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\*ADMITTED IN DC ONLY

October 5, 2015

**VIA ECFS**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: WC Docket No. 12-375 - Global Tel\*Link Corporation - Written *Ex Parte* Presentation**

Dear Secretary Dortch:

Global Tel\*Link Corporation (“GTL”), through its counsel, hereby responds to the October 4, 2015 letter to Chairman Wheeler from the Human Rights Defense Center (“HRDC”).

HRDC plays fast and loose with the facts to make the unwarranted implication that GTL may be a criminal enterprise engaged in systematic bribery to obtain contracts. There is no basis, however, for any suggestion that GTL has engaged in any impropriety whatsoever.

As set forth in an FBI press release, Attachment 5 to HRDC’s October 4<sup>th</sup> letter, former Mississippi Department of Corrections Commissioner, Christopher B. Epps, was corrupt. Mr. Epps’ bribery/kickback scheme involved contracts awarded to at least two vendors, Mississippi Correctional Management and GTL. Mr. Epps solicited bribes from Sam Waggoner, an independent consultant to GTL. It is unfortunate and deplorable that Mr. Waggoner succumbed to Mr. Epps’ entreaty, but there is no evidence whatsoever that any officer or employee of GTL was aware of any impropriety, let alone that GTL was the initiator of any wrongdoing. Attached

OCTOBER 5, 2015

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hereto are relevant portions of the transcript of Mr. Waggoner's plea allocution hearing at which he testified:

- Mr. Epps was the initiator of the bribery scheme and threatened Mr. Waggoner with loss of contracts with the Mississippi Department, which was Mr. Waggoner's "major" source of income (pp. 60, 62);
- Mr. Waggoner had seen Mr. Epps retaliate against others who refused his overtures (p. 63);
- GTL's contract with the Mississippi Department was awarded pursuant to a lawful bid in which Mr. Waggoner had no involvement and pursuant to which GTL earned "legitimate profits" (pp. 61-62);
- No one other than Messrs. Epps and Waggoner was involved with the scheme (pp. 67-68);
- Mr. Waggoner no longer works with GTL (p. 60).

HRDC in its October 4th letter incorrectly and repeatedly refers to Mr. Waggoner as an "employee" of GTL, even though HRDC clearly is aware that this was not the case because elsewhere in the letter HRDC recites that Mr. Waggoner was a consultant. HRDC then observes that, "we have no way of knowing if GTL employs other consultants paid to influence the decisions of correctional facilities with respect to ICS . . . through outright bribery and criminal corruption." HRDC refers to "the criminal activity at hand by MDOC and GTL employees . . . ." HRDC then implies that GTL knew of the bribery – "That GTL would hire a consultant who bribed the head of a state prison system is not speculative; it is a fact. . . . Is Mr. Waggoner the only consultant ever hired by GTL [to influence state prison system decision-makers]?" The speculation then continues – "This is only one example of corruption in the ICS industry . . . ; we would not be surprised to hear that there are more."

Mr. Epps obviously was a bad apple, and Mr. Waggoner unfortunately was not strong enough to resist Mr. Epps' threats. None of this, however, has anything to do with the legitimacy of GTL's contract with the Mississippi Department, the rates charged by GTL, or the character or ethics of any GTL officer or employee.

Pursuant to Section 1.1206(b) of the FCC's rules, a copy of this notice is being filed in the appropriate docket.

OCTOBER 5, 2015

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Please contact us if you have any questions regarding this matter.

Respectfully submitted,

*/s/ Chérie R. Kiser*

Chérie R. Kiser  
Thorn Rosenthal

Counsel for Global Tel\*Link Corporation

Attachment

cc (via e-mail): Chairman Tom Wheeler  
Commissioner Mignon Clyburn  
Commissioner Jessica Rosenworcel  
Commissioner Ajit Pai  
Commissioner Michael O’Rielly  
Jonathan Sallet  
Sarah Citrin  
Richard D. Mallen  
Daniel Alvarez  
Rebekah Goodheart  
Travis Litman  
Nicholas Degani  
Amy Bender  
Madeleine Findley  
Pamela Arluk  
Lynne Engledow  
Rhonda Lien  
Bakari Middleton  
Thomas Parisi  
Gil Strobel

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
NORTHERN DIVISION

UNITED STATES OF AMERICA

VS.

CRIMINAL NO. 3:15CR69-HTW-FKB-1

SAM WAGGONER

**PLEA HEARING**

BEFORE THE HONORABLE HENRY T. WINGATE  
UNITED STATES DISTRICT JUDGE  
AUGUST 21ST, 2015  
JACKSON, MISSISSIPPI

APPEARANCES:

FOR THE GOVERNMENT: MR. DARREN J. LAMARCA  
MR. J. SCOTT GILBERT

FOR THE DEFENDANT: MR. NICHOLAS R. BAIN

REPORTED BY: MARY VIRGINIA "Gina" MORRIS, RMR, CRR  
Mississippi CSR #1253

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501 E. Court, Suite 2.500  
Jackson, Mississippi 39201  
(601) 608-4187

1 THE COURT: And when you were working for GTL, what  
2 was your position with GTL?

3 THE DEFENDANT: Liaison between the Mississippi  
4 Department of Corrections.

5 THE COURT: And how long did you work for GTL?

6 THE DEFENDANT: I've worked with them around 20 years,  
7 23 years probably. I did until last year.

8 THE COURT: All right. And who set up this financial  
9 arrangement you had with GTL to be paid 5 percent of contract  
10 price?

11 THE DEFENDANT: Robert Orso with GTL and the  
12 department of corrections. He's the regional manager.

13 THE COURT: All right. And with regard to this scheme  
14 with Christopher Epps, was it your idea or his idea?

15 THE DEFENDANT: It was his idea, sir.

16 THE COURT: And who made the determination as to how  
17 much or what percentage he would get out of the deal?

18 THE DEFENDANT: A mutual agreement I guess it was.

19 THE COURT: All right. And how exactly did it work  
20 for you to be able to get that money?

21 THE DEFENDANT: I would get a check from GTL and I  
22 would take the 30 percent and then half that and then give the  
23 other half to Mr. Epps.

24 THE COURT: And this 30 percent would be applied  
25 against what?

1 THE DEFENDANT: For taxes, reduction for taxes. I had  
2 to pay taxes.

3 THE COURT: GTL would give you that money?

4 THE DEFENDANT: Tax money?

5 THE COURT: Who would give you the sum of money that  
6 you would utilize to pass on to Epps?

7 THE DEFENDANT: GTL would give me a 5 percent  
8 commission each month.

9 THE COURT: And would you take part of that money and  
10 give to Mr. Epps?

11 THE DEFENDANT: Yes, sir.

12 THE COURT: And how did you ensure that you would have  
13 moneys over and beyond that which you normally should get?  
14 What I'm asking is is that the contract prices you had with the  
15 department of corrections, who negotiated that contract price?

16 THE DEFENDANT: The actual GTL contract with the  
17 department of corrections?

18 THE COURT: That's right.

19 THE DEFENDANT: I think it was three or four agencies  
20 within the department of corrections and they put it out for  
21 bid.

22 THE COURT: And was the bid a lawful bid?

23 THE DEFENDANT: GTL's the largest inmate telephone  
24 company in the United States. So I'm sure it was. I didn't  
25 see that. I wasn't involved in it.

1 THE COURT: I need you to explain why you had to bribe  
2 Christopher Epps on this matter.

3 THE DEFENDANT: He wanted some of the money; and if I  
4 didn't do it, I would lose some of my contracts and business in  
5 my major business.

6 THE COURT: So what you're telling me then is that the  
7 bid that GTL made for the business was a legitimate deal.

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: You're telling me then that the profits  
10 derived were legitimate profits.

11 THE DEFENDANT: Legitimate profits.

12 THE COURT: And you're telling me that the amount of  
13 money that was paid to you on commission --

14 THE DEFENDANT: Yes, sir.

15 THE COURT: -- was a legitimate amount of money.

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: But you're telling me that unless you paid  
18 part of your commission to Christopher Epps, that he threatened  
19 to do something else.

20 THE DEFENDANT: I take full responsibility for what I  
21 did. I don't know what his thinking was.

22 THE COURT: All right. But at the time that you paid  
23 him you paid him under what impression? Did you pay him under  
24 threat or just voluntarily give him the money?

25 THE DEFENDANT: My main business was CCI, and I did

1 business with the county, city jails in Mississippi. And if  
2 something would come up, they need -- a sheriff might ask me  
3 for -- talk to Mr. Epps when I see him, for a cook in their  
4 jail or a mechanic, and I would do that for the counties,  
5 cities, and he would try to help.

6 THE COURT: I still don't fully understand. Why would  
7 you need to bribe him if you had this money coming to you  
8 lawfully?

9 THE DEFENDANT: I did.

10 THE COURT: So then why would you need to bribe him?

11 THE DEFENDANT: He -- he told me to. He -- he said he  
12 wanted half of my commission each month. But, again, I do take  
13 responsibility --

14 THE COURT: I understand.

15 THE DEFENDANT: -- of doing that.

16 THE COURT: But why would you pay him? What would  
17 happen if you didn't pay him?

18 THE DEFENDANT: He would call a sheriff, say Leake  
19 County Sheriff Waggoner, *Sheriff Waggoner, I want you to change*  
20 *inmate phone companies or I will pull my state inmates out.*  
21 And that was the main reason, something like that would happen.

22 THE COURT: Well, did you have conversations directly  
23 with him whereby he made such demands or threats?

24 THE DEFENDANT: No. No, your Honor. I'd just -- I'd  
25 seen what he had done to other people that said no.

1 THE COURT: All right. So then you're saying that he  
2 told you how much money he wanted.

3 THE DEFENDANT: He said he wanted to split it. And  
4 then I told him I was going to take taxes out and then split  
5 that in half. And we decided on that together.

6 THE COURT: Well, then was your commission still  
7 profitable for you after you did that, after you split it?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: So what was your commission per year from  
10 this engagement?

11 THE DEFENDANT: 108,000 -- 106,000 a year I think.

12 THE COURT: So, now, were you splitting 106 or were  
13 you splitting 212? How did it work?

14 THE DEFENDANT: 106 minus -- times 30 percent and  
15 subtract it by -- divide it by two.

16 THE COURT: Okay. Do that again. 100 and what now?

17 THE DEFENDANT: \$106,000.

18 THE COURT: 106. Okay. Now what?

19 THE DEFENDANT: 30 percent for taxes.

20 THE COURT: 30 percent of that.

21 THE DEFENDANT: Then --

22 THE COURT: One second.

23 THE DEFENDANT: Yes, sir.

24 (PAUSE)

25 THE COURT: Okay. Taxes, what did you do with the

1 taxes? That would come off of that?

2 THE DEFENDANT: Yes. My accountant would do all that.

3 THE COURT: Okay. Then what?

4 THE DEFENDANT: Then we would divide the remainder by  
5 two.

6 THE COURT: Okay. After you subtract those taxes,  
7 then the rest would be divided by two.

8 THE DEFENDANT: Yes, sir.

9 THE COURT: Okay. I come up with something north of  
10 \$35,000. That's about right? I just made some quick  
11 calculations.

12 (COUNSEL AND DEFENDANT CONFERRED)

13 THE DEFENDANT: It would be \$54,000.

14 THE COURT: 54,000?

15 THE DEFENDANT: 108 is what I've got on this sheet and  
16 we divided that.

17 THE COURT: You said 106. It's 108?

18 THE DEFENDANT: 108.

19 THE COURT: Okay.

20 THE DEFENDANT: For -- what year is this?

21 THE COURT: 108. We're talking about one year. Are  
22 we talking about one year?

23 THE DEFENDANT: Well, we -- we had this  
24 conversation -- I don't know how to answer that.

25 (COUNSEL AND DEFENDANT CONFERRED)

1 MR. BAIN: Your Honor, the numbers that he's presented  
2 to me, there's a total of 309,000 for a period of a little over  
3 three years. And I'd be more than happy to submit this to the  
4 court if you'd like to see his --

5 THE COURT: Well, over three years. You're saying in  
6 a three-year period --

7 MR. BAIN: \$309,582.

8 THE COURT: Okay. And then you took one third for  
9 taxes.

10 THE DEFENDANT: 30 percent.

11 THE COURT: 30 percent. All right.

12 THE DEFENDANT: I know what it is. They have -- the  
13 accountant included the CCI business along with this percentage  
14 for the consultant together, and so -- I just saw that, your  
15 Honor.

16 THE COURT: All right. So then at the end of the  
17 calculations, your take-home over these three years would have  
18 been about what?

19 THE DEFENDANT: It would have been the same thing,  
20 108,000.

21 THE COURT: For the three-year period?

22 THE DEFENDANT: Yes. But they're also including my  
23 other business, CCI, in it. So it would make the total larger.  
24 And I don't know how they came up with that. But I agree with  
25 whatever they say, though.

1 THE COURT: Over that three-year period, then about  
2 how much would Epps get?

3 THE DEFENDANT: He -- I did it all -- total was 300  
4 and -- 2011 it was 61,000 for -- that was not a full year. In  
5 '12 it was one hundred and five four hundred. In '13 it was  
6 one hundred and thirteen. In 2014 until August -- so that's  
7 three hundred and nine fifty-eight times 30. And so we had  
8 216,700 net.

9 THE COURT: For yourself.

10 THE DEFENDANT: Gross net and then divide by two, net,  
11 108,353.70.

12 THE COURT: So then Chris Epps over that three-year  
13 period would have gotten how much?

14 THE DEFENDANT: 108,353.70.

15 THE COURT: And what were you directed to do with his  
16 money besides -- I mean, give it to him, but how would you --  
17 how did you give it to him?

18 THE DEFENDANT: It would be cash, sir.

19 THE COURT: All right. And were you directed to put  
20 it in his hand or put it in any other form where he could pick  
21 it up? How were you delivering the money to him?

22 THE DEFENDANT: When I was at his house, I'd just put  
23 it on the counter by him. And then if we're having lunch, I  
24 would hand it to him.

25 THE COURT: All right. Did you have to have anybody

1 else involved in this scheme with you?

2 THE DEFENDANT: No, your Honor.

3 THE COURT: Okay. Thank you.

4 THE DEFENDANT: Yes, sir.

5 THE COURT: So then when you gave him this money, you  
6 understood you were violating the law?

7 THE DEFENDANT: Yes, your Honor.

8 THE COURT: And when you discussed all these matters  
9 with your lawyer, are you satisfied that you have no defense to  
10 that conduct?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: So then with regard to the charge against  
13 you contained in the criminal information, how do you plead,  
14 guilty or not guilty?

15 THE DEFENDANT: Guilty, your Honor.

16 THE COURT: Mr. Waggoner, since you acknowledge  
17 you're, in fact, guilty as charged in the criminal information,  
18 since you know your rights to a trial, since you know what the  
19 maximum possible punishment is and since you are voluntarily  
20 pleading guilty, I will accept your plea of guilty as to the  
21 single count of the criminal information and I hereby enter a  
22 judgment of guilty against you as to that charge. Twana.

23 THE CLERK: November 5th.

24 THE COURT: November 5. I'm going to sentence you on  
25 November 5, 2015, here in this courtroom. That's November 5,

## CERTIFICATE OF REPORTER

I, MARY VIRGINIA "Gina" MORRIS, Official Court Reporter, United States District Court, Southern District of Mississippi, do hereby certify that the above and foregoing pages contain a full, true and correct transcript of the proceedings had in the aforementioned case at the time and place indicated, which proceedings were recorded by me to the best of my skill and ability.

I certify that the transcript fees and format comply with those prescribed by the Court and Judicial Conference of the United States.

This the 22nd day of August, 2015.

s/ Gina Morris  
U.S. DISTRICT COURT REPORTER