

FILED

APR 14 2022

STATE GRAND JURY OF SOUTH CAROLINA

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| STATE OF SOUTH CAROLINA |) | Case No. 2022-GS-47-02 | MARGARET J. SELF |
| |) | | CLERK, SC STATE GRAND JURY |
| |) | | |
| |) | | |
| |) | | |
| v. |) | SUPERSEDING | |
| |) | INDICTMENT FOR BREACH OF TRUST | |
| |) | WITH FRAUDULENT INTENT, | |
| |) | COMPUTER CRIME, AND CRIMINAL | |
| |) | CONSPIRACY | |
| |) | | |
| RICHARD ALEXANDER MURDAUGH, |) | | |
| CORY HOWERTON FLEMING, |) | | |
| RUSSELL LUCIUS LAFFITTE, |) | | |
| |) | | |
| Defendants. |) | | |
| |) | | |

At a session of the State Grand Jury of South Carolina, convened in Columbia, South Carolina, on April 14, 2022, the State Grand Jurors present upon their oath and charge as follows:

COUNT ONE
BREACH OF TRUST WITH FRAUDULENT INTENT
VALUE \$10,000 OR MORE
S.C. Code Ann. § 16-13-230
CDR Code: 3424

That RICHARD ALEXANDER MURDAUGH, in Hampton County, on or about December 21, 2011, did willfully, unlawfully, and feloniously convert to his own use, with intention to permanently deprive the owner of possession, goods to which he had been entrusted by the owner for the care, keeping, and possession, to wit:

While relying on his prestige and reputation as a lawyer, and the trust of the Pinckney family, who had come to MURDAUGH for help after a vehicular collision injured multiple members of the family and ultimately killed Hakeem Pinckney, MURDAUGH caused a check with the description "Settlement Proceeds: Hakeem L. Pinckney", in the

amount of \$309,581.46, to be made out to Palmetto State Bank and disbursed from the Peters, Murdaugh, Parker, Eltzroth, and Detrick, P.A. (PMPED) Client Trust Account. MURDAUGH then used the \$309,581.46 trust account check – which was supposed to be compensation to the estate for Hakeem’s injuries – in part to purchase a money order payable to a family member and to other client conservatorship accounts from which MURDAUGH previously borrowed money, in part to pay down a personal business loan, and in part to obtain cash for himself and a different family member. Instead of compensating the Estate of Hakeem Pinckney, MURDAUGH breached the trust of the estate and the family and converted the money to the personal use of MURDAUGH and his family.

All in violation of section 16-13-230 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT TWO
COMPUTER CRIME
VALUE MORE THAN \$10,000
S.C. Code Ann. § 16-16-20
CDR Code: 3110**

That RICHARD ALEXANDER MURDAUGH, and RUSSELL LUCIUS LAFFITTE, in Hampton County, on or about December 21, 2011, did wilfully, knowingly, maliciously,

and without authorization and for an unauthorized purpose, directly or indirectly access or cause to be accessed a computer, computer system, or computer network for the purpose of: devising or executing a scheme or artifice to defraud; obtaining money, property, or services by means of false or fraudulent pretenses, representations, promises; and committing any crime; to wit:

To further a scheme to misappropriate a \$309,581.46 check of settlement proceeds that belonged to the Estate of Hakeem Pinckney, MURDAUGH and LAFFITTE conducted transactions and used the bank's computer systems in order to create money orders and perform internal loan transactions. These transactions exceeded \$10,000.

All in violation of section 16-16-20 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT THREE
BREACH OF TRUST WITH FRAUDULENT INTENT
VALUE \$10,000 OR MORE
S.C. Code Ann. § 16-13-230
CDR Code: 3424**

That RICHARD ALEXANDER MURDAUGH, in Hampton County, on or about May 16, 2017, did willfully, unlawfully, and feloniously convert to his own use, with intention to permanently deprive the owner of possession, goods to which he had been entrusted by

the owner for the care, keeping, and possession, to wit:

While relying on his prestige and reputation as a lawyer, and the trust of the Pinckney family, who had come to MURDAUGH for help after a vehicular collision injured Pamela Pinckney and ultimately killed Hakeem Pinckney, MURDAUGH convinced Pamela Pinckney, mother of Hakeem Pinckney, to retain Cory Howerton Fleming, who was a close friend of MURDAUGH, while MURDAUGH represented Hakeem's estate. Years after Pamela Pinckney thought the case had been completely resolved and all money disbursed, Fleming without advising Pamela Pinckney caused a settlement disbursement check to be issued from his firm's trust account for \$89,133.44, not to Pamela Pinckney – but instead to Peters, Murdaugh, Parker, Eltzroth, and Detrick, P.A. (PMPED) client trust account. MURDAUGH then caused a check with the description "Est. of Hakeem L. Pinckney", and in the amount of \$89,133.44, to be made out to "Forge" and disbursed from the PMPED Client Trust Account. Forge Consulting, LLC, is a legitimate company often used by South Carolina lawyers to facilitate structured settlements. However, MURDAUGH then deposited the \$89,133.44 trust account check into a bank account MURDAUGH had created under the name "Richard A Murdaugh Sole Prop DBA Forge". MURDAUGH had created this bank account for the purpose of misappropriating funds belonging to others with the illusion that the money was being paid to the legitimate company Forge Consulting, LLC. Instead of appropriately disbursing the settlement funds, MURDAUGH instead breached the trust of the estate and the family and converted the funds to his own personal use, including cash, bank fees, and checks to himself and associates.

All in violation of section 16-13-230 of the South Carolina Code of Laws, and such

conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT FOUR
COMPUTER CRIME
VALUE MORE THAN \$10,000
S.C. Code Ann. § 16-16-20
CDR Code: 3110**

That RICHARD ALEXANDER MURDAUGH, in Hampton County, between on or about May 17, 2017, and on or about November 6, 2017, did wilfully, knowingly, maliciously, and without authorization and for an unauthorized purpose, directly or indirectly access or cause to be accessed a computer, computer system, or computer network for the purpose of: devising or executing a scheme or artifice to defraud; obtaining money, property, or services by means of false or fraudulent pretenses, representations, promises; and committing any crime; to wit:

MURDAUGH created a bank account under the name "Richard A Murdaugh Sole Prop DBA Forge". He created this account for the purpose of misappropriating funds belonging to others with the illusion that the money was being paid to the legitimate settlement planning company Forge Consulting, LLC. MURDAUGH caused a \$89,133.44 settlement disbursement check, which represented proceeds intended for the benefit of the Estate of Hakeem Pinckney, to be made out to "Forge". He deposited the

check into the Forge account under his control, and then conducted online banking transfers to convert settlement proceeds to his own personal use, which defrauded the Estate and laundered the proceeds. These transactions exceeded \$10,000.

All in violation of section 16-16-20 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT FIVE
BREACH OF TRUST WITH FRAUDULENT INTENT
VALUE MORE THAN \$2,000, BUT LESS THAN \$10,000
S.C. Code Ann. § 16-13-230
CDR Code: 3423**

That CORY HOWERTON FLEMING did, in Hampton County, on or about August 21, 2012, willfully, unlawfully, and feloniously convert to his own use, with intention to permanently deprive the owner of possession, goods to which he had been entrusted by the owner for the care, keeping, and possession; to wit:

While relying on his prestige and reputation as a lawyer, and the trust of Pamela Pinckney, FLEMING did represent Pinckney in a lawsuit. At disbursement following settlement, FLEMING caused his firm to retain \$350,000.00 in the client trust account for the purported purpose of satisfying a lien from Medicaid. After resolving the lien with Medicaid for \$219,807.73, FLEMING failed to disburse all of the remaining \$130,192.27

of client funds to Pinckney. Instead, FLEMING misappropriated \$6,490 to his personal use and benefit by paying a debt owed to a private plane company to charter a flight for FLEMING, Richard Alexander Murdaugh, and another attorney to travel to the 2012 College World Series in Omaha, Nebraska. By these actions FLEMING breached the trust of his clients.

All in violation of section 16-13-230 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT SIX
BREACH OF TRUST WITH FRAUDULENT INTENT
VALUE \$2000 OR LESS
S.C. Code Ann. § 16-13-230
CDR Code: 3422**

That CORY HOWERTON FLEMING did, in Hampton County, on or about August 21, 2012, willfully, unlawfully, and feloniously convert to his own use, with intention to permanently deprive the owner of possession, goods to which he had been entrusted by the owner for the care, keeping, and possession; to wit:

While relying on his prestige and reputation as a lawyer, and the trust of Pamela Pinckney, FLEMING did represent Pinckney in a lawsuit. At disbursement following settlement, FLEMING caused his firm to retain \$350,000.00 in the client trust account for

the purported purpose of satisfying a lien from Medicaid. After resolving the lien with Medicaid for \$219,807.73, FLEMING failed to disburse all of the remaining \$130,192.27 of client funds to Pinckney. Instead, FLEMING misappropriated \$1,588.46 to his personal use and benefit by paying a debt owed to a private plane company to charter a flight for FLEMING, RICHARD ALEXANDER MURDAUGH, and another attorney to travel to the 2012 College World Series in Omaha, Nebraska. By these actions FLEMING breached the trust of his clients.

All in violation of section 16-13-230 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT SEVEN
CRIMINAL CONSPIRACY
S.C. Code Ann. § 16-17-410
CDR CODE: 0049**

That RICHARD ALEXANDER MURDAUGH and CORY HOWERTON FLEMING, in Hampton County, from on or about May 8, 2017, to on or about May 16, 2017, did willfully, unlawfully, and feloniously unite, combine, conspire, confederate, agree and have a tacit understanding and agreement between two or more persons, for the purpose of accomplishing an unlawful object or lawful object by unlawful means, including violations of S.C. Code Ann. § 16-13-230, and S.C. Code Ann. § 16-16-20, to wit:

While relying on his prestige and reputation as a lawyer, and the trust of the family of Hakeem Pinckney, RICHARD ALEXANDER MURDAUGH convinced Hakeem's mother, Pamela Pinckney, to hire CORY HOWERTON FLEMING to represent her. Thereafter, MURDAUGH as the attorney for the Estate of Hakeem Pinckney and FLEMING as the attorney for Pamela Pinckney did conspire to surreptitiously give MURDAUGH \$89,133.44 in funds that FLEMING had retained in his client trust account from the multi-million dollar settlement supposedly for payment of a Medicaid lien for Pamela Pinckney.

All in violation of Section 16-17-410 of the Code of Laws of South Carolina, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT EIGHT
BREACH OF TRUST WITH FRAUDULENT INTENT
VALUE MORE THAN \$10,000
S.C. Code Ann. § 16-13-230
CDR Code: 3424**

That CORY HOWERTON FLEMING did, in Hampton County, on or about May 8, 2017, willfully, unlawfully, and feloniously convert to his own use, with intention to permanently deprive the owner of possession, goods to which he had been entrusted by the owner for the care, keeping, and possession; to wit:

While relying on his prestige and reputation as a lawyer, and the trust of Pamela Pinckney, FLEMING did represent Pamela Pinckney in a lawsuit. At disbursement following settlement, FLEMING caused his firm to retain \$350,000.00 in the client trust account for the purported purpose of satisfying a lien from Medicaid. After resolving the lien with Medicaid for \$219,807.73, FLEMING failed to disburse all of the remaining \$130,192.27 of client funds to Pinckney. Instead, FLEMING misappropriated a portion of those remaining funds by causing a settlement disbursement check for \$89,133.44 to be issued not to Pamela Pinckney, but instead to Peters, Murdaugh, Parker, Eltzroth, and Detrick, P.A. (PMPED). Once this was done, Richard Alexander Murdaugh then caused a check with the description "Est. of Hakeem L. Pinckney", and in the amount of \$89,133.44, to be made out to "Forge" and disbursed from the PMPED Client Trust Account. Forge Consulting, LLC, is a legitimate company often used by South Carolina lawyers to facilitate structured settlements. However, Murdaugh then deposited the \$89,133.44 trust account check into a bank account Murdaugh had created under the name "Richard A Murdaugh Sole Prop DBA Forge". Murdaugh had created this bank account for the purpose of misappropriating funds belonging to others with the illusion that the money was being paid to the legitimate company Forge consulting, LLC. Murdaugh then converted the funds to his own personal use, including cash, bank fees, and checks to himself and associates. By these actions FLEMING breached the trust of the Pinckney family and his client.

All in violation of section 16-13-230 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving

a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

COUNT NINE
BREACH OF TRUST WITH FRAUDULENT INTENT
VALUE MORE THAN \$2,000, BUT LESS THAN \$10,000
S.C. Code Ann. § 16-13-230
CDR Code: 3423

That CORY HOWERTON FLEMING did, in Hampton County, on or about March 27, 2017, willfully, unlawfully, and feloniously convert to his own use, with intention to permanently deprive the owner of possession, goods to which he had been entrusted by the owner for the care, keeping, and possession; to wit:

While relying on his prestige and reputation as a lawyer, and the trust of Pamela Pinckney, FLEMING did represent Pinckney in a lawsuit. At disbursement following settlement, FLEMING caused his firm to retain \$350,000.00 in the client trust account for the purported purpose of satisfying a lien from Medicaid. After resolving the lien with Medicaid for \$219,807.73, FLEMING failed to disburse all of the remaining \$130,192.27 of client funds to Pamela Pinckney. Instead, FLEMING misappropriated a portion of the remaining funds by causing a check for \$4,560.00 to be issued from his firm's trust account and made payable to Richard Alexander Murdaugh, supposedly for the payment of "Case Expense for Pamela Pinckney". No such case expense existed and Murdaugh converted the funds to his own personal use. By these actions FLEMING breached the trust of his client.

All in violation of section 16-13-230 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT TEN
CRIMINAL CONSPIRACY
S.C. Code Ann. § 16-17-410
CDR CODE: 0049**

That RICHARD ALEXANDER MURDAUGH and RUSSELL LUCIUS LAFFITTE, in Hampton County, on or about December 21, 2011, did willfully, unlawfully, and feloniously unite, combine, conspire, confederate, agree and have a tacit understanding and agreement between two or more persons, for the purpose of accomplishing an unlawful object or lawful object by unlawful means, including violations of S.C. Code Ann. § 16-13-230, and S.C. Code Ann. § 16-16-20, to wit:

While relying on his prestige and reputation as a lawyer, and the trust of the family of Hakeem L. Pinckney, RICHARD ALEXANDER MURDAUGH convinced Hakeem's mother, Pamela Pinckney, to consent to the appointment of RUSSELL LUCIUS LAFFITTE as conservator for Hakeem L. Pinckney. Thereafter, MURDAUGH as the attorney for the Hakeem L. Pinckney and his Estate, and LAFFITTE as a Vice President of Palmetto State Bank and the conservator for Hakeem L. Pinckney and his Estate, did conspire to surreptitiously misappropriate to MURDAUGH \$309,581.46 in funds that

LAFFITTE was entrusted and empowered to protect, in order in part to allow MURDAUGH to pay back loans LAFFITTE had authorized from client funds in an unrelated case in which LAFFITTE served as a fiduciary.

All in violation of Section 16-17-410 of the Code of Laws of South Carolina, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

**COUNT ELEVEN
BREACH OF TRUST WITH FRAUDULENT INTENT
VALUE \$10,000 OR MORE
S.C. Code Ann. § 16-13-230
CDR Code: 3424**

That RUSSELL LUCIUS LAFFITTE, in Hampton County, on or about December 21, 2011, did willfully, unlawfully, and feloniously convert to his own use, with intention to permanently deprive the owner of possession, goods to which he had been entrusted by the owner for the care, keeping, and possession, to wit:


While relying on his prestige and reputation as a lawyer, and the trust of the Pinckney family, who had come to Richard Alexander Murdaugh for help after a vehicular collision injured multiple members of the family and ultimately killed Hakeem Pinckney, Murdaugh convinced the family to consent to the appointment of RUSSELL LUCIUS

LAFFITTE as conservator for Hakeem L. Pinckney. After receiving funds intended for Hakeem L. Pinckney, Murdaugh caused a check with the description "Settlement Proceeds: Hakeem L. Pinckney", in the amount of \$309,581.46, to be made out to Palmetto State Bank and disbursed from the Peters, Murdaugh, Parker, Eltzroth, and Detrick, P.A. (PMPED) Client Trust Account. Murdaugh then took the \$309,581.46 trust account check to LAFFITTE, who had a fiduciary duty to protect the interests and well-being of Hakeem L. Pinckney and his estate, but who instead helped Murdaugh use the trust account funds to purchase money orders payable to other conservatorship accounts LAFFITTE controlled and from which LAFFITTE previously permitted Murdaugh to borrow money for personal use. LAFFITTE thereby breached the trust of the Estate of Hakeem L. Pinckney by enabling Murdaugh to misappropriate Hakeem L. Pinckney's trust funds to make LAFFITTE'S other conservatorship trusts whole. LAFFITTE additionally enabled Murdaugh to direct Hakeem L. Pinckney's trust funds to a Murdaugh family member and in part to pay down a personal business loan, and in part to obtain cash for himself and a different family member.

All in violation of section 16-13-230 of the South Carolina Code of Laws, and such conduct involving a violation of the South Carolina Anti-Money Laundering Act, or a crime related to a violation of the Anti-Money Laundering Act, and such conduct also involving a crime involving computer crimes, or a conspiracy or solicitation to commit a crime involving computer crimes, and such conduct having not been authorized by law.

Against the peace and dignity of this State and contrary to the law in such case made and provided.

A True Bill



FOREPERSON

Alan Wilson
ALAN WILSON (scw/jejj)
ATTORNEY GENERAL