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DELIVERED VIA EMAIL TO: [Criminal.Division@usdoj.gov](mailto:Criminal.Division@usdoj.gov)

Ms. Nicole M. Argentieri  
Acting Assistant Attorney General  
Criminal Division  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530-0001

**Re: Criminal Complaint of Honest Services Fraud, Waste, and Abuse  
Involving Alabama A&M University, an 1890 Land Grant Institution  
and Federal Program Recipient**

Dear Ms. Argentieri,

My name is Donald V. Watkins. I am filing this criminal complaint against Daniel K. Wims (president of Alabama A&M University), certain members of Alabama A&M's board of trustees, two law private firms purporting to represent Alabama A&M, and certain private vendors who are acting in concert with Wims in an honest services fraud scheme and conspiracy to defraud Alabama A&M of \$527,280,064 debt owed to the institution by the state of Alabama.

Alabama A&M is a historically black 1890 land grant institution in Huntsville, Alabama, and a recipient of substantial federal program funds.

The amount of economic harm to Alabama A&M from this honest services fraud scheme and conspiracy is \$527,280,064.

**1. Relevant Background Information**

I was the lead attorney who filed the [Knight v. Alabama](#) case in 1981 that eventually desegregated all of Alabama's 32 senior public institutions of higher education.

After 25 years of litigation in the face of death threats and massive resistance to equitable funding for historically black Alabama State University and Alabama A&M, the plaintiffs in the **Knight** case won: (a) court-ordered doctoral programs,

(b) new graduate and undergraduate course offerings, (c) hundreds of millions of dollars in new funding (beyond the regular state appropriations), and (d) court-ordered endowment money for Alabama State and Alabama A&M.

The Department of Justice was a named plaintiff in the **Knight** case. It participated in the litigation, via the Department's Civil Rights Division.

This complaint pertains to criminal conduct that has harmed Alabama &M only.

The **Knight** case was litigated at a time when a federal judge in **Dillard v. Crenshaw**, 640 F. Supp 1347, 1357 (M.D. Ala. 1986) vividly described the history of Alabama's discrimination against its Black citizens in almost every aspect of public life. (Id. 1359-60). As stated by the Court in **Dillard**, Alabama had an "*unrelenting historical agenda, spanning from the late 1800s to the 1980s, to keep its black citizens economically, socially, and politically downtrodden, from the cradle to the grave.*"

On June 8, 2023, the U.S. Supreme Court in **Mulligan v. Allen** affirmed a three-judge court ruling invalidating Alabama's Congressional redistricting map stating that, "*Alabama's extensive history of repugnant racial and voting-related discrimination is undeniable and well documented.*" When ordered by the three-judge court on remand to create a second Congressional District for Blacks to remedy illegal racial gerrymandering, Alabama defied this court order.

## **2. September 18, 2023, Letter from the U.S. Departments of Education and Agriculture**

On September 18, 2023, the U.S. Departments of Education and Agriculture notified Alabama Governor Kay Ivey, **via a letter**, that the state owed Alabama A&M \$527,280,064 due to "unequitable funding" with Auburn University (an 1862 land grant university) over the past 30 years. The letter states, in pertinent part, as follows:

*"Using readily available data from the National Center for Education Statistics (NCES) Integrated Postsecondary Education Survey (IPEDS) that ranges from 1987 to 2020, we calculated the amount that these institutions would have received if their state funding per student were equal to that of 1862 institutions. Unequitable funding of the 1890 institution in your state [Alabama A&M] has caused a severe financial gap, in the last 30 years alone, an additional **\$527,280,064** would have been available for the university."*

This "*large amount of state funding [] is owed to Alabama A&M University,*" according to the Departments' letter to Gov. Ivey. As such, debt became an

uncollected asset of the university that sat outside of the university's asset portfolio and resided within the control of the Gov. Ivey and the State Treasurer of Alabama

In a [letter response](#) to the Departments of Education and Agriculture, Gov. Ivey essentially disputed the federal government's "unequitable funding" claim, as well as the resulting \$527,280,064 debt.

Gov. Ivey's response perpetuates the state's hostile attitude and massive resistance to equitable educational funding for HBCUs that was described at length in the 1991 and 2004 memorandum opinions issued in **Knight**. Ivey's open defiance of the Supreme Court's 2023 order in **Mulligan v. Allen** had a chilling effect on President Wims and certain board members he controls at Alabama A&M. Ivey's defiant attitude also contributed to the honest services fraud scheme and conspiracy described in this criminal complaint.

By state statute, Gov. Ivey is the president of the Alabama A&M board of trustees. Ivey's September 28<sup>th</sup> letter and defiant attitude conflict with her duty as an Alabama A&M trustee and conform to the defiance her predecessors in office exhibited in **Knight**.

### **3. The Honest Services Fraud, Waste, and Abuse at Alabama A&M**

Alabama A&M is the victim of honest services fraud, waste, and abuse with respect to this \$527,280,064 debt. This case involves an ongoing honest services fraud scheme, in violation of 18 U.S.C. §1346, and a conspiracy to commit honest services fraud, in violation of 18 U.S.C. §1349.

By state law, President Wims and the university's board of trustees have a statutory and fiduciary duty to provide honest services to Alabama A&M. This duty includes the responsibility to protect, secure, and safeguard all assets in the university's portfolio of assets, including: (a) all university funds, (b) legal claims to university funds in the possession of another person or entity, and (c) causes of action in major debt collection matters, without any regard to personal gain or loss.

No state or federal statute authorizes Wims and those acting in concert with him to engage in an honest services fraud scheme and conspiracy that has the purpose or effect of wasting university assets, jeopardizing university financial claims, and abusing the university's governance apparatus.

Against this backdrop, the following facts are pertinent to this criminal complaint:

After Gov. Ivey and Daniel Wims received the federal government's September 18, 2023, letter, Wims, acting in concert with (i) certain university

trustees, who had a conflict of interest, (ii) the Dentons law firm, which is conflicted, (iii) the MaynardNexsen law firm, which is conflicted, and (iv) various professional services vendors chosen by Wims, engaged in an honest services fraud scheme to undermine, compromise, or otherwise harm Alabama A&M's entitlement to the \$527,280,064 referenced in the federal government's September 18<sup>th</sup> letter.

The object and purpose of the scheme and conspiracy was to: (a) secure and protect Wims' presidential job and his attendant \$400,000 annual salary in the face of Gov. Ivey dismissive attitude towards the government's claim that Alabama A&M is entitled to \$527,280,064, (b) protect the revenue streams flowing between the state and certain business interests tied to the conflicted trustees, and (c) allow the conflicted law firms and other participants to feast off Alabama A&M's operating budget monies.

Wims, who obtained the Alabama A&M presidency in October 2021 under false pretenses, is the ringleader of this honest services fraud scheme and conspiracy. He has never publicly acknowledged the existence of the \$527,280,064 debt, or its validity. Wims only discusses this debt in private sessions with university trustees, his co-conspirators, and political benefactors.

Wims has parked this debt collection matter inside the board of trustees' executive committee where 4 out of 5 members have personal financial ties to the state of Alabama, either directly or through immediate family members.

Wims has made no effort to recuse and exclude the conflicted trustees from internal discussions about this debt claim by and among non-conflicted Alabama A&M trustees.

Board chairman Roderick DeWayne Watts, who also chairs the executive committee, is a son of the owners of a healthcare business that has pocketed over \$21 million from the state since Watts joined the Alabama A&M board of trustees in 2017. Gov. Ivey's administration approved the \$21 million in payments to this state-approved healthcare provider. Ivey has the power to suspend and/or end this provider's contract at any time.

At least two law firms – Dentons and MaynardNexsen – are advising Wims and certain trustees on various aspects of this \$527,280,064 debt. Dentons also represents Auburn University, an HWCU 1862 land grant institution that is directly referenced in the federal government's claim of "unequitable funding." See, Denton Shareholder [Robert Baugh's representation of Auburn University](#) in [Auburn University v. Moody](#), 2008 WL 521494 (M.D. Ala. 2008).

Furthermore, Denton attorney Roderic G. Steakley has advised Alabama A&M trustees on matters related to this \$527,280,064 debt since September 18<sup>th</sup>.

In October 2023, Steakley ignored a written and verbal request from a non-conflicted trustee to: (a) prepare a board resolution authorizing Alabama A&M to take all legal steps necessary and reasonable to collect this debt, and (b) place the proposed resolution on the agenda as an action item for the October 27, 2023, board meeting.

The Dentons law firm's conflict of interest has aided and abetted the honest services fraud scheme and conspiracy set forth in this complaint.

MaynardNexsen's role in the fraud scheme is to silence whistleblowers by using the threat of state law defamation prosecutions against them. The law firm's authority to do so comes from approvals granted by Wims and others who are acting in concert with Wims to defraud Alabama A&M of honest services with respect to the \$527,280,064 debt.

MaynardNexsen's predecessor, Maynard Cooper & Gale PC, represented Defendant University of Alabama Board of Trustees in opposing the legal claims and relief obtained in 2004 by the **Knight** plaintiffs for the benefit of Alabama A&M. Whether Alabama A&M suffered "unequitable funded" during the 1993 to 2005 portion of last 30 years, as claimed by the Departments of Education and Agriculture, was one of the **hotly disputed legal claims** in the **Knight** case before it was finally resolved in 2005. The **Knight** case did not and could not resolve funding inequities between Alabama A&M and Auburn University arising from acts of discrimination from 2005 to 2023.

Additional material facts regarding Wims' honest services fraud scheme and conspiracy with respect to this \$527,280,064 debt will be shared with investigators during the Department's investigation.

#### **4. Request for a Full Criminal Investigation and Whistleblower Status and Protection**

I am requesting the U.S. Department of Justice in Washington, D.C. to conduct a full and thorough criminal investigation of this matter. I am asking that Main Justice in Washington lead this investigation because I have an irreconcilable conflict of interest with Mr. Lloyd Peeples, the Chief of the Criminal Division in the U.S. Attorney's Office for the Northern District of Alabama. Both the U.S. Attorney, Prim Escalona, and Lloyd Peeples (the former First Assistant U.S. Attorney) are holdovers from the Donald Trump administration.

The District Court's findings in **Dillard** (1986), the District Court's 1991 and 2004 memorandum opinions and desegregation orders in **Knight v. Alabama**, and

the U.S. Supreme Court's findings in Mulligan v. Allen (2023) establish that Alabama is openly hostile to the enforcement of equal rights for its Black citizens.

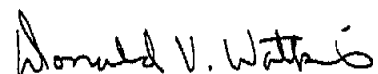
This toxic racial environment has caused President Wims and his co-conspirator board members to suffer from a subservient attitude and wear a badge of inferiority when dealing with Gov. Ivey and other state officials in this matter. It has also motivated Wims and his co-conspirators to engage in the honest services fraud scheme and conspiracy described herein.

The fear instilled in Wims and many Black elected and appointed officials in Alabama is so gripping that not one of them has uttered a word in public about the \$527,280,064 owed to Alabama A&M by the state of Alabama. This group of frightened Black public officials includes the state's lone Black Congresswoman (Rep. Terri Sewell) and the Black candidates running for Congress under the new, court-ordered 2<sup>nd</sup> Congressional District in Alabama.

I am seeking whistleblower protection in my interaction with the Criminal Division. I am also seeking protection from retaliation, as the Office of Governor views itself as the "Chief Magistrate of the State" and has a history of abusing the power of this Magistrate's position to unlawfully harass and retaliate against individuals who report fraud, waste, and abuse to regulatory and law enforcement agencies. See, [Report of the House of Representatives Judiciary Committee on Articles of Impeachment Against Governor Robert Bentley Pursuant to House Rule 79.1](#), dated April 25, 2017, Attachment titled, **Pre-Hearing Submission of Special Counsel regarding Governor Bentley's "Special Investigations,"** at pp. 86-92. I was a target of Gov. Bentley's "Special Investigations." (Id. at p.87).

Finally, I am also reserving my right to receive whistleblower compensation, if and to the extent that (a) the Department's investigation of my complaint finds criminal/civil wrongdoing by Wims and those who acted in concert with him to defraud Alabama A&M out of money and honest government services, and (b) the investigation results in Alabama A&M University obtaining the full amount of debt payment/restitution that is due and owing the university, together with statutory interest accruing at 7.5% per annum. [AL Code § 8-8-10 \(2022\)](#).

Sincerely,



Donald V. Watkins  
Complainant/Whistleblower