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# **It's Party Time For Dickie Scruggs In Oxford, Miss.**

**Home of Faulkner, Grisham  
Rallies Round a Lawyer  
Just Indicted for Bribery**

**By PAULO PRADA and PETER LATTMAN  
December 4, 2007**

OXFORD, Miss. -- On Saturday night, a red-and-green bus built to look like a trolley car ferried guests from a parking lot near the University of Mississippi through a wrought-iron gate to a new white mansion on a wooded hilltop nearby.

Inside, one of the most-prominent trial lawyers in the country, Richard "Dickie" Scruggs, welcomed friends and acquaintances to a lavish Christmas party. As about 200 guests filed through the front door of the white-columned house, Mr. Scruggs and his wife, Diane, appeared unruffled by an event that had rocked their world days earlier: the super-lawyer's indictment for allegedly conspiring to bribe a Mississippi state-court judge, in a dispute over millions of dollars in legal fees from insurance settlements of Hurricane Katrina claims.

"The town really did turn out for them," said Robert Khayat, a longtime friend and the chancellor of the university.

Among Mr. Scruggs's many backers here is one of the most famous nonpracticing defense attorneys in the U.S. -- his friend John Grisham, whose legal thrillers were inspired in part by Mississippi's thriving lawyer subculture.

"This doesn't sound like the Dickie Scruggs that I know," Mr. Grisham said yesterday. "When you know Dickie, and how successful he has been, you could not believe he would be involved in such a boneheaded bribery scam that is not in the least bit sophisticated."

**MORE ON SCRUGGS**



- Read a [Q&A with John Grisham](#)<sup>1</sup> on the Scruggs case and the Mississippi lawyer scene.
- [Read Mr. Scruggs's federal indictment](#)<sup>2</sup>.
- [Scruggs Probe Focus Turns to Balducci](#)<sup>3</sup>  
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- [How Scruggs Case Came Together](#)<sup>4</sup>  
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The indictment, issued by a federal grand jury in Oxford last Wednesday, charges that 62-year-old Mr. Scruggs, his son David "Zach" Scruggs (who is also an attorney), two other lawyers and a fifth person conspired to give \$40,000 to a state-court judge. The alleged bribe was to gain a favorable ruling in a case concerning the divvying up of \$26.5 million in legal fees from Katrina-related litigation involving Mr. Scruggs's firm.

Mr. Scruggs allegedly conveyed the bribe to the judge through Timothy Balducci, one of the other indicted lawyers. He reimbursed Mr. Balducci the \$40,000 and created false documentation to mask the payment as compensation for work done on another case, according to the indictment. An attorney for Mr. Scruggs has said the charges against the famous lawyer are baseless. The Scruggses declined to comment directly.

It's no surprise that Oxford is rallying to Mr. Scruggs's defense. Oxford and the university have benefited immensely from the success of Mr. Scruggs, an alumnus of the "Ole Miss" law school. A music building at the university bears the names of Mr. and Mrs. Scruggs. In 1998 the couple pledged \$25 million to help raise salaries of liberal-arts professors.

Mr. Scruggs moved to Oxford four years ago from the Gulf Coast town of Pascagoula, Miss. He earned hundreds of millions of dollars representing state attorneys general in a landmark, \$206 billion settlement struck with tobacco companies in 1998. More recently, he has played a leading role in battling the insurance industry since Hurricane Katrina devastated Mississippi's coastline in 2005. The home he kept in Pascagoula was destroyed in the storm, along with the home of his brother-in-law, former Senate Republican leader Trent Lott, who is retiring from the Senate.

"People appreciate him for his support of the community, and we're all willing to stand by and support him," added Oxford's mayor, Richard Howorth, another party-goer and the owner of Square Books, the literary hub of a town most famous for its association with Nobel Prize winning novelist William Faulkner.

As for the man considered Mr. Scruggs's chief accuser -- the considerably less-well known Mr. Balducci -- many people in these parts are contemptuous. "He has some sort of complex," said Deborah Patterson, the wife of Steven Patterson, Mr. Balducci's business partner, who was also indicted in the case.

She says she and her husband had just returned from a trip to Israel and knew nothing of the \$40,000 in bribes allegedly delivered by Mr. Balducci. People familiar with the investigation say Mr. Balducci began cooperating with prosecutors at some point after offering the judge money.

"We didn't know any of this," she says. "We were in the Holy Land seeking edification and returned home to this mess." Mr. Patterson declined to comment. Mr. Balducci couldn't be reached for comment. U.S. Attorney Jim M. Greenlee, the prosecutor leading the investigation, didn't return calls seeking comment.

Oxford would rather be talking about fictional lawyers. The town still basks in the gardenia-scented legacy of the late Mr. Faulkner, who lived in a modest white-columned house called Rowan Oak half a mile from Mr. Scruggs's new home. Aspiring writers still make pilgrimages to Rowan Oak. Even Mr. Balducci, a native of Mr. Faulkner's nearby birthplace, New Albany, Miss., pays tribute to the legendary writer on his law firm's Web site. The site says that from Mr. Faulkner's books, "we learn not to judge ourselves too harshly for the past, but embrace our legacy and face forward."

Mr. Balducci, 40, came to know Mr. Scruggs during six years, ending about a year ago, when Mr. Balducci worked for the Langston Law Firm in Booneville, Miss., according to the firm's lead lawyer, Joseph "Joey" Langston. In that time, Mr. Balducci helped defend Mr. Scruggs in at least two lawsuits, both brought against Mr. Scruggs by lawyers previously associated with his firm. In both cases, the lawyers were suing over the distribution of attorneys' fees from cases handled by the Scruggs firm. Mr. Balducci made court appearances and signed legal pleadings in both cases, and met with Mr. Scruggs many times on these matters, according to a person familiar with the cases.

"Tim knew Dick and they were friends -- they'd eat lunch and dinner together," said Mr. Langston. "When he left our firm, I think Tim [Balducci] was anxious for his relationship with Dick to be much, much better and he wanted to be as close to him as he could get."

Mr. Langston is now helping represent Mr. Scruggs against the criminal indictment. He added that he "would be very surprised to learn, when the investigation is complete, that the men in the Scruggs firm had any knowledge whatsoever that Mr. Balducci was going to pay money" to the judge.

"This is a clear case of a young man wanting to endear himself to Dickie Scruggs in hopes that he might one day have a chair at his table," says Lowry Lomax, a close friend of Mr. Scruggs who is also an Oxford plaintiffs lawyer and was the co-host of Saturday's Christmas party.

Yesterday, at Mr. Balducci's office in New Albany, Beau Buse, listed on the firm's Web site as an investigator, wouldn't open the front door to speak with a reporter. Through the glass window he said, "We're going through a lot of issues right now." No one answered the door at Mr. Balducci's home. A neighbor said no one had been there for a more than a week.

**--Ashby Jones contributed to this article.**

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