am.

Gona [sic] send the package so u [sic] get by Tuesday.
Ok.

Call u in a bit."

Person #1: "I am in Springfield Tuesday. 1111 S. Glenstone, Suite
3-100, Springfield MO 65804."

117. On August 25, 2014, after learning of a Federal investigation involving CRANFORD and the Charity, Person #2, Person #3 and CRANFORD created a back-dated "consulting agreement" between The CRANFORD Coalition and the Charity that falsely purported to have been entered into and executed on July 1, 2012, which Person #3 signed on behalf of the Charity and CRANFORD signed on behalf of the CRANFORD Coalition. This back-dated agreement purported to have been for government relations, public affairs management, and strategic consulting services in the amount of \$12,000 per month through June 30, 2013, with an automatic 12-month renewal purportedly having taken effect on July 1, 2013.

118. CRANFORD, on behalf of The CRANFORD Coalition, and Person #3 on behalf of the Charity, executed another agreement, dated July 1, 2014, purportedly for government relations, public affairs management, and strategic consulting services in the amount of \$20,000 per month through June 30, 2015. The contract included an automatic 12-month renewal, which took effect July 1, 2015.

119. On January 5, 2015, Person #1 sent an e-mail to CRANFORD, stating, in part, "Tell me where to send the FedEx. I opened the check and the amount is \$142,750 so is correct."

120. Also on January 5, 2015, CRANFORD replied, via e-mail, to Person #1 containing a physical address located in Arkansas.

121. Also on January 5, 2015, Person #1 replied, via e-mail, to CRANFORD, stating, “OK, be sure and send me \$100k on that one. We will work out the difference later. Thank you.”

122. CRANFORD, on behalf of The CRANFORD Coalition, and Person #3 on behalf of the Charity, executed another agreement, dated August 1, 2016, purportedly for government relations, public affairs management, and strategic consulting services in the amount of \$46,000 per month through June 30, 2019. The contract included an automatic 12-month renewal, which was to take effect July 1, 2019.

b. Bribery/Kickback Scheme Involving Charity’s Contract with Donald Andrew Jones

123. In 2011, CRANFORD, acting in his capacity as an employee of the Charity, advocated to Person #1, Person #2, and Person #3 that the Charity enter into a contract with Donald Andrew Jones, and influenced the Charity in its award of the contract whereby the Charity paid Jones for lobbying and advocacy services.

124. After Person #1, on behalf of the Charity, agreed to enter into a contract with Jones, CRANFORD demanded from Jones payments to himself and Cooper of a portion of the funds Jones obtained from the Charity in exchange for CRANFORD’s influence on Jones’s behalf.

125. CRANFORD advised Person #1, Person #2, and Person #3, to extend or renew the Charity’s contract with Jones, knowing and intending that such advice would cause Person # 1, Person #2, and Person #3 to extend or renew the Charity’s contract with Jones.

126. In order to maintain his contract with the Charity, Jones agreed to pay funds to CRANFORD and Cooper, primarily by checks made payable to CRANFORD, Cooper, The CRANFORD Coalition, and The Capitol Hill Coalition. Between January 12, 2012, and January 17, 2017, Jones did pay funds to CRANFORD and Cooper totaling \$264,000.

127. In or about 2011, upon CRANFORD's recommendation, Person #1, Person #2, and Person #3, on behalf of the Charity, entered into a verbal agreement with Jones, that Jones would provide advocacy services for the Charity, including direct contact with legislators, legislators' offices, and government officials, in order to influence elected and appointed public officials to the financial benefit of the Charity. Person #1, Person #2, and Person #3 described the services provided by Jones as "consulting" services, and the payments made to Jones as payments pursuant to a "consulting agreement."

128. On January 1, 2016, Person #3, on behalf of PFH, and Jones executed a "consulting agreement." While the main body of the "consulting agreement" listed duties generally consistent with those of a professional hired as a consultant, an unsigned Appendix A more particularly described Jones's duties not as consulting services, but as advocacy.

129. Between February 28, 2011, and December 14, 2016, Person #1, Person #2, Person #3, and CRANFORD caused the Charity to pay to Jones \$973,807.28, both via direct payments and through Entity A, The Cranford Coalition, and The Capitol Hill Coalition.

130. Between January 12, 2012, and January 17, 2017, Jones paid CRANFORD a total of \$219,000, by way of checks payable to CRANFORD and The CRANFORD Coalition. Additionally, at the direction of CRANFORD, Jones paid Cooper a total of \$45,000.

131. On January 18, 2012, CRANFORD caused The CRANFORD Coalition to issue a check in the amount of \$18,000 to Cooper, constituting Cooper's share of Jones's January 2, 2012, payment to CRANFORD.

c. Other Embezzlement, Theft and Misapplication of Funds from the Charity

132. CRANFORD and others devised and executed multiple schemes to embezzle, steal, and unjustly enrich themselves at the expense of the Charity, including:

a. CRANFORD and others paid excessive amounts to and used its resources for their for-profit companies, including Charity payments to The CRANFORD Coalition pursuant to a “consulting agreement” that substantially exceeded the value of the services provided to the Charity under the contract.

b. CRANFORD and others caused the Charity to make payments for real estate unrelated to the Charity’s mission, including the Charity’s rental payments to CRANFORD for properties he owned in Florida and Texas.

c. CRANFORD and others caused the Charity to pay their personal expenses, including by way of their extensive use of corporate credit cards for which the Charity paid the bills.

d. CRANFORD and others enjoyed the use of Charity-provided premium tickets for sporting events for themselves, family members, and their friends.

e. CRANFORD and others caused the Charity to lend significant funds to themselves and their for-profit companies, including the Charity’s purchase of a \$176,500.00 certificate of deposit to guarantee a personal loan for CRANFORD.

f. CRANFORD and others caused the Charity to misapply its funds for unlawful contributions to the campaigns of elected public officials, and to pay for substantial lobbying and political advocacy, jeopardizing the Charity’s tax-exempt status in order to increase the Charity’s total receipts so they had more funds available from which to embezzle and steal.

133. On August 6, 2010, CRANFORD sent an e-mail to Person #1 and Person #2, stating “I think we need to look at the geographic area too. Like Senators we are very close to for more gif. I didn’t want to say that in work group.”

134. On or about June 2, 2011, CRANFORD used his Charity corporate credit card at Sim's Bar-B-Que in Little Rock, Arkansas. The transaction totaled \$1,812 and was for a fundraiser for Arkansas Senator B.

135. On October 26, 2011, Person #2 sent an e-mail to CRANFORD, stating, "What has [Person #8] said?"

136. On October 26, 2011, CRANFORD responded to Person #2 stating "Nothing , could not reach him yesterday. All he wants is for us to give him a huge fundraiser like we did ["Arkansas Executive Branch Official B"] and he is not the person to do that for."

137. On or about November 8, 2011, CRANFORD and Cooper used their Charity corporate credit cards at Anderson's Cajun in Little Rock, Arkansas. The transaction totaled \$2,500. CRANFORD and Cooper divided the transaction and each put \$1,250 on their individually issued Charity corporate credit card.

138. On January 4, 2012, CRANFORD sent an e-mail to Person #1, stating, in part, "Here is [Person #8] check , we still have to do another \$8000. That is what [Person #2] wanted to do. This is not apart of our campaign budget." Attached to CRANFORD's e-mail to Person #1 was a copy of check #1719 in the amount of \$2,000, payable to [Person #8] for Senate.

139. On January 13, 2012, CRANFORD sent an e-mail to Person #1 stating:

Here is copies of checks we were hit with this week. Welcome to campaign season and 2012. " The YEAR of The Greed" is what it is called! We documented the big big checks so you would know who these people are, it came to \$7000.000. This is contributions well spent. The biggest wast [sic] of campaign funds is to our on employee and you know who that is.

Attached to CRANFORD's e-mail to Person #3 on January 13, 2012, were nine checks totaling \$7,000, all drawn on The Cranford Coalition's account and payable to elected public officials in the Arkansas State Senate and Arkansas State House of Representatives.

140. On or about May 30, 2012, CRANFORD and Cooper used their Charity corporate credit cards at The Capital Hotel in Little Rock, Arkansas. The transaction totaled \$5,000. CRANFORD and Cooper divided the transaction and each put \$2,500 on their individually issued Charity corporate credit card. This was to pay for a fundraiser for [“Arkansas Executive Branch Official C”], who was a candidate for Governor of Arkansas.

141. On June 1, 2012, CRANFORD sent an e-mail to Person #1, stating “Sir, [Person #3] wanted me to send this to you, to see if you wanted Jim Preston to reimburse us or how you wanted it handled. This was the [Arkansas Executive Branch Official C] event that [they] wanted us to do and was coming down to it this week but could not make it at the last minute. Coop and I went instead.” Attached to CRANFORD’s e-mail to Person #1 on June 1, 2012, were two checks totaling \$5,000, drawn on The Cranford Coalition’s account and payable to the political action committee of Arkansas Executive Branch Official C.

142. On March 19, 2013, Person #1 e-mailed CRANFORD, stating, in part, “Rusty I have the tickets and hotel for the Senator.” The e-mail referred to Arkansas Senator A.

143. On August 15, 2013, “Employee A,” who then ran the accounting department at the Charity, sent an e-mail to Person #1 and Person #2, stating:

[“Employee B”] wrote 3 checks to Cranford Coalition (\$24000, \$7000, \$144000) that were posted to prepaid as you wanted them expensed over FY 13-14.

They appear to be contribution checks to cover checks that Rusty wrote from The Cranford Coalition.

I don’t think we can expense them to contributions so what would you like for [“Employee C”] to expense them to each month?”

144. On August 15, 2013, Person #2 forwarded the e-mail to Person #1 and Person #2, stating “Pls keep [Person #3] in the loop on this.”

145. On August 16, 2013, Person #3 replied in an e-mail to Person #1 and Person #2, stating “Rusty told me he thought you were calling consultation - - - why does [Employee A] think contribution? We cannot call contribution...”

146. On August 16, 2013, Person #1 replied to Person #3 stating, “I told her consult and training. Will send again.”

147. On April 15, 2014, Person #3 replied to Person #1’s e-mail immediately above, stating, “I do not like her inferring contribution...”

148. On September 20, 2013, Employee B sent an e-mail to Person #3 stating, “Attached are the Cranford Coalition invoices for yesterday and today’s check.” Attached to the e-mail was Invoice 091913A, dated September 19, 2013, from “Cranford Coalition” requesting payment from the Charity in the amount of \$15,000. The invoice lists “Consulting/ Lobbying” in the description section.

149. On September 20, 2013, Person #3 sent an e-mail to CRANFORD, stating: “Do not --- and I repeat --- do not --- put lobbying on another invoice --- just put consultation or training and development...”

150. On October 9, 2013, CRANFORD e-mailed “Employee D,” in part stating, “Can you book me (2) rooms in St. Louis for Saturday close to Busch Stadium tell them AO at the Westin.”

151. On October 10, 2013, CRANFORD e-mailed Employee D, stating “Can you book Senator Woods’ a room at the same hotel in St. Louis 2 nights identical to [Arkansas Senator A] check in tomorrow afternoon please.”

152. On or about November 5, 2013, CRANFORD and Cooper used their Charity corporate credit cards at Sue’s Kitchen in Jonesboro, Arkansas. The transaction totaled \$2,540.

CRANFORD and Cooper divided the transaction and each put \$1,270 on their individually issued Charity corporate credit card. This was to pay for a fundraiser for Person #10, a candidate for the Arkansas State Senate.

153. On or about December 2, 2013, CRANFORD signed, as the Sub-grant Receipt Authorized Representative, to receive a \$1,000,000 Arkansas Department of Human Services Sub-Grant. The contract contained the following section:

D. CERTIFICATION REGARDING LOBBYING: The Recipient will comply with Public Law 101-121, Section 319 (Section 1352 of Title 31 U.S.C.) by certifying that appropriated federal funds have not been or will not be used to pay any person to influence or attempt to influence a federal official/employee in connection with the awarding of any federal contract, sub-contract, loan or cooperative agreement for an award in excess of \$100,000.00.

If the Receipt has paid or will pay for lobbying using funds other than appropriated federal funds, Standard Form-LLL (Disclosure of Lobbying Activities) shall be completed and included as Attachment ___ to this sub-grant.

CRANFORD inserted "NA" (an abbreviation for "not applicable") into the Attachment blank for the Standard Form-LLL, and signed the contract. By signing the contract, CRANFORD falsely certified that no appropriated federal funds had been or would be used to lobby for any Federal contract, sub-contract, loan or cooperative agreement for an award in excess of \$100,000. However, in truth and in fact, as CRANFORD then well knew, the Charity paid appropriated funds, which comprised most of its budget, to lobby for Federal contracts, sub-contracts, loans and cooperative agreements in excess of \$100,000. Moreover, by not attaching a Standard Form-LLL, and certifying the form was not applicable, CRANFORD falsely represented the Charity had not paid and would not pay any expenses for lobbying related to obtaining the \$1,000,000 Arkansas Department of Human Services Sub-Grant that was the subject of the contract, when in truth and

in fact, as Cranford then well knew, he had personally and extensively lobbied to obtain that sub-grant for the Charity.

154. On December 5, 2013, Person #1 sent an e-mail to CRANFORD, stating “Do you have a list of folks we need to give money to and how much each for 2014. I want to start working on that. Don’t payout of [The CRANFORD Coalition] because of taxes unless I tell you to. Just get me the list and I will figure out how to do it without you getting hit tax wise.”

155. On December 5, 2013, CRANFORD replied by e-mail to Person #1, stating “You are talking about contributions correct.”

156. On December 5, 2013, Person #1 replied by e-mail to CRANFORD, stating, “Yes. That \$75k to \$100k [Person #3] was talking about for 2014.”

157. On December 6, 2013, Person #2 e-mailed CRANFORD and courtesy copied Person #1, stating, in part:

I talked to [Person #1] about the GIF issue today. Would you please discuss it with him in more detail.

I took the initiative to talk to [Person #3] and [Person #3] is comfortable with the last verbal agreement we had.

If you don’t feel that is reasonable, please let me know and we will try to work out something else.

On Thursday we all need to discuss what agreements are in place if we pursue GIF again next year, so neither [Person #1] and you, or I, will be disappointed. I believe [Person #3] will be okay with whatever I propose to [Person #3].

158. Also on December 6, 2013, Person #1 replied, via e-mail, to Person #3, courtesy copied CRANFORD, stating “There isn’t any next year.”

159. On December 7, 2013, CRANFORD replied, via e-mail, to Person #1, courtesy copied Person #2, stating “Hey bubba , I will call you later today to discuss what I would like to see done and I think it’s a good plan that will be good from all areas.”

160. Also on December 7, 2013, Person #1 replied, via e-mail, to CRANFORD, stating “Don’t include [Person #2] on email. I am out of the loop on GIF. I know it is supposed to be 10%.”

161. On December 13, 2013, CRANFORD caused the Charity to issue check #91593, payable to “United Methodist Church” in the amount of \$30,000, to Representative Wilkins, who was the pastor of the SJUMC.

162. On February 2, 2014, CRANFORD e-mailed Person #3, stating:

Here are the (3) I was talking about. Let me know when you want to visit on the ones we need to have made from up there.

We need; Senator [redacted], Senator [redacted], [Arkansas Senator B], Senator [redacted], Senator [redacted] for sure. Also, we had talked about doing something at the Lake House for [“Arkansas Executive Branch Official A”] way back when, do we still want to do this? It doesn’t matter to me.

Attached to CRANFORD’s e-mail to Person #3 on February 2, 2014, were three checks totaling \$5,000, each payable to an Arkansas elected public official.

163. On February 11, 2014, CRANFORD e-mailed Person #3 with an invoice attached. The invoice, number 5999, was in the amount of \$5,000 and the purported purpose was “Training.”

164. In discussing the Charity’s renting of CRANFORD’s properties in Texas and Florida, on December 5, 2013, Person #1 emailed CRANFORD stating in part, “Hey on another note next Thursday lets talk to [Person #3] and [Person #2] about TX and FL. I know they already said ok, but I want to get it firm before I do it.”

165. On December 12, 2013, Person #1, Person #2, Person #3, Person #5, CRANFORD, and others attended a Resource Team Meeting. The minutes from this meeting state: “We discussed AO leasing Cranford’s vacation house in Florida for executive leadership. It was agreed that AO would lease the space for 22 weeks a year at the going weekly rate of \$1300/week.”

166. On January 1, 2014, the Charity issued a check in the amount of \$392,550 to Entity B. This check was to prepay rental or leases expenses for the time period January through June 2014. The expenses were for the rental of luxury vacation homes in Arkansas, leases for management automobiles, and rent on one of CRANFORD's Florida residences. The amount to be applied to CRANFORD's Florida residence was \$17,550.

167. On July 1, 2014, the Charity issued a check to The CRANFORD Coalition in the amount of \$94,750. This check was to prepay rental or lease expenses for the time period July through December 2014. The payment was for rent on CRANFORD's Texas house in the amount of \$5,200, rent on CRANFORD's Florida house in the amount of \$17,550, and to pay The Cranford Coalition for "training" in the amount of \$72,000. There is a hand written notation on the document stating: "Code to Ar Adm over 6 mos July-Dec. Rusty is supplying invoice," bearing Person #1's signature.

168. On January 1, 2015, the Charity issued a check to The CRANFORD Coalition in the amount of \$142,750. This check was to prepay rental or lease expenses for the time period January through July 2015. The payment was for rent on CRANFORD's Arkansas house in the amount of \$5,200, for rent on CRANFORD's Florida house in the amount of \$17,550, and to pay for "training" in the amount of \$120,000.

169. From, March 26, 2013, through January 6, 2016, CRANFORD used the Charity's corporate credit card to make purchases at Arthur's Prime Steakhouse in Little Rock, Arkansas. During this time period, CRANFORD conducted 54 transactions totaling \$15,082.41.

170. On March 31, 2016, Person #3, on behalf of the Charity, signed the "Assignment of Deposit Account" for a certificate of deposit that CRANFORD used as collateral to obtain a loan from OakStar Bank in Springfield, Missouri, in the amount of \$176,625.

d. Concealment and False Statements

171. To provide a veneer of legitimacy for the unlawful payments to others, kickbacks paid to themselves, and to disguise the nature and source of the payments, CRANFORD and others caused the Charity's books and records to misrepresent, conceal, and cover up the nature of the services provided by elected public officials, lobbyists and advocates, and financial contributions to elected public officials and their political campaigns, by falsely describing such payments being for training and consulting, and by causing the Charity to execute sham consulting agreements, training agreements, and agreements for other services.

172. From January 1, 2013 to April 11, 2017, Person #1 caused the Charity to disburse funds to The CRANFORD Coalition, Inc., directly and through its related for-profit corporations, into CRANFORD Coalition's checking account at BancorpSouth ending in 2316, from the following entities and in the following amounts:

Entity	Amount
The Charity	\$ 2,174,389.73
Entity A	\$ 663,900.00
Entity B	\$ 60,000.00
Total	\$ 2,897,889.73

173. For the years 2013 through 2015, CRANFORD paid bribes and kickbacks to Person #1, by way of checks totaling \$613,600. On or about the dates listed below, CRANFORD, using the proceeds obtained from the Charity, wrote the following checks from The CRANFORD Coalition, Inc., account number ending 2316 at BancorpSouth to Person #1:

Check Date	Check Number	Amount	Payee
05/20/2013	2170	\$ 75,000.00	Person #1
06/17/2013	2188	\$ 73,000.00	Person #1
06/27/2013	2293	\$ 41,250.00	Person #1
07/01/2013	2202	\$ 75,000.00	Person #1
07/31/2013	2217	\$ 72,000.00	Person #1
09/02/2013	2237	\$ 4,500.00	Person #1
09/20/2013	2252	\$ 4,250.00	Person #1

Check Date	Check Number	Amount	Payee
10/01/2013	2254	\$ 20,000.00	Person #1
10/15/2013	2261	\$ 8,250.00	Person #1
10/25/2013	2267	\$ 24,000.00	Person #1
12/12/2013	2320	\$ 75,000.00	Person #1
12/12/2013	2321	\$ 85,000.00	Person #1
12/19/2013	2436	\$ 8,350.00	Person #1
07/28/2014	2608	\$ 16,500.00	Person #1
10/18/2014	2499	\$ 3,500.00	Person #1
11/06/2014	2630	\$ 7,000.00	Person #1
04/26/2015	2738	\$ 14,000.00	Person #1
05/09/2015	2746	\$ 7,000.00	Person #1
Total:		\$ 613,600.00	

174. On May 20, 2013, Person #1 sent an e-mail to CRANFORD, stating in part: “Hey where are you tomorrow, am going to send you \$150k today. Send me \$75k overnight. Figure \$25k tax so we net \$50k. Our story is we got \$50k.”

175. On December 4, 2013, Person #1 sent an e-mail to CRANFORD, stating in part: “[Person #2] is calling you on GIF. I told her I get 5%.”

176. On June 5, 2014, Person #1 sent a text message to CRANFORD, stating in part: “Hey from now on just send me 30% cash and you keep the rest for tax on [The CRANFORD Coalition] stuff. That gives you 40% of my half for tax. That way I don’t get 1099 and you aren’t short on tax.”

177. On numerous occasions in 2014, CRANFORD, using the proceeds obtained from the Charity, sent cash payments to Person #1.

THE CHARGE
18 U.S.C. § 666(a)(2)
(Federal Program Bribery)

178. The factual allegations of Paragraphs One through One Hundred Seventy-Seven (1-177) of this Information are hereby re-alleged and incorporated as though fully set forth.

179. During the one-year period beginning January 1, 2013 and ending on or about December 31, 2013, Arkansas received benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of federal assistance.

180. From in or around January 2013 to December 2013, in Greene County, in the Western District of Missouri and elsewhere, the defendant **MILTON RUSSELL CRANFORD**, Person #1, Person #2, Person #3, and others known and unknown to the United States, corruptly gave, offered, and agreed to give a thing of value to any person intending to influence and reward an agent of a local government and an agency thereof, in connection with any business, transaction, or series of transactions of such local government and agency involving something of value of \$5,000 or more, namely:

a. CRANFORD, and others known and unknown to the United States gave Woods more than five thousand dollars (\$5,000) in cash, and agreed to cause and did cause the Charity to employ Person #14, in exchange for Woods taking favorable legislative action on behalf of CRANFORD and the Charity, including steering GIF funds to the Charity and CRANFORD Clients;

b. CRANFORD, and others known and unknown to the United States directed cash and checks from the Charity, CRANFORD Lobbying Firms, and CRANFORD Clients to Wilkins through the SJUMC Discretionary Account, including a \$30,000 check from the Charity deposited into the SJUMC Discretionary account on December 18, 2013, in exchange for Wilkins taking favorable legislative action on behalf of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States, including but not limited, to steering GIF funds to the Charity and CRANFORD Clients; and

c. CRANFORD, and others known and unknown to the United States offered and gave, directly and indirectly, money and other things of value to Arkansas Senator A in the form of checks; wire transfers; tickets to sporting events; retainers; attorney's fees; and professional referrals to provide services to CRANFORD, the Charity, CRANFORD Lobbying Firms, CRANFORD Clients, and others known and unknown to the United States, in exchange for Arkansas Senator A taking favorable legislative action on behalf of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States, including but not limited to, holding up agency budgets; requesting legislative audits; sponsoring, filing and voting for legislative bills; and influencing the award of GIF funds to the Charity and CRANFORD clients.

All in violation of Title 18, United States Code, Section 666(a)(2).

FORFEITURE ALLEGATION

181. The factual allegations of Paragraphs One through One Hundred Eighty (1-180) of the Information are hereby re-alleged and fully incorporated herein for the purpose of alleging forfeiture to the United States pursuant to the provisions of Title 18, United States Code, Sections 981(a)(1)(C), 371, 666 and Title 28, United States Code, Section 2461.

182. As a result of the offenses alleged in Count One of this Information, and pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, the defendant, **MILTON RUSSELL CRANFORD**, shall forfeit to the United States all property, real and personal, constituting, or derived from, proceeds traceable to the offenses, directly or indirectly, as a result of the violations of law, including but not limited to:

Money Judgment

183. A money judgment representing proceeds obtained by **MILTON RUSSELL CRANFORD** in that the sum in aggregate, constitutes or is derived from proceeds traceable to the offense set forth in Counts 1.

Substitute Assets

184. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

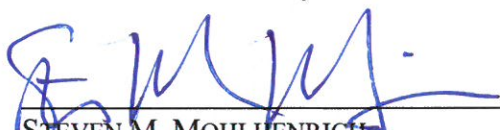
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 21, United States Code, Section 853(p) as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of forfeitable property.


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DATED: 6/7/18
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