

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :
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 v. : Docket No.
 :
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 ROBERT M. MCCORD, :
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 Defendant. :

JOINT STATEMENT OF FACTS

The Office of the United States Attorney for the Middle District of Pennsylvania has filed an Information in the above-captioned matter charging Robert M. McCord with two counts of attempted Hobbs Act Extortion, in violation of Title 18, United States Code, Section 1951(a). This "Joint Statement of Facts" is "Exhibit A" to the "Plea Agreement" that was filed simultaneously with the filing of the Information.

The parties agree that, if the case charged in the Information had gone to trial, the testimony and other evidence presented by the government would have proven the facts outlined below, among others, beyond a reasonable doubt.

At all times material to this case, Robert M. McCord was the elected Treasurer of Commonwealth of Pennsylvania. The Office of Treasurer is established under the Pennsylvania Constitution, Article IV, Section. 1, and is

headquartered at 129 Finance Building, Harrisburg, Pennsylvania, within the Middle District of Pennsylvania. McCord was elected Treasurer in 2008 and reelected in 2012.

Robert M. McCord was also a candidate in the Democratic Gubernatorial Primary Election held on May 20, 2014. By April and early May of 2014, McCord had loaned his gubernatorial campaign more than \$2,000,000 in personal funds and was significantly trailing in the polls.

During late April and early May of 2014, McCord demanded campaign contributions from persons and entities engaged in interstate commerce by attempted extortion, that is, by knowingly and intentionally demanding, and counseling others to demand on his behalf, the payment of campaign contributions induced by wrongful use of fear of economic harm. In particular, McCord threatened to use his position as Treasurer of the Commonwealth of Pennsylvania to cause economic harm to potential donors' future business with the Commonwealth of Pennsylvania if sufficient contributions to McCord's gubernatorial primary campaign were not made.

A. Count One – Attempted Extortion of Law Firm

Count One of the Information relates to McCord's attempted extortion of campaign contributions, in April and May of 2014, from a Philadelphia-based

law firm (hereinafter referred to as "the Law Firm") and attorneys affiliated with the Law Firm. The Law Firm does business in interstate commerce in Pennsylvania, New Jersey, Delaware, New York, and elsewhere. During April and May of 2014, the Law Firm had contracts with the Commonwealth of Pennsylvania and the Pennsylvania Treasurer's Office to provide legal services and had billed hundreds of thousands of dollars in legal fees to the Commonwealth of Pennsylvania and/or to the Pennsylvania Treasurer's Office in the preceding several years. The Pennsylvania Department of Treasury approved and managed the compensation of the law firm from Harrisburg within the Middle District of Pennsylvania.

On a number of occasions between April 18, 2014 and May 6, 2014, McCord communicated by telephone with the managing partner of the law firm (hereinafter referred to as the "Managing Partner") and with an attorney of the law firm, (hereinafter referred to as the "Attorney") seeking campaign contributions to be authorized by the Managing Partner on behalf of the Law Firm, to be made by the Attorney, or someone else, acting as a conduit. On multiple occasions, after the Managing Partner of the Law Firm agreed to make a \$5,000 contribution to the McCord campaign, McCord threatened

economic harm to the Law Firm if a \$25,000 campaign contribution were not made.

On April 18, 2014, Robert McCord placed a telephone call to the Managing Partner, seeking campaign contributions from the Law Firm and the Attorney for McCord's gubernatorial campaign. Early in the call, McCord made reference to the fact that McCord had called the Managing Partner multiple times and had not received a response. McCord told the Managing Partner that McCord told another person that McCord thought the Managing Partner did not want to talk with him: "I called him multiple times, I think he doesn't want to talk." McCord acknowledged to the Managing Partner McCord's understanding that the Managing Partner was a supporter of the incumbent governor, but indicated that McCord nevertheless intended to seek financial support from the Managing Partner for McCord's gubernatorial campaign, stating: "I know how close you are to the governor and I don't want to undermine your practice but of course I've got to try to do my job, as well."

Later in the conversation, McCord advised the Managing Partner, "I've got two things that I was hoping for." The first thing McCord hoped for from the Managing Partner was a \$5,000 campaign contribution to be made at an upcoming campaign event. McCord told the Managing Partner that McCord's

campaign was holding an event at a hotel in Radnor and that McCord was looking for "co-sponsors." McCord asked the Managing Partner to make a five thousand dollar contribution to the McCord campaign, either directly from the Law Firm or through a conduit: "I thought either...either a [name of Law Firm] check or one of...one of the people who just does whatever you ask him to do checks, if you could find five K for that." Continuing his request for the \$5,000, McCord indicated that he believed he could be elected Governor but also indicated, "But even if I don't win, what am I? I'm still the State Treasurer for 2 ½ years, right? So...um...is that something you think you could find your way to do?" The Managing Partner responded, "I think I can do that."

The second thing McCord hoped for from the Managing Partner was that the Managing Partner would authorize the Attorney to make a contribution of a "fair amount of money" to McCord's campaign. McCord noted to the Managing Partner that the Attorney was a neighbor of McCord's and that the Attorney did a lot of work for the Department of the Treasury as a member of the Managing Partner's Law Firm: "[name of Attorney] is a neighbor of mine and he does a lot of work for us and he's a friend. I was hoping to hit him up for a fair amount of money but I don't want to get him in trouble with you. I don't know, what's the right way for me to approach [name of the Attorney]?" The

Managing Partner responded, "I'm not sure. Let me think about that one.

Yeah, let me give that one some thought, okay?"

On April 21, 2014, McCord engaged in a telephone conversation with the Attorney during which McCord expressed dissatisfaction that, until recently, the Managing Partner did not answer McCord's telephone calls. McCord also expressed dissatisfaction that the Managing Partner had thus far only committed to a \$5,000 contribution.

McCord indicated to the Attorney that McCord was aware that the Managing Partner was a supporter of the incumbent governor and was a likely supporter of a candidate for governor, other than McCord, in 2018: "So he gets four more years of Corbett followed by [name of a potential gubernatorial candidate in 2018]." McCord then made reference to the fact McCord could cause harm to the Law Firm in the future if the Law Firm did not make a more significant contribution to McCord: "And that's fine but you also run a law firm, so if you are not going to hedge your bet, don't think that I am so stupid that I am not going to read you the riot act down the road. You know what I mean?"

McCord counseled the Attorney to talk with the Managing Partner and provided "talking points" to the Attorney to use with the Managing Partner to

convince the Managing Partner to authorize an additional contribution of at least \$25,000 to the McCord gubernatorial campaign. For example, since the Managing Partner of the law firm was a supporter of the incumbent governor, McCord told the Attorney that the additional campaign contribution of at least \$25,000 to McCord from the Law Firm could be made by the Attorney or the Attorney's wife, acting as a conduit, with the Law Firm giving credit to the Attorney toward any future campaign contributions the Law Firm might require the Attorney to make.

Additionally, McCord counseled the Attorney to use McCord's position as Treasurer to threaten the Managing Partner with disruption of the Law Firm's current business and the loss of future business if the additional campaign contribution were not made:

You can say to him, "My concern is that if he loses and you stiffed him, every time you are trying to get something done through state government you are going to have the State Treasurer looking to screw you, you know, and every time I am trying, you know, to build my book, I...I've got...I, you know, he's like well your senior partner wouldn't return my phone calls." You know, some combination of those talking points.

McCord's intention in counseling the Attorney to convey the foregoing message to the Managing Partner was to communicate a threat to the Managing Partner that, if McCord were to lose the gubernatorial election ("if

he loses”), and if the Managing Partner had not authorized a sufficiently large campaign contribution to McCord (“stiffed him”), then McCord would use McCord’s position as Treasurer to disrupt the Law Firm’s pending business with the State (“every time you are trying to get something done through state government you are going to have the State Treasurer looking to screw you”) and to prevent the Law Firm from obtaining new business with the State (“every time I am trying, you know, to build my book, I...I've got...I, you know, he's like well your senior partner wouldn't return my phone calls”).

In a follow-up telephone conversation, the Attorney advised McCord that the Attorney showed the Managing Partner the Law Firm’s “activity” for 2011, 2012 and 2013. This was a reference to the fact that, in an attempt to convince the Managing Partner to authorize an additional campaign contribution to McCord, the Attorney showed the Managing Partner the amount of money the firm had billed to the state for legal services performed during the years 2011, 2012 and 2013. In fact, the law firm had billed and received payment from the state for hundreds of thousands of dollars in legal fees during those years.

On April 29, 2014, McCord spoke on the telephone directly with the Managing Partner. Recognizing the Managing Partner’s support for the

incumbent governor, McCord indicated that McCord knew the Managing Partner might want to avoid the public disclosure of a reported campaign contribution to McCord. McCord indicated that McCord wanted the Managing Partner to authorize the Attorney to personally write a check for \$20,000 or \$25,000 to the McCord campaign, as a conduit contributor for the Law Firm, and for the Law Firm to somehow give credit to the Attorney for this contribution. McCord indicated that this would allow the Law Firm and the Managing Partner to secretly be supportive of McCord. McCord concluded the conversation by threatening to use his position as State Treasurer to punish the Law Firm if a sufficiently large campaign contribution were not forthcoming:

'Cause I think if you can just give [the Attorney] a little relief, then we're all free and clear, nobody's in trouble, and you guys have been there for me. 'Cause it's...it's one of those moments in time when it's sort of shocking to me who's coming through and who's not. I mean some people come through with these huge numbers and it's like, I can't believe they're doing this. And other people like, aren't returning my phone calls and I'm going...I can't be...at the very least I'm still gonna be the freakin' Treasurer. What the hell are they thinking? You know.

The foregoing statement to the Managing Partner was intended by McCord to convey the message that by authorizing the Attorney to make a contribution to McCord as a conduit contributor on behalf of the Law Firm, the Managing Partner would be able to conceal the Law Firm's support of McCord

from other candidates supported by the Law Firm at the same time it would show McCord that the Law Firm had supported him (“we’re all free and clear, nobody’s in trouble, and you guys have been there for me”). The foregoing statement by McCord to the Managing Partner was also intended by McCord to convey the message that McCord was surprised at who was providing financial support to his gubernatorial campaign and who was not (“it's one of those moments in time when it's sort of shocking to me who's coming through and who's not. I mean some people come through with these huge numbers and it's like, I can't believe they're doing this”) and to convey the message that McCord was not satisfied by the support provided to that point by persons, like the Managing Partner, who did not return McCord’s telephone calls (“And other people like, aren't returning my phone calls”). McCord ended the telephone call by threatening the Managing Partner that McCord could use McCord’s position as Treasurer to cause future economic harm to persons like the Managing Partner who had not given adequate support to his campaign (“at the very least I’m still gonna be the freakin’ Treasurer. What the hell are they thinking?”)

On May 5, 2014, McCord again spoke with the Attorney and asked if the Attorney had spoken with the Managing Partner. The Attorney indicated

that he had not. McCord again requested that the Attorney personally make a contribution of up to \$25,000 as a conduit contributor on behalf of the Law Firm. The Attorney expressed a willingness to act as a conduit for a campaign contribution from the Law Firm: "that's interesting, 'cause I wanna...it may be a way for me to push him, to show him that I'll go do things if he runs the money through me, you know?" McCord indicated that if the firm were to give McCord \$25,000 it would be enough money for McCord to say that the Law Firm "didn't totally bone him."

Later in the conversation, McCord counseled the Attorney to "brow beat" the Managing Attorney into authorizing a contribution from the Law Firm that would be made by the Attorney, acting as a conduit, and indicated that the Attorney should again convey the message to the Managing Partner that McCord would continue as State Treasurer, if McCord were to lose the gubernatorial election:

...[m]y hope is, that you can just browbeat [name of Managing Partner] into it, and say to him, "Look, Rob and I really are friends, we really are neighbors, this has gotten awkward for me, he really is a client and if he loses he really is gonna be the State Treasurer for another two and half years," so, you know, you kinda, you know, depending on how you feel about it...it's like, "you didn't return his phone call when he called you half a dozen times, then you said it was okay for me to write this check," and, you know, "we need to...we need to actually follow up with the guy. Let's just...and get it done and in the rearview mirror," you know."

In counseling the Attorney to tell the Managing Attorney that “if he loses he really is gonna be the State Treasurer for another two and a half years,” it was McCord’s intention to convey a threat to the managing attorney that, even if McCord were to lose the gubernatorial election, McCord, as Treasurer, could cause economic harm to the Law Firm if the contribution were not forthcoming.

B. Count Two - Attempted Extortion of Property Management Business

Count Two of the Information relates to McCord’s attempted extortion of campaign contributions, in April of 2014, from a western Pennsylvania-based property management company (hereinafter referred to as “the Property Management Company”). The Property Management Company does business in interstate commerce in Pennsylvania, California, Florida, Indiana, Maryland, New York, Ohio, West Virginia, and elsewhere. The Property Management Company had received benefits and incentives from the Commonwealth of Pennsylvania in the past that were conveyed and approved, in part, by the Pennsylvania Office of Treasurer located in Harrisburg, Pennsylvania, within the Middle District of Pennsylvania. The principals of the Property Management Company hoped to continue to receive such benefits and incentives from the Commonwealth and the Office of the Treasurer.

In April 2014, Robert McCord believed that the principals of the Property Management Company had failed to honor a commitment to make a significant campaign contribution to McCord's gubernatorial campaign. McCord attempted to extort a campaign contribution from the Property Management Company by counseling another person (hereinafter referred to as "the Bundler") on repeated occasions to use McCord's position as Treasurer of the Commonwealth of Pennsylvania in communications with the principals of the Property Management Company to wrongfully induce the payment of a campaign contribution through the threat of economic harm to the Property Management Company that McCord could inflict in his capacity as Treasurer. The word "bundler" is used colloquially in political campaign circles to describe a person who solicits friends, business associates and others who are willing to contribute to a campaign and thereafter collects the contributions and delivers checks to the candidate in one big "bundle."

On April 14, 2014, McCord spoke to the Bundler on the telephone and complained that the Principals of the Property Management Company were "rich as gods" but had failed to follow through on the promise of a campaign contribution. McCord counseled the Bundler to speak to the Principals and to say things to them that "I don't wanna say."

During the conversation with the Bundler, McCord made reference to a pending desire of the Property Management Company to obtain a state benefit, a benefit the Treasurer's Office would have authority to approve or disapprove. McCord also suggested that making a contribution to his campaign would be part of the "solution" for the Property Management Company to receive the desired benefit while not making the contribution made the Property Management "part of the problem" that would prevent receipt of the benefit. McCord stated: "If they (the Property Management Company) got 1/10th of the money they are talking about, it'd be half a million dollars. Right? I mean if 1/100th is \$50,000. Instead of being part of the solution, they're part of the problem."

Among the messages McCord indicated the Bundler should deliver was that, as State Treasurer, McCord could cause economic harm to the Property Management Company if the campaign contribution were not forthcoming. McCord instructed the Bundler to deliver the message: "you guys...you need to be really careful about breaking your political word because you...start break...breaking your political word to a guy who is the sitting State Treasurer..." Regarding the Principals of the Property Management Company, McCord counseled the Bundler to "get them learning" that, as State

Treasurer, McCord is a "fiscal watchdog," inferring that McCord could stop state benefits from flowing to the Property Management Company, and that it would not work for the Property Management Company to turn Treasurer McCord from a friend to an enemy:

Right. And...and what...what I want you to do, that I don't want to do, is...is just get the sense...get them learning like remember, one reason, you know, we...we stopped a quarter million, I'm sorry, quarter billion dollars in debt from being issued. Right? So we...we have....we're fiscal watchdogs, too. Right? So, you know, they...I...I just, you...you can kind of say "Look, you guys, Rob will be fine with the checks not coming in your name. I can tell him that this is from you. But what doesn't work is you turning a friend into an enemy by breaking your word."

At the conclusion of the telephone conversation, McCord and the Bundler agreed that McCord himself would place a telephone call to one of the Principals of the Property Management Company that same day to initiate the contribution request and that the Bundler would contact the Principal the following day to deliver the extortionate message that McCord did not want to deliver himself.

After concluding the call with the Bundler, McCord placed a call to the Property Management Company. Although he called for the sole purpose of soliciting a contribution for his gubernatorial campaign, McCord gave the following message to the person who answered the telephone: "Hey it's Rob McCord, the State Treasurer, trying to catch up with [name of Principal]."

When the Principal was unavailable to speak with McCord, McCord promptly called the Bundler to advise him. During that conversation, McCord once again counseled the Bundler to deliver a threat of economic harm to the Property Management Company by conveying "the reminder that Rob...you either win or win or we could lose, like he is a fiscal watchdog who's...who's trimmed debt by a quarter billion dollars so like, you know, let's not screw this up." McCord emphasized again to the Bundler that McCord wanted the Principals of the Property Management Company to understand the economic harm that could be inflicted upon the Property Management Company by McCord in his capacity as Treasurer if a satisfactory campaign contribution were not forthcoming: "And you get what I am saying on the on the hazard side. I just want 'em to realize like, you know, I could take an upside and turn it into down side here, you know." McCord counseled the Bundler to threaten the Principals that "you could hurt yourself" if a campaign contribution were not forthcoming and that it would be fine with McCord if the contribution were hidden by making it through a conduit contributor: "you don't want to cut a check in the name [name of Property Management Company], that's fine."

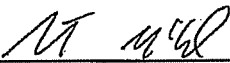
On April 17, 2014, McCord spoke again to the Bundler, who had not yet spoken to the Principals of the Property Management Company. McCord noted to the Bundler that the Property Management Company had made a commitment to make a contribution and should make a contribution of \$100,000 to honor the Property Management Company's relationship with the Bundler and to honor the fact that McCord would continue to be the State Treasurer. McCord also indicated to the Bundler that McCord believed the Principals of the Property Management Company could be embarrassed into making a contribution of \$100,000. During the conversation, McCord stated: "Yeah. I mean, he doesn't have, they don't have to write the checks in their own name...but, you know, they...they need...for them to come up with a hundred grand just to honor their relationship with you and to honor the fact that...I'm gonna be the Treasurer either way. I mean they made a commitment..." The Bundler indicated to McCord, "...Because I've done them many favors over the years with the other governors and stuff. And...uh...for them to ignore me, that bothers me...that bothers me deeply." McCord then indicated:

Yeah, yeah, exactly. Okay. Let me know if you need me to do more. I won't pepper them with another call until you...you try to talk to them. I'm going to ask [name of another person] to put down to call you on Monday so we can see what's going on. I think they can just be

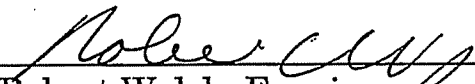
embarrassed into putting together the hundred K. I mean they can do all kinds of things. They can get their law firms to contribute. They can get...helpers to contribute...

The parties agree that, if this case had gone to trial, the government would have been able to prove the foregoing facts beyond a reasonable doubt. The parties also agree that the foregoing facts satisfy all the elements of the offenses charged in counts 1 and 2 of the Information.

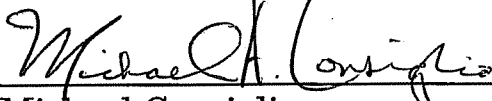
Dated: 1/29/15


Robert McCord
Defendant

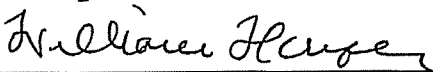
Dated: 1/29/15


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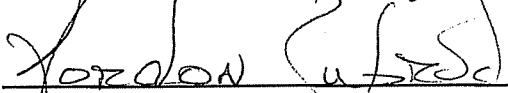
Dated: 2/2/2015


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