

**FILED**

**APR 18 2019**

JAMES R. PARKS  
CLERK, STATE GRAND JURY

STATE GRAND JURY OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA	)	CASE NO. <u>2019-GS-47-06</u>
	)	
-VERSUS-	)	
	)	
RICHARD M. QUINN, SR.,	)	
	)	INDICTMENT
DEFENDANT.	)	
_____	)	

At a session of the State Grand Jury of South Carolina, convened at Columbia, South Carolina on this 18th day of April 2019, the State Grand Jurors present upon their oath and charge as follows:

**Background**

1. On or about March 18, 2016, First Circuit Solicitor David Pascoe and SLED Chief Mark Keel initiated a State Grand Jury case to investigate potential financial and political corruption crimes perpetrated by members of the South Carolina general Assembly including Richard "Rick" Quinn, Jr.
2. In the course of reviewing financial records from Rick Quinn's family businesses, investigators discovered a number of suspicious payments to current and former members of the South Carolina General Assembly including Senator John Courson, Representative Jimmy Merrill, Representative Jim Harrison, Representative Tracy Edge, and others. The investigation also discovered payments made to the Quinns' primary business, First Impressions, Inc. d/b/a Richard Quinn & Associates (RQA) by numerous corporate entities, many of whom were registered lobbyist's principals.
3. On the basis of information gathered throughout the investigation, the State Grand Jury returned true billed indictments against RICHARD M. QUINN, SR. (QUINN) on or about October 18, 2017 for criminal conspiracy and failure to register as a lobbyist.

4. On or about December 13, 2017, the State resolved charges against QUINN and his son, Rick Quinn, pursuant to a plea agreement that required, *inter alia*, that QUINN testify fully and truthfully before the State Grand Jury.

5. On April 20, 2018 and on May 7, 2018 QUINN testified before the State Grand Jury in Richland County. Attorneys for the Grand Jury and Grand Jurors asked QUINN to discuss numerous topics relevant to the underlying investigation.

#### **Employment of Jim Harrison by RQA**

6. Former House Representative Jim Harrison served in the South Carolina House of Representatives for District 75 between 1989 and 2012. Beginning in 1994, Mr. Harrison became the Chairman of the House Judiciary Committee. As Chairman of the Judiciary Committee, Mr. Harrison was in a position to exert control over a significant amount of House legislative matters.

7. On or about June 15, 1999, former House Representative Jim Harrison was hired by RQA to serve as its Chief Operating Officer (COO). Mr. Harrison's starting salary was approximately \$84,871.00 per year, making him one of the highest paid members of RQA outside of Quinn family members. Mr. Harrison also operated a full-time law practice while purportedly serving as COO of RQA.

8. Mr. Harrison was associated with RQA until November 2012 and received nearly \$900,000.00 from RQA during this time. His termination date in November 2012 also coincided with his retirement from the South Carolina House of Representatives.

9. Despite the fact that RQA maintained retainer contracts for services with numerous lobbyist's principals, in every year of his employment with RQA except for one Mr. Harrison failed to report the identity of any lobbyist principal who purchased services from RQA, as

required by State law. The only year he reported this income was his first year of employment with RQA.

10. Mr. Harrison also voted for and sponsored legislation benefitting clients of RQA and failed to disclose the potential conflict of interest as required by State law.

11. Documents and testimony received by the Grand Jury indicate Mr. Harrison did not do any work for RQA beyond occasional meetings with RQA corporate clients. Witnesses testifying before the State Grand Jury with knowledge of RQA affairs had little to no knowledge of Mr. Harrison's work for RQA and were unaware of any substantial work performed by Mr. Harrison on political campaigns.

12. On March 15, 2017, Mr. Harrison testified before a duly convened Grand Jury that he was employed by and later was paid as a consultant by RQA to work on political campaigns for RQA's clients.

13. On October 26, 2018, a jury returned guilty verdicts against Mr. Harrison for statutory misconduct in office and common law misconduct in office relating to his employment at RQA while a member of the South Carolina General Assembly. The jury also found Mr. Harrison guilty of perjury regarding his testimony before the Grand Jury that he was paid by RQA to consult on political campaigns.

14. On April 20, 2018 and May 7, 2018, while the Indictments against Mr. Harrison were pending, but prior to Mr. Harrison's trial, QUINN gave false, misleading, and incomplete testimony before the State Grand Jury regarding Mr. Harrison's employment with RQA in one or more of the following particulars:

- a. When testifying about Mr. Harrison's payment structure being based on retainers from corporate clients, QUINN testified, "But it evolved—it pretty quickly evolved away

from that, and they were—particularly Jim and Jimmy Merrill and Harrison were just doing—helping us with political campaigns. . . . They all evolved into being just part of our statewide campaign organization mainly to help mainly with statewide races or local races in their races.”

- b. When testifying about Mr. Harrison’s work for RQA, QUINN testified, “He was really good with people, and so he kind of evolved into our Midlands campaign consultant for our big races and took—he took a major role in the McCain campaigns, both of them.”
- c. When testifying about Mr. Harrison’s work for RQA, QUINN testified, “we used his legal expertise sometimes.” While discussing pay cuts to Mr. Harrison and other members of the legislature on the RQA payroll, QUINN further testified, “[Harrison] did some—actually did some legal work for us, too.”

#### **Payments from RQA to John Courson**

15. Former Senator John Courson served in the South Carolina General Assembly beginning in the early 1980’s. In 1988, Mr. Courson hired QUINN as a campaign consultant and he served in that capacity in all elections for Mr. Courson until his retirement from the Senate.

16. In late 2006, Mr. Courson began exploring options for converting funds from his Courson for Senate campaign account to personal funds. Mr. Courson claims that these funds represented expense reimbursements from prior campaigns and that he did not want to reimburse himself directly from his campaign account to avoid the political ramifications of reporting the reimbursements.

17. Mr. Courson approached QUINN in late 2006, prior to the first payment to Mr. Courson from RQA, and asked QUINN how he could make payments to himself in this manner. QUINN

told Mr. Courson that he could run the payments through RQA. At that time, Mr. Courson did inform QUINN about the purpose of the payments.

18. During his testimony before the State Grand Jury, Mr. Courson was asked, "And, prior to receiving that first check from Richard Quinn & Associates in December 2006 for the reimbursements, you had met with Mr. Richard Quinn, Senior, and he actually suggested that that was the way you could reimburse yourself, correct?" Mr. Courson testified under oath, "Yes, sir. I inquired to Mr. Quinn on how would I go about reimbursing myself . . . I asked him if it was—how to go about doing it. He said we could do it through Richard Quinn & Associates."

19. Financial records for RQA contain numerous payments from the Courson for Senate campaign account as one would expect between a political candidate and his campaign consultant. However, the records also contained sixteen (16) payments from RQA to Mr. Courson personally beginning in December 2006 and ending in November 2012.

20. The payments to Mr. Courson were often times written on or about the same date that Mr. Courson wrote a check from his campaign account to RQA and the amount of many of the payments appeared to relate to the payment from Mr. Courson's campaign account. For example, on June 2, 2008, a check is written from the Courson for Senate campaign account to RQA for \$13,896.00. On the same day, June 2, 2008, an RQA employee wrote a check to John Courson personally for \$8,896.00.

21. Each payment to Mr. Courson was made by a check from the primary RQA bank account. Mr. Courson endorsed each check with his signature and wrote his personal bank account number below his signature. None of the checks paid to Mr. Courson contained information in the memorandum line to indicate the purpose of the payments.

22. The first fifteen payments made by RQA to Mr. Courson were for amounts less than \$10,000.00—typically between \$6,000.00 and \$9,000.00 per check. Each of these checks was cashed by Mr. Courson at a local Bank of America branch office and not deposited into his bank account. Mr. Courson has since confirmed during his testimony before the State Grand Jury that these payments were intentionally less than \$10,000.00 to avoid triggering reporting requirements by banking institutions.

23. The final check paid to Mr. Courson by RQA occurred on November 29, 2012 for \$32,000.00. This payment coincided directly with a payment from the Courson for Senate campaign account on November 28, 2012 for \$35,116.00. The memorandum line on the payment from Mr. Courson's campaign account to RQA indicated the check was for, "Victory Bonus + Mailings; Consulting Fee." The related check from RQA to Mr. Courson contained no information in the memorandum line. Mr. Courson has since confirmed that he did not have a written contract with RQA that provided for a bonus in the event of a successful campaign.

24. Rather than cash the entire \$32,000.00 payment, Mr. Courson deposited a portion of this check into his bank account and received cash in the amount of \$8,967.00. This is the only check that was deposited into Mr. Courson's bank account. This check was also the final payment made by any Quinn entity to Mr. Courson.

25. On March 15–16, 2017, QUINN'S daughter, Rebecca Quinn Mustian, testified before the State Grand Jury under a grant of immunity by the State. After attorneys for the Grand Jury confronted Ms. Mustian about her failure to disclose these payments to Mr. Courson in earlier testimony she claimed that the payments were expense reimbursements. When asked about the final \$32,000.00 payment, Ms. Mustian claimed the check was payment for cemetery plots purchased from Mr. Courson.

26. During the time that QUINN and Mr. Courson engaged in the payment scheme, Mr. Courson served as a powerful member of the South Carolina Senate including the Senate Ethics Committee, the Medical Affairs Committee, the Education Committee, and the Banking and Insurance Committee.

27. QUINN'S close relationship with Mr. Courson and his role as a political advisor gave QUINN unique access to and influence over Mr. Courson.

- a. For example, in May 2015 Palmetto Health sought Mr. Courson's support for an issue before the Senate Medical Affairs Committee. QUINN drafted a letter on behalf of the CEO of Palmetto Health asking for Mr. Courson's support and also directly communicated with Mr. Courson to change his position on the legislative matter. QUINN then drafted a response to the CEO on behalf of Mr. Courson that noted, "I had a conversation with Richard Quinn tonight. Richard has been my friend and advisor for many years. After our talk, I have concluded it makes more sense to take a little more time to vet various proposals and various thresholds for CON reform. Therefore I plan to support the subcommittee's call for a resolution to oppose the \$50 million threshold at this time.";
- b. In 2014, The Infilaw System, a group that owned for-profit law schools, sought a license to purchase and operate the Charleston School of Law. By June 2014 the Commission on Higher Education was scheduled to vote on the license, however Infilaw was concerned that the license would be denied and sought to delay the vote. To facilitate this, QUINN drafted a letter for Mr. Courson's signature recommending the vote be delayed. As a result of the letter from Mr. Courson arranged by QUINN, the Commission on Higher Education delayed the vote;

c. And other evidence demonstrating QUINN'S unique access to Mr. Courson.

28. On March 16, 2017, the State Grand Jury returned true billed indictments against Mr. Courson for statutory misconduct in office, common law misconduct in office, and for illegal use of campaign funds for personal expenses.

29. On April 20, 2018 and on May 7, 2018, while the indictments against Courson were pending but prior to his scheduled trial, QUINN gave false, misleading, and incomplete testimony before the State Grand Jury regarding his knowledge of the payment scheme to Mr. Courson in one or more of the following particulars:

a. When asked to discuss the payments made by RQA to Mr. Courson, QUINN testified, "An issue was made out of the reimbursements he received, and the allegation was made that he was—when that—he was paying me money and I was keeping some of it and then giving some of it back to him. . . . That's not accurate, at least from our perspective."

b. QUINN further testified about the payments, "For a period of about five to six years during two election cycles, he would come by and ask my bookkeeper for a campaign expense reimbursement because those were campaign funds. Those aren't my funds. . . . Those were campaign funds, and he would ask for an expense reimbursement."

c. When asked about the financial arrangement between Mr. Courson and RQA, QUINN testified, "I didn't know that—the reimbursements he was getting those—that time, he didn't come to me. He came to my bookkeeper to get it, and I didn't pay a lot of attention to it."



- d. When asked about his knowledge of the financial arrangement between Mr. Courson and RQA, QUINN testified, "But I later found out—and I don't know exactly when—in conversations that Courson was reimbursing himself not just for that current campaign but for the entire time he had been in public office."
- e. While continuing to discuss his knowledge of the payments, QUINN testified, "I don't know whether he found out or whether he checked or whether somebody told him that you can reimburse yourself from expenses from previous races if you don't—if you didn't have the resources at the time to do so. So I've—I later heard him say that that's what he was doing."
- f. While continuing to discuss his knowledge of the payments, QUINN testified, "when I first heard the total, it struck me that it was a lot of money for six years, but I have later heard him tell people that he was reimbursing himself for earlier—he's been in office for a long time."
- g. When asked why Mr. Courson didn't simply pay himself from his campaign account, QUINN testified, "You know, he didn't like having to do checks throughout, and he—I think—my guess is—I'm—my guess is he just thought it was a simple way for him to do it and that he trusted us to handle those funds honestly. And—I don't know. It's speculation."
- h. While continuing to discuss why Mr. Courson didn't simply pay himself from his campaign account, QUINN testified, "No, he has a—he has a campaign account, and [the juror] was asking why didn't he pay his expenses out of his campaign account. And I said he could have, and the question, if I am asked why didn't he? I don't know why he didn't."

- i. When discussing how RQA billed the Courson for Senate campaign account, QUINN testified, “He doesn’t—what he wanted me to do, when it came to the election cycle, he came and sit down and said, let’s do a campaign plan and tell me how much it’s going to cost for this cycle—an estimate—a campaign estimate. And I would sit down and estimate h[is] TV, his radio, his mail, his postage, his polling, benchmark tracking and do kind of a proposed budget, and he would just—with this campaign account, would just pay me for the whole campaign budget.”
- j. When discussing the payments to Mr. Courson, QUINN testified, “Let’s say he came to [the bookkeeper] and said I need—you know, I need an expense reimbursement—a campaign expense—I need \$6,400. And she would give him a check, and sometimes he would replace it with another campaign check because he didn’t want to affect the balance for the—because we had an—when I did the—when I estimated the cost of the campaign, I didn’t put in there an estimate of his expenses.”
- k. When asked about the purchase of cemetery plots from Mr. Courson and whether he used proceeds from the campaign account, QUINN testified, “No—well, I mean, the profits I made from his campaign along with all of the other profit—you know, that was all my money. You know, that’s money that I had earned. . . . So I—you—yeah, I—I used my earning to pay—to buy the plot, but it wasn’t specifically John’s payment.”

**Rick Quinn’s relationship to Quinn family businesses**

30. QUINN’S only son, Richard “Rick” Quinn, Jr., was first elected to the South Carolina House of Representatives in 1989 representing District 71. Between 1991 and 2004 Rick Quinn served as the House Majority Leader, but in 2004 he was defeated and lost his House seat. He

rejoined the House in 2010 after winning the general election for District 69, where he served until resigning his seat on December 13, 2017 prior to pleading guilty to misconduct in office.

31. Before losing his seat for District 71, Rick Quinn served on coveted House committees, including the powerful Ways and Means Committee. Following Rick Quinn's defeat in 2004, RQA immediately hired another Representative who served on the House Ways and Means Committee at that time and was the chairman of the Healthcare Budget Subcommittee, former Representative Tracy Edge.

32. The primary Quinn family business, RQA, was founded in 1976 by QUINN. Its sole shareholders are QUINN and his wife. In 1989 the Quinns executed a corporate resolution naming Rick Quinn the Vice President of RQA and granting him full financial authority over the company. That resolution has never been rescinded and Rick Quinn retains his position and authority over RQA.

33. RQA also operates a separate printing facility named The Copy Shop that is a "d/b/a" or trade name of RQA. The Copy Shop is not a separately registered entity.

34. In 1995, QUINN and Rick Quinn created Mail Marketing Strategies (MMS). MMS is a printing and mailing business and is located on the 1600 block of Gervais Street in Columbia where the other Quinn family businesses are principally located. MMS maintains a number of employees, all of whom are paid by RQA.

35. Prior to his re-election to the House in 2010, Rick Quinn was a salaried employee of RQA and received a federal form W-2 from RQA. Shortly after the November 2010 election, the source of Rick Quinn's income changed from the RQA payroll account to wire transfers from MMS. However, a close inspection of the MMS bank account reveals that MMS typically had insufficient

funds on hand to pay Rick Quinn's salary, so funds would be transferred from RQA to cover the shortfall.

- a. For example, on June 23, 2011, MMS had a balance of \$2,056.13 cash on hand—not enough to cover Rick Quinn's \$6,800 paycheck. The same day, RQA transferred \$6,800.00 to MMS and MMS transferred \$6,800.00 to Rick Quinn.
- b. On July 18, 2011, MMS had a balance of \$1,290.92 cash on hand. The same day RQA transferred \$5,800.00 to MMS, and on July 19, 2011 MMS transferred \$6,800.00 to Rick Quinn.
- c. This pattern of fund transfers to MMS did not begin until April 2011, and occurred in most months between 2011 and 2014. After May 2014, MMS began maintaining a significantly larger amount of cash on hand making these transfers less obvious.

36. Numerous other aspects of the operations of MMS, RQA, and other Quinn family businesses demonstrate that while some businesses are separately registered entities, the businesses are not truly independent:

- a. For example, employees from the Quinn businesses—except for Rick Quinn<sup>1</sup>—were paid from the RQA payroll account;
- b. Bank accounts for the businesses are registered as trade names, designated as a “d/b/a” or “doing business as”, for each other. For example, the primary RQA bank account is registered as “First Impressions, Inc. d/b/a Richard Quinn and Associates and Mail Marketing”, the Copy Shop account is registered as “First Impressions, Inc. d/b/a The Copy Shop”, and MMS is registered as “Mail Marketing Strategies, LLC d/b/a The Copy Shop”;

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<sup>1</sup> See paragraph 35, *supra*.

- c. MMS and RQA share a bulk postage mailing permit. As political consultants, postage fees represent a significant cost of business for the Quinns. By paying postage fees for the permit, RQA can effectively transfer cash to MMS by covering the costs;
- d. Checks written to MMS are deposited into the RQA checking account and checks written to RQA are deposited into the MMS account;
- e. And other evidence demonstrating that the various Quinn family business are operated as a single business.

37. These business practices are significant not because they are illegal, but because of Rick Quinn's status as a member of the House of Representatives and his ethical obligation to report payments from lobbyist's principals received by a business with which he is associated and recuse himself from legislation that presents a conflict of interest.

38. The Quinn family expended significant effort to convince the general public that Rick Quinn was not involved in the affairs of RQA, whose clientele included numerous corporate entities and lobbyist's principals. However, in reality, Rick Quinn was closely involved in RQA affairs and MMS was merely a straw corporation utilized by the Quinn family to create the appearance of separation.

39. Following Rick Quinn's reelection in 2010, he continued to participate in RQA business:
- a. For example, Rick Quinn discussed legislative affairs with RQA clients who retained RQA to advise them on legislative affairs;
  - b. Rick Quinn participated in RQA political consulting work and represented political clients of RQA;
  - c. Rick Quinn managed RQA staff and operations;

- d. Despite the fact that MMS was purportedly his separate business, Rick Quinn complained to his father about the way that his sister is managing his payroll withholding;
- e. And other evidence demonstrating Rick Quinn continued to be closely involved in RQA business after November 2010.

40. After regaining a seat in the House of Representatives, Rick Quinn did recuse himself from voting on various sections of the House Appropriations Bill that may have affected RQA clients who received State funding.

41. Rick Quinn did not recuse himself on a vast amount of legislation that affected the interests of RQA clients who retained RQA for advisement on legislative affairs:

- a. For example, in 2015 the Senate introduced S.277, a bill favorable to AT&T who was a longtime client of RQA. In May 2015, an internal AT&T email notes that, "Rick just told me merrill has been working the bill—he is a problem. Rick and I are talking at 1 on how to deal with him." During a debriefing, Jim Merrill informed federal agents that QUINN and Rick Quinn convinced Merrill to cease his vocal opposition to the Bill. Rick Quinn did not recuse himself from this legislation, and voted in favor of the Bill;
- b. In February 2012, an RQA client, South Carolinians for Responsible Government (SCRG), sent an email to both QUINN and Rick Quinn seeking an urgent meeting regarding school choice, an issue the group advocated. A reply email later that day to QUINN notes, "We got Rick. Plan on track. . . . U may want text [the leader of SCRG] and tell him u r working w/ Rick to get Bingham focused to add the school choice bill to the budget at their 2pm mtg today. . .we need bingham solid." Rick Quinn did not

- recuse himself from this legislation; he co-sponsored and voted in favor of the school choice Bill, H.4894, three days later;

- c. And numerous other examples in which Rick Quinn sponsors and votes on legislation favorable to RQA clients.

42. On April 20, 2018 and on May 7, 2018, QUINN gave false, misleading, and incomplete testimony before the State Grand Jury regarding Rick Quinn and MMS in one or more of the following particulars:

- a. When asked to discuss whether Rick Quinn was paid by RQA while he was not in the legislature, QUINN testified, "I'm sure he was during those years. Now, I don't know when we started—when he and I started a separate business called Mail Marketing. . . . I know that, since he returned to the Legislature, his payroll was always Mail Market[ing.]"
- b. When asked to discuss Rick Quinn's salary, QUINN testified, "Well I'm not sure what the source of his pay was during this period. I know, after he was re-elected, the—Mail Marketing was—it was the source of his salary."
- c. When asked whether Rick Quinn advocated on behalf of the Trial Lawyer's Association, QUINN testified, "I know he recused himself 48 times when he thought—if there appeared to be a conflict with my—one or more of my clients[.]"
- d. When asked to discuss an email in which he ensures Rick Quinn is not introduced as an RQA employee, QUINN testified, "And, you know, he did work with us for a while, but we were—we started being concerned to make it clear to everybody that he had started his own business and that he was—because, now that I had some corporate clients, we didn't want him to be accused of doing improper work for my corporate

clients, which is why—this has never even been in The State Newspaper and never in any slide presentations by the prosecutor. That’s why he recused himself every time it related directly to a client of mine, which he probably didn’t need to legally, but he did it just to avoid the appearance of any conflict.”

**Attorney General Alan Wilson**

43. Attorney General Alan Wilson retained QUINN and RQA for political consulting work since Wilson first ran for the position of Attorney General in 2010. In addition, RQA paid two individuals who were also on the payroll of the Attorney General’s Office a monthly stipend of \$500 each. QUINN used this close relationship with Attorney General Wilson to attract prospective corporate clients.

44. On or about February 13, 2013, Attorney General Alan Wilson asked SLED to investigate Speaker of the House Bobby Harrell. That investigation was summarized in a SLED report that was provided to the Attorney General’s Office on or about December 5, 2013.

45. The SLED report detailed numerous allegations against Mr. Harrell and also included allegations of official misconduct against QUINN’S son Rick Quinn and Jimmy Merrill associated with their practice of directing House Republican Caucus business to their own companies while serving as House Majority Leaders.

46. On or about July 24, 2014, the Attorney General’s Office assigned the Harrell matter to First Circuit Solicitor David Pascoe after Mr. Harrell’s attorneys moved to recuse the Attorney General from further involvement. Mr. Harrell ultimately pleaded guilty on October 23, 2014 and was removed from office.

47. On October 23, 2014, the day of Mr. Harrell’s guilty plea, QUINN sent an email to one of Attorney General Wilson’s deputies with a draft press release noting, “After your edits, I’d suggest



we get this out quickly.” The representative of the Attorney General’s Office replied, “Richard it is a damn good statement. I have no changes, I will get to Alan immediately. Thank you for your good work.”

48. At the time this draft statement was submitted by QUINN, the Attorney General’s Office employed a full-time press secretary.

49. On October 27, 2014, QUINN submitted a draft letter to the same Attorney General’s Office representative. The subject line of the email was, “?????? Thoughts?” The draft letter was addressed to Solicitor Pascoe and included language stating,

While this Office has no comment on the substance of the facts pled to by Mr. Harrell, there is one concern that should be addressed: the plea negotiation suggests any state criminal charges against other individuals arising out of Mr. Harrell’s cooperation would be handled solely by you. . . . The Attorney General’s designation of you as prosecutor was limited solely to the disposition of Mr. Harrell’s case and not to any other cases related to or arising out of that one. . . . Therefore, please understand that this office shall supervise the investigation and prosecution of any cases that MIGHT arise from any cooperation that Mr. Harrell provides under the terms of the plea agreement. . . .

50. At the time that these statements were drafted, in October 2014, the Attorney General’s Office employed both a full-time press secretary and a government affairs director, either of whom were qualified to draft statements directed to other government officials or for public consumption.

51. QUINN’s involvement with drafting correspondence on behalf of Attorney General Wilson to Solicitor Pascoe informing Solicitor Pascoe of the limitations of his authority was motivated by QUINN’s desire to protect his son Rick Quinn from being investigated and/or prosecuted by Solicitor Pascoe.

52. On April 20, 2018 and on May 7, 2018, QUINN gave false, misleading, and incomplete testimony before the State Grand Jury regarding his role in drafting or editing statements on behalf of the South Carolina Attorney General’s Office in one or more of the following particulars:

- a. When asked to discuss the October 23, 2014 press release he drafted for the Attorney General's Office, QUINN testified, "Let me just say real quick I believe that that date—I don't think he had a press person in his office. I think he later hired one. . . . he didn't have a press person. And I drafted lots of statements for him."
- b. When asked if drafting public statements for the Attorney General was normal for a campaign consultant, QUINN testified, "Yeah, especially if it's a candidate that doesn't have a writer or a press person on their staff."
- c. When asked why he would be editing or drafting a letter on behalf of the Attorney General to Solicitor Pascoe, QUINN testified, "Because he didn't have a writer to—you know, he likes my writing. I was his *de facto* press secretary."
- d. When asked whether he assisted in drafting a July 24, 2015 letter to Solicitor Pascoe, QUINN testified that he did not recall the letter and, "When he hired a press guy, the demands on me were diminished."

**PERJURY**  
(S.C. Code Ann. §16-9-10)

53. On April 20, 2018 and on May 7, 2018, in Richland County, RICHARD M. QUINN, SR. did willfully give materially false, misleading, and incomplete testimony under oath before the State Grand Jury of South Carolina, which was duly impaneled by the Chief Judge for the State Grand Jury to investigate public corruption involving current and former members of the South Carolina General Assembly and others, to wit:

**COUNT 1**

54. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

55. When QUINN explained to the Grand Jury his assistance in drafting statements and letters on behalf of the South Carolina Attorney General's Office, QUINN testified under oath that, "[Attorney General Wilson] didn't have a press person" and that he edited or drafted the documents on behalf of the Attorney General "Because he didn't have a writer to—you know, he likes my writing. I was his *de facto* press secretary." When asked if a campaign consultant was normally expected to draft documents for the Attorney General, QUINN testified under oath, "Yeah, especially if it's a candidate that doesn't have a writer or a press person on their staff."

56. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the reason he participated in drafting and editing statements on behalf of the Attorney General's Office was to protect his son Rick Quinn;
- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that he drafted or edited the statements because the Attorney General did not have a press secretary or writer on staff at that time;
- c. At the time the documents were drafted and edited, the Attorney General's Office employed a Government Relations Director as well as a Communications Director. These positions managed both political matters and press related matters for the Attorney General's Office;
- d. When asked, "Did you—your office have a press secretary, if you will, or someone who served in a similar capacity?" Attorney General Alan Wilson testified under oath, "We did."

57. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

### COUNT 2

58. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

59. When QUINN was asked if funds used to purchase cemetery plots from former Senator John Courson were proceeds from Mr. Courson's campaign, QUINN testified under oath that, "I used my money" and that, "I used my earnings to pay—to buy the plot, but it wasn't specifically John's payments."

60. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the source of funds paid to Mr. Courson for the cemetery plots;
- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that the cemetery plots were not purchased with funds from Mr. Courson's campaign account;
- c. On November 28, 2012, Mr. Courson paid \$35,116.00 to RQA for "Victory Bonus + Mailings; Consulting Fee." On November 29, 2012, RQA paid a check to Mr. Courson personally for \$32,000.00. This is the final payment made to Mr. Courson by RQA or QUINN;
- d. The consulting agreement between Mr. Courson and RQA does not provide for a victory bonus;

e. The \$32,000.00 payment to Mr. Courson, allegedly for payment of cemetery plots by QUINN, was made by RQA to Mr. Courson on November 29, 2012 using the proceeds of a check written by Mr. Courson on the Courson for Senate campaign account the day before. RQA was, in effect, a “pass through” to direct funds from Mr. Courson’s campaign to Mr. Courson in violation of State law. Rather than pay himself directly through his campaign account, Mr. Courson concealed the payments by passing them through RQA.

61. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

### **COUNT 3**

62. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

63. When asked to discuss the payments from RQA to Mr. Courson, QUINN testified under oath that the payments were for campaign expense reimbursements. QUINN further testified under oath, “For a period of about five to six years during two election cycles, he would come by and ask my bookkeeper for a campaign expense reimbursement because those were campaign funds. Those aren’t my funds. . . . Those were campaign funds, and he would ask for an expense reimbursement.” QUINN further testified under oath, “so sometimes, when he would take an expense check out—you know, maybe that day or the next day or soon—he would put a similar amount back in to replace what he had reimbursed himself with for campaign expenses.”

64. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the nature of the payment scheme from RQA to Mr. Courson;
- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that the payments to Mr. Courson were for campaign expense reimbursements;
- c. Witnesses' testimony before the Grand Jury and evidence gathered demonstrates that the payments were a kickback scheme to pass Courson for Senate campaign funds to Mr. Courson personally through RQA;
- d. Rather than pay himself directly through his campaign account, Mr. Courson concealed the payments by passing them through RQA;
- e. Mr. Courson has no documentation, invoices, receipts, or otherwise to establish any campaign expenditure that was allegedly reimbursed;
- f. All payments to Mr. Courson except for the final payment were converted to cash rather than being deposited into Mr. Courson's bank account. The final payment was cashed in part and deposited in part;
- g. Mr. Courson admittedly structured all payments except the final payment to be less than \$10,000.00 to avoid triggering reporting requirements by financial institutions. The portion of the final payment that was cashed was also less than \$10,000.00;
- h. None of the payments were reported as reimbursements and none of the checks paid to Mr. Courson bore any indication that they were made as reimbursements.

65. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

#### COUNT 4

66. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

67. When discussing the alleged expense reimbursement payments made by RQA to Mr. Courson, QUINN testified under oath that, “I later found out—and I don’t know exactly when—in conversations that Courson was reimbursing himself not just for that current campaign but for the entire time he had been in public office. . . . So I’ve—I later heard him say that that’s what he was doing.” When discussing the total amount of payments alleged to be expense reimbursements, QUINN further testified under oath, “But, you know, it—when I first heard the total, it struck me that it was a lot of money for six years, but I have later heard him tell people that he was reimbursing himself for earlier—he’s been in office for a long time.”

68. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN’S testimony was material because it misrepresented his knowledge of and involvement in the payment scheme with Mr. Courson;
- b. Witnesses’ testimony before the Grand Jury and evidence gathered contradicts QUINN’S sworn testimony that he was not fully aware of the purpose for which Mr. Courson sought the payments;
- c. Mr. Courson testified under oath before the Grand Jury that he discussed the alleged reimbursement scheme with QUINN at the very beginning and “asked him how I could go about reimbursing myself—expenses I incurred as a candidate or as a Senator—that had not been reimbursed previously, and [QUINN] said I could run it through Richard Quinn & Associates”;

- d. When asked, "So—and [QUINN] knew that that's what you were reimbursing yourself for was prior campaigns?" Mr. Courson testified under oath, "That is correct, yes, sir."
- e. When Mr. Courson was asked, "if anyone said—or if anyone testified that Richard Quinn, Senior was not aware, back in December 2006, '07, '08—all of those years through 2012 that these reimbursements were also for expenses that occurred back in the 80's and 90's, that would be inaccurate, correct? . . . That would be untruthful if somebody said that Mr. Quinn didn't know that, correct?" Mr. Courson testified under oath, "That is correct. To my knowledge, yes, sir. That would be correct. . . . He knew I was being reimbursed for campaign expenses because we had discussed it."
- f. QUINN'S testimony was false because he knew prior to the first payment to Mr. Courson in December 2006 the purpose of the payment scheme to Mr. Courson;
- g. Witnesses' testimony before the Grand Jury and evidence gathered demonstrates that Mr. Courson communicated primarily with QUINN and that Mr. Courson would have required QUINN'S consent to pass payments through RQA.

69. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

#### COUNT 5

70. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

71. When QUINN was asked to explain why Mr. Courson paid himself by asking RQA for a check rather than making payments directly from the Courson for Senate campaign account, QUINN testified under oath that he did not know why Mr. Courson chose to receive the payments



in this manner. QUINN further testified under oath, “No, he has a—he has a campaign account, and [the juror] was asking why didn’t he pay his expenses out of his campaign account. And I said he could have, and the question, if I am asked why didn’t he? I don’t know why he didn’t.”

72. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN’S testimony was material because it misrepresented his knowledge of and involvement in the payment scheme with Mr. Courson;
- b. Witnesses’ testimony before the Grand Jury and evidence gathered contradicts QUINN’S sworn testimony that he did not know why Mr. Courson did not pay himself directly from his campaign account;
- c. Prior to making the first payment to Mr. Courson in December 2006, Mr. Courson approached QUINN and discussed the payment scheme with QUINN;
- d. QUINN’S testimony was false because he knew prior to the first payment to Mr. Courson in December 2006 the purpose of the scheme was to conceal the payments from the public by disguising the payments as campaign consulting fees to RQA;;
- e. QUINN was aware of the details of the payment scheme because QUINN gave Mr. Courson permission to pass payments through RQA in this manner.

73. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

#### COUNT 6

74. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

75. When QUINN was asked whether Rick Quinn advocated on behalf of RQA clients, QUINN testified under oath that, "I know he recused himself from—48 times when he thought—if there appeared to be a conflict with my—one of my clients. . . ." While discussing the efforts of the Quinn family to point out that Rick Quinn operated a business separate from RQA, QUINN further testified under oath that, "That's why he recused himself every time it related directly to a client of mine. . . ."

76. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented Rick Quinn's voting record on legislation relating to RQA clients;
- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that Rick Quinn recused himself from voting on legislation every time the legislation directly affected RQA clients;
- c. Voting records publicly available through the South Carolina General Assembly demonstrate that Rick Quinn voted on numerous governmental decisions directly related to corporate clients of RQA.

77. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

#### **COUNT 7**

78. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

79. When asked to discuss Rick Quinn's compensation and the relationship of Mail Marketing Strategies, LLC (MMS) to RQA, QUINN testified under oath, "Now, I don't know when we started—when he and I started a separate business called Mail Marketing." QUINN further testified under oath regarding Rick Quinn's separate business, "you know, he did work with us for a while, but we were—we started being concerned to make it clear to everybody that he had started his own business and that he was—because, now that I had some corporate clients, we didn't want him to be accused of doing improper work for my corporate clients[.]"

80. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the relationship between MMS and RQA, and Rick Quinn's reliance on RQA;
- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that MMS was an independent business and that Rick Quinn did not do improper work for RQA's corporate clients;
- c. QUINN'S testimony was misleading because while MMS was technically a separate limited liability company, it closely relied on RQA and other Quinn family businesses to continue operating;
- d. Evidence gathered by the Grand Jury demonstrates that the businesses were not operated independently. For example, all MMS employees are paid by RQA, bank records for the primary RQA bank account were registered as "First Impressions, Inc. d/b/a Richard Quinn and Associates and Mail Marketing", internal accounting documents group all of the Quinn businesses, and other evidence.

81. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT 8**

82. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

83. When QUINN was asked about the salary paid to Rick Quinn, QUINN testified under oath that when Rick Quinn was not in the legislature his salary was paid by RQA but, "I know that, since he returned to the Legislature, his payroll was always Mail Market[ing]." QUINN further testified under oath, "I know, after he was re-elected, the—Mail Marketing was—it was his source of his salary."

84. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the nature of Rick Quinn's relationship to RQA and the source of his income;
- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that the sole source of Rick Quinn salary while he was a member of the General Assembly was MMS;
- c. QUINN'S testimony was misleading because Rick Quinn and MMS relied on RQA for financial support;
- d. Prior to regaining a seat in the House of Representatives in November 2010, Rick Quinn's salary was paid entirely by RQA. After regaining a seat, beginning in February 2011, Rick Quinn began receiving his salary from MMS rather than RQA. However,

analysis of financial records shows that funds were frequently transferred from RQA to MMS to pay Rick Quinn's salary;

- e. This arrangement permitted Rick Quinn to claim independence from RQA while concealing his association with RQA, thus circumventing reporting requirements under State ethics laws.

85. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

### COUNT 9

86. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

87. When QUINN explained the work performed by Jim Harrison for RQA while he was employed by RQA, QUINN testified under oath that Mr. Harrison was "just doing—helping us with political campaigns" and that Mr. Harrison "evolved into being just part of our statewide campaign organization mainly to help mainly with statewide races or local races in their races." QUINN was asked directly about Mr. Harrison performing political work, "is that—was that—the reason Harrison was on retainer, as well?" To which QUINN answered, "Eventually, after the CEO thing didn't work out, yeah."

88. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the work performed by Jim Harrison for RQA during his employment;

- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that Mr. Harrison was employed to work on political campaigns;
- c. Mr. Harrison provided very little, if any, work on political campaigns for which he was paid a salary while employed by RQA or during the time he was a paid consultant receiving a monthly retainer. To the contrary, during his association with RQA as an employee and as a paid consultant, Mr. Harrison sponsored, co-sponsored, and voted on legislation that favored clients of RQA.

89. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

#### COUNT 10

90. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

91. When QUINN was asked to discuss the work performed by Jim Harrison while employed by RQA, QUINN testified under oath that "we used his legal expertise sometimes." QUINN further testified under oath that Mr. Harrison "actually did some legal work for us, too."

92. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the reasons for which Mr. Harrison was compensated by RQA during his tenure there;

- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony regarding the nature of Mr. Harrison's employment at RQA;
- c. Mr. Harrison did not provide any substantial work for RQA and did not perform legal work for RQA.

93. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

#### COUNT 11

94. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

95. When QUINN was asked to discuss the work performed by Jim Harrison while employed by RQA, QUINN testified under oath that Mr. Harrison "took a major role in the McCain campaigns, both of them."

96. This testimony was willfully false, misleading, incomplete, and material to the matters under investigation by the State Grand Jury in one or more of the following particulars:

- a. QUINN'S testimony was material because it misrepresented the work performed by Jim Harrison for RQA during his employment;
- b. Witnesses' testimony before the Grand Jury and evidence gathered contradicts QUINN'S sworn testimony that Mr. Harrison was substantially involved in the McCain campaigns;
- c. Harrison did not take a major role that accounted for his salary in either McCain campaign;

d. Trey Walker, who worked for both the 2000 and the 2008 McCain presidential campaigns and served as the State Director for the 2008 McCain campaign, testified that Mr. Harrison did not do any work for the McCain campaign.

97. All done in violation of Section 16-9-10, Code of Laws of South Carolina (1976), as amended, and against the peace and dignity of this State and contrary to the law in such case made and provided.

**OBSTRUCTION OF JUSTICE**  
(Common Law)

98. On April 20, 2018 and on May 7, 2018, in Richland County, RICHARD M. QUINN, SR. did intentionally pervert, obstruct, impede, and hinder the administration of justice, to wit:

**COUNT 12**

99. Paragraphs 1 through 52 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

100. While testifying before the State Grand Jury of South Carolina, which was duly impaneled by the Chief Judge of the State Grand Jury to investigate public corruption involving current and former members of the South Carolina General Assembly and others, QUINN intentionally gave incomplete and evasive testimony throughout to pervert, obstruct, impede, and hinder the ongoing investigation by the State Grand Jury.

101. QUINN repeatedly claimed to suffer from memory problems and health issues that hindered his memory, however witnesses' testimony before the Grand Jury and evidence gathered contradicts this claim.

102. All against the peace and dignity of the State and in violation of the common law of South Carolina.

[SIGNATURE PAGE FOLLOWS]





David M. Pascoe  
First Circuit Solicitor  
Acting under authority of Supreme Court Order

A TRUE Bill



Foreperson