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Charges against Rush are dismissed
Author: RICHARD GREEN Jr. Of The Post and Courier

Article Text

Bob Waters swore in court Tuesday that businessman William Gilliam and former highway commissioner Margaret Rush had nothing to do with bribes to get Gilliam appointed to a Navy base redevelopment board

The former television talk show host then pleaded guilty and went to jail for 90 days for the felony versation 11-A

charges of conspiracy and bribery.

Michael Wagers also began serving a 60-day sentence for the same charges, and Caleb Harper got probation without jail time for conspiracy. Both pleaded guilty to conspiracy to bribe North Charleston City Council members to pick Gilliam as the city's representative in base redevelopment.

Rush walked away from the Charleston County Courthouse a free woman after Waters, Wagers and Harper said she didn't know about the payments.

Gilliam, who still is paying Waters \$50,000 a year as a public relations consultant, hasn't been charged with any wrongdoing, but questions and allegations flew during the guilty pleas in Charleston County General Sessions Court.

"I wonder why he (Gilliam) isn't here?" Circuit Judge Duane Shuler asked. "What did the (state) grand jury have to say about him?"

Solicitor David Schwacke said the investigation - which he is conducting with the state grand jury and the attorney general's office - is continuing.

Wagers' lawyer, William Runyon, told the judge that he believes Gilliam knew exactly what was going on. "We'd try him" if the trial had gone forward, Runyon said.

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Runyon said Wagers was a victim of Gilliam, whom Runyon described as a "corporate wolverine" who goes around "raping communities "

"He (Wagers) didn't know that Mr. Gilliam was a carpetbagging scalawag," Runyon said

Waters thought exactly the opposite of Gilliam, the millionaire who was bucking the status quo as a member of the Charleston Naval Complex Redevelopment Authority last year.

"He (Waters) idolized Bill Gilliam," said Waters' lawyer, Lionel Lofton. "He thought Bill Gilliam was the savior of this community. He would have done anything for Bill Gilliam."

Shuler asked Waters if Gilliam was at the heart of the conspiracy. Lofton answered for Waters: "You heard the statement "

Lofton meant the statement Waters gave to investigators the day after the bribes were paid:

"He (Gilliam) did not know the details, except he did authorize the payment of the money Mr. Gilliam trusted me to protect his interest, I mean by this that he trusted me not to do anything illegal. I assured Mr. Gilliam everything was fine "

Shuler still didn't seem convinced.

"Somebody's the 'man,'" Shuler said, referring to a third party that Waters mentioned in a telephone call police recorded. "I don't know who the man is. ... He (Waters) is saying there is no 'man' "

Shuler said he didn't think Waters was the "top rung" on the ladder of the case but said, "I understand where we're going "

Gilliam has refused to comment on the case.

Before imposing sentences, Shuler noted that Waters, Wagers and Harper were all upstanding citizens who never had been in trouble before, and that they all confessed and cooperated when police confronted them.

Asked about the sentences, Schwacke said they are up to the judge.

"I don't know what more I can do," Schwacke said. "I got him (Waters) to plead straight up to what he was charged with "

"I certainly hope I haven't enhanced Bob Waters' celebrity status," Schwacke said, referring to convicted felons like G. Gordon Liddy who have parlayed their infamy into celebrity.

Schwacke made no recommendations to the judge on sentencing, except in the case of Harper, where he recommended probation.

Schwacke said the case sends a message that public officials will report attempted bribes, and prosecutors will take them to court.

Council members Dorothy Williams and Samuel Hart, who were both running for re-election at the time, reported the bribery attempts to police. then went along while police recorded the transactions and made the arrests.


"They should be commended," Schwacke said

Hart said after the pleas that he didn't think the sentences were stiff enough.

The guilty pleas Tuesday came after a full day of motions behind closed doors Monday. But it's not clear if anything that happened Monday had any bearing on the decisions to plead guilty.

Jurors in the case weren't summoned until Tuesday. But Shuler said he wanted to hear motions Monday and couldn't take a chance that potential jurors might read or hear information that they might not be allowed to hear at trial.

The Post and Courier requested a transcript of Monday's hearing, but was told it would take until this summer or possibly Christmas.



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The state's case

Much of the investigation dubbed "Watersgate" or "Operation Muddy Waters" had come out before, but most of the details were filled in Tuesday.

Waters not only had Gilliam on his "Backtalk" show, but Gilliam hired Waters in March 1995 as a public relations consultant.

Legislators had called for Gilliam's resignation from the Redevelopment Authority, so Waters says he hatched a plan to ensure that North Charleston City Council would continue to support Gilliam. That meant getting the votes of Williams and Hart, who are both black.

Waters called state Sen. Robert Ford to ask if he knew any blacks who could approach Williams to offer "a car or money" for her support. Waters said Ford suggested Wagers, who worked at a car dealership with Ford.

Wagers said he thought Waters was talking about campaign contributions. Wagers didn't know Williams, so he called former U.S. Rep. Mendel Davis, for whom Wagers had once worked. Davis told him not to have anything to do with Gilliam.

So Wagers said he called Rush, who suggested Harper. Harper made an offer to Williams, who reported it to North Charleston Mayor Keith Summey. Summey suggested going to police.

SLED was called in to work with North Charleston police. Together with Schwacke and the attorney general's office, investigators recorded offers by Harper. When SLED agent Claude McDonald approached Harper on April 4, Harper agreed to cooperate.

Harper then called Wagers to set up a meeting, and police recorded both calls. Wagers then called Waters on April 5 and said the deal was set.

"On that Wednesday afternoon after Mike called, I stuck my head in Bill Gilliam's office and I told him I needed money and I told him I needed it now," Waters told authorities. "Days earlier, when I was told by Mike that the deal was imminent, I told Bill Gilliam that for the sum of \$2,000 that this intermediary had crafted a scenario whereby we would be assured that Dorothy Williams and Sam Hart would vote favorably for him to be returned to the RDA."

Waters got \$3,000 cash from an account at Gilliam's New Charleston Capital and gave it to Wagers. Wagers went to Harper's service station and gave Williams and Hart each \$1,000 in \$50 bills and another \$100 in \$20 bills.

Police listened and recorded the transaction before arresting Wagers, who agreed to cooperate after talking to his lawyer. With police recording the conversation, Wagers called Waters and told him the payments had been made.

Waters was upset because he had heard that a bill had just been introduced that would take away North Charleston's appointive power, meaning the money might have been paid in vain.

Wagers also said he talked to Rush on the telephone that day while police listened. He said she asked if the transaction had taken place and "seemed to know about everything."

But in court Tuesday, Wagers, Waters and Harper all swore under oath that Rush had nothing to do with the transaction other than suggesting that Wagers contact Harper.

"I think that's subject to some interpretation," Schwacke said, but he admitted that all he had was circumstantial evidence against Rush.

"I think we really have no choice but to dismiss the charge (of conspiracy)," Schwacke said. He already had decided not to prosecute Rush for obstruction of justice for allegedly lying to a SLED agent about talking to Wagers, but Schwacke formally dismissed the charge Tuesday.

Rush's lawyers, **Jack Swerling** and Travis Medlock, immediately got an order from Shuler to destroy all records and evidence of the charges against Rush.

On April 7 - the day after Wagers talked to Waters and Rush - Waters said he met with Ford, who told him that Wagers had been arrested.

Asked about that allegation Tuesday, Ford said he saw Waters that day but didn't know anything about the case to tell Waters. But Schwacke said that was Waters' testimony under oath Monday in a hearing that Judge Shuler closed to the press and the public.

"We felt like our hand had been shown at that point," Schwacke said.

Later that day, records at New Charleston Capital were altered to show that the \$3,000 given to Waters was a "campaign contribution," Schwacke said.

Waters voluntarily talked to investigators that evening and gave a statement. He even tried to call Gilliam while police recorded the conversation, but Gilliam could not be reached.

The next day, police charged Waters, Wagers and Harper.

In May, the state grand jury indicted the threesome, and indicted Rush for conspiracy and obstruction of justice.

WATERS-WAGERS TAPED CONVERSATION

Taped telephone call between Michael Wagers and Bob Waters on April 6, 1995, at 7:40 p.m.

Bob Waters: Hi, friend, how are you?

Michael Wagers: Good, good.

BW: That's a pretty f---d up situation came out of the House today.

MW: What are you talkin' about?

BW: The House, their version of the RDA.

MW: Yeah.

BW: Is all seven to be appointed by the governor. And guess who even voted for it? All four of the North Charleston representatives.

MW: So you mean North Charleston don't even get a vote on it.

BW: You got it. If if the House version were to pass, now Ernie and Glenn and Robert say, to hell with that. You know, but friend we've got a problem.

MW: Sounds like it.

BW: Yeah because, if you know if all were to turn out this way, now Glenn went over to see the governor, and the governor said that he didn't want the three appointments from North Charleston.

MW: Huh hum.

BW: Hum, so there (sic) are going to fight like hell, I mean Robert going to stop it. If it if it takes nothing but stopping it.

MW: So you mean this money that I paid Hart and Williams today ...

BW: Maybe ...

MW: Was a waste ...

BW: Pissin' to the wind.

MW: Huh?

BW: Could could be, pissed into the wind.

MW: See there a, they are back after me right now acting like they want that's why I was

trying to get hold a you this afternoon, they're, they're a, they act like they may want their other money as soon as possible.

BW No

MW: They act like a, you know a.

BW: No, that's tough s---, just tell them no.

MW Because I I met with them this morning and paid them

BW: Yeah. ... You know there're going to be some some critical votes that they're going to be involved in such as

MW Yeah.

BW: Passailaigue wants the North Charleston City Council to vote the um um thing up or down as to the House plan Well, obviously I want to see how they perform on that...

MW: I had no idea this took place today.

BW: Yes sir. Yes sir it's it's critical juncture.

MW: So if they contact me for money again, Hart or Williams what am I going to tell them?

BW: Tell them no Tell them no that, that was not part of the deal.

MW: OK.

BW: You know it was a simple as that The way we understood it was that everything got got immediately without delay, you know, everything will be taken care of. That that's exactly what we agreed to, besides that, they they cranked at a thousand

MW: Yeah.

BW: You know from from what they initially said

MW: Yeah this is probably why they were rushing this up today thinkin' that you hadn't a heard about it.

BW: That's exactly what they were doing. Thinking that they can get off the damn hook for having to appoint anybody.

MW: Yeah, too many criminals in this world I swear to God...

BW: You know. I mean let me tell you, they are they're they're on the line now.

MW: Huh, huh

BW: You know they they they know there are no buts about that.

MW: Yeah, because I had to give them an extra hundred dollars today apiece

BW: For what?

MW: Never enough.

BW: Shhh.

MW: To give to a the old man over there at the station.

BW: Huh, you know I mean this this is why I I always hate dealing with blacks

MW: Huh hum.

BW: You know, because you just, number one there are so few of them that can be trusted

for anything.

MW: Huh hum

BW: Secondly, when you when you know that you are dealing you know in this fashion anyway, um, and and they've got a mindset to a you know want to try and f--- ya well, you know I ain't going to be f---d. They're going to be the f---ee.

MW: I understand that. Amm, no a - Margaret Rush called me this afternoon checkin' on things a, to hell I didn't know what to tell her. I just kept it short and quick. She seemed to know about everything.

BW: Well, she hadn't gotten it from me.

MW: Huh hum

BW: I mean she is a you know I'm I'm I'm sure that she has surmised things.

MW: Yeah.

BW: But but but there is no way she could know any detail I can tell you that.

MW: OK.

BW: Unless you know she has talked to the two of them.

MW: Could be I don't know.

BW: I mean that's the only way she would have any detail. Because the only people that are in on the loop are highly restricted and it comes down to a three people.

MW: Yeah. Me and you.

BW: The man, the man that's it. You know so um, no, no (laughs) They ain't goin' to do that.

MW: I got you. Okay dude, well.

BW: Well I mean if listen they they're they're greedy and they are hungry, but a they're just they're just like a dog they only going get fed so much.

MW: I understand.

BW: And you know, and fine if they don't perform um you I know I'll just have to ...

MW: If there ain't goin' to be no a vote that's a throws a whole new case onto it I guess I don't know, hell I'm just a bag man.

BW: Yeah, that's it. I mean I mean this is you probably run into a situation like this before.

MW: Oh yeah.

BW: Well.

MW: But everything thing that happens in North Charleston seems to be, stranger than reality.

BW: Yeah, well I'm going to see how they perform.

MW: I got you.

BW: You know, and then this this thing now that the House has finished their version you know Senate on Tuesday takes care of however it is they want to do it.

MW: Got you covered ..

BW But I can no I can I can see a screwin' coming on that one .

MW Well I I a I think all of our cards are on the table and everybody knows where they stand

BW I think everybody knows where they stand and a huh you know they they they damn well better stand and deliver.

MW Yeah

BW It's simple as that. You know once once a once you you the whore drops her pants it's time to perform

MW Got a point

WATERS' STATEMENT

Bob Waters' statement to investigators, April 7, 1995

I am giving this statement concerning an incident I now find myself involved in. The day I heard that the new RDA board would be made up of seven people, I knew that it would take six votes to put Bill Gilliam on the RDA board. I knew that I had to give Dorothy Williams an incentive to cast her vote for Mr. Gilliam, thereby, trying to get a seventh vote. I called Robert Ford and asked him if he knew any blacks in the neighborhood who could go to Mrs. Williams. I mentioned to him the possibility of giving her whatever it took, i.e., a car or money. Robert Ford said don't talk about money and then he said he would have someone to call me. A couple of days later Mike Wagers called and said he worked with Robert Ford and he clarified that by saying he worked with him at the car lot. I had a conversation with Mike about Mrs. Williams' past support of Bill Gilliam and I discussed with him how we could get her support or vote back for Gilliam. We discussed her house, personal life, credit cards and how some money would be useful to her. I mentioned paying off her credit cards. He said let me check into it. I don't recall how many days went by, but several and then I got a call from him. Mike said he had talked with Mrs. Williams and she was cold, but then she warmed up. Mike told me that he was working on the matter, just to advise me the thing was not dead. The occasion finally came when a specific amount of money was discussed. It ended up being \$2,000 for Mrs. Williams. In this same conversation, Mike said, do you want Sam Hart. I said you mean Sam Hart has had a change of heart. He said yes. My reaction to that was "damn" yes. It was at least 10 days between my initial conversation with Mike and the Wednesday that he told me he needed the money to give to Mrs. Williams and Mr. Hart. I thought it was curious that so much time went by before he told me the deal was going to go down. I mean he called me late in the afternoon and told me he needed money now on Wednesday late afternoon, April 5, 1995. It was too late to get the money because the banks were closed. On that Wednesday afternoon after Mike called, I stuck my head in Bill Gilliam's office and I told him I needed money and I told him I needed it now. Days earlier, when I was told by Mike that the deal was imminent, I told Bill Gilliam that for the sum of \$2,000 that this intermediary had crafted a scenario whereby we would be assured that Dorothy Williams and Sam Hart would vote favorably for him to be returned to the RDA. It was like that was the end of the conversation. He did ask me "Did you do this?" I said yes. On the same afternoon, just minutes later I called Peter Bailey for the money. He said do you want to come by now to pick up a check, I said no, I need the cash. Arrangements were made for him to bring the money the next morning about 9.20 a.m. I went to 155 East Bay Street and found Peter Bailey, who gave me \$3000. I then met with Mike Wagers, just minutes later and gave him the money. He was getting ready to leave, but he stayed and we talked for about 45 minutes. He called me later that night to say that he paid Mrs. Williams and Mr. Hart the money and they wanted the balance. I tried to think of that money as anything and everything except what it really was. I knew what it was, but I would not let myself think of the money as a bribe. I was only trying to do what I thought was a good thing for this community and that was to make sure that Bill Gilliam was on the RDA. I came up with this plan and developed it. I led Gilliam to believe that no one could get hurt in this matter. I told Gilliam that everything will be okay, that no one would be hurt and this is the way things are done here. He did not know the details, except he did authorize the payment of the money. Mr. Gilliam trusted me to protect his interest, I mean by this that he trusted me not to do anything illegal. I assured Mr. Gilliam everything was fine and the intermediary does this kind of thing all the time. The Robert Ford I referred to in this statement is Senator Robert Ford and Peter Bailey is a CPA who works for Mr. Gilliam (SLED agent) Mr. (Claude) McDonald has written this statement for me as we discussed its contents. During the meeting with Mike Wagers on April 6, 1995, when he picked up the money at 155 East (Bay) Street, we talked for about 45 minutes, but did not discuss this deal that I crafted and done.

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