

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT CHATTANOOGA**

UNITED STATES OF AMERICA)	
)	
v.)	1:08-cr-51
)	Jordan/Lee
MICHAEL KELLEY)	
GERALD CUNNINGHAM)	
NANETTE SHROPSHIRE)	
GUY STINER)	
KENNETH EDMOND)	
KEVIN FLETCHER)	
JOHNNY LEVI)	
JOHN P. FRANKLIN, Jr.)	
PERRY LAWRENCE)	
RONALD GOODWIN)	

SUPERSEDING INDICTMENT

COUNT ONE

The Grand Jury charges that beginning in or about November, 2007, and continuing until in or about March, 2008, in the Eastern District of Tennessee and elsewhere, the defendants, MICHAEL KELLEY, GERALD CUNNINGHAM, NANETTE SHROPSHIRE, GUY STINER, KENNETH EDMOND, KEVIN FLETCHER, JOHNNY LEVI, and others known and unknown to the grand jury, did combine, conspire, confederate and agree to knowingly, intentionally and without authority violate Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(A), that is, to distribute and possess with intent to distribute 5 kilograms or more of a mixture and substance containing a detectable amount of cocaine, a Schedule II controlled substance, all in violation of Title 21, United States Code, Section 846.

COUNT TWO

The Grand Jury further charges that beginning in or about November, 2007, and continuing until in or about March, 2008, in the Eastern District of Tennessee and elsewhere, the defendant,

MICHAEL KELLEY, and others known and unknown to the grand jury, did combine, conspire, confederate and agree to knowingly, intentionally and without authority violate Title 18, United States Code, Section 1956(a)(1)(A)(i), that is, to conduct and attempt to conduct financial transactions affecting interstate commerce which involved proceeds of unlawful activity, that is, the distribution of cocaine, with the intent to promote the carrying on of the unlawful activity, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions, that is, United States currency, represented the proceeds of some form of unlawful activity; in violation of Title 18, United States Code, Section 1956(h).

COUNT THREE

The Grand Jury further charges that beginning on or about March 5, 2008, and continuing until in or about May, 2008, in the Eastern District of Tennessee and elsewhere, the defendants, MICHAEL KELLEY, JOHN P. FRANKLIN, Jr., PERRY LAWRENCE and others known and unknown to the grand jury, did combine, conspire, confederate and agree to knowingly, intentionally and without authority violate Title 18, United States Code, Section 1956(a)(1)(B)(i), that is, to conduct and attempt to conduct a financial transaction affecting interstate commerce which involved proceeds of unlawful activity, that is, the distribution of cocaine, knowing that the transaction was designed in whole and in part to conceal and disguise the nature and source of the proceeds, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is, United States currency, represented the proceeds of some form of unlawful activity; in violation of Title 18, United States Code, Section 1956(h).

COUNT FOUR

The Grand Jury further charges that beginning on or about March 5, 2008, and continuing until in or about May, 2008, in the Eastern District of Tennessee and elsewhere, the defendants, MICHAEL KELLEY, JOHN P. FRANKLIN, Jr., and PERRY LAWRENCE, did combine, conspire,

confederate and agree to knowingly, intentionally and without authority violate Title 18, United States Code, Section 1512(c)(2), that is, to corruptly attempt to obstruct, influence and impede an official proceeding, to wit, a Federal grand jury and a proceeding before a judge and a court of the United States.

MANNER AND MEANS

On March 5, 2008, Hamilton County, Tennessee, Sheriff's Office deputies stopped the vehicle operated by the defendant, MICHAEL KELLEY. A search of the vehicle resulted in the seizure of approximately sixty nine thousand five hundred dollars (\$69,500) in United States Currency. The defendant, MICHAEL KELLEY, intended to travel with this cash to meet with another person, known to the grand jury, in order to pay for controlled substances. Thereafter, the defendant, PERRY LAWRENCE, agreed to provide MICHAEL KELLEY with a document evidencing, falsely, that he, LAWRENCE, had loaned \$69,500 to KELLEY on February 12, 2008, in order to justify a claim to be submitted to the Hamilton County Sheriff's Office for the cash that had been seized. LAWRENCE had not, in fact, loaned KELLEY the \$69,500 that had been seized from KELLEY. The defendant, JOHN P. FRANKLIN, Jr., agreed with KELLEY to cause the false loan document to be officially notarized prior to it being presented to the Hamilton County Sheriff's Office.

OVERT ACTS

In furtherance of the conspiracy and to achieve the objects thereof, the defendants and their co-conspirators, known and unknown to the grand jury, committed and caused to be committed the following overt acts in the Eastern District of Tennessee and elsewhere:

- (1) on or about March 6, 2008, the defendant, PERRY LAWRENCE, then outside the State

of Tennessee, caused the false loan document to be sent via FedEx to the defendant, MICHAEL KELLEY, in Chattanooga, Tennessee;

(2) on or about March 7, 2008, the defendant, MICHAEL KELLEY, received the false loan document;

(3) on or about March 7, 2008, the defendant, JOHN P. FRANKLIN, Jr., had a conversation with MICHAEL KELLEY regarding the falsification of the document;

(4) on or about March 7, 2008, the defendant, JOHN P. FRANKLIN, Jr., caused another person, known to the grand jury, to notarize the false loan document, falsely certifying that it was signed on February 12, 2008;

(5) on or about March 7, 2008, the defendant, MICHAEL KELLEY, presented the fraudulently notarized false loan document to an official of the Hamilton County Sheriff's Office to support his claim for the seized money;

all in violation of Title 18, United States Code, Section 371.

COUNT FIVE

The Grand Jury further charges that on or about April 1, 2008, in the Eastern District of Tennessee, in a matter within the jurisdiction of the United States Department of Treasury, Internal Revenue Service, an agency and department of the United States, the defendant, JOHN P. FRANKLIN, Jr., did knowingly and willfully make a materially false, fictitious and fraudulent statement and representation, that is, that he was contacted by Michael Kelley on or before February 12, 2008, regarding notarizing a loan document, when in fact he was contacted by Michael Kelley regarding notarizing the loan document on or after March 5, 2008, in violation of Title 18, United States Code, Section 1001.

COUNT SIX

The Grand Jury further charges that in or about March, 2008, in the Eastern District of Tennessee and elsewhere, the defendants, MICHAEL KELLEY, RONALD GOODWIN, and others known and unknown to the grand jury, did combine, conspire, confederate and agree to knowingly, intentionally and without authority violate Title 18, United States Code, Section 1956(a)(1)(B)(i), that is, to conduct and attempt to conduct a financial transaction affecting interstate commerce which involved proceeds of unlawful activity, that is, the distribution of cocaine, knowing that the transaction was designed in whole and in part to conceal and disguise the nature and source of the proceeds, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is, United States currency, represented the proceeds of some form of unlawful activity; in violation of Title 18, United States Code, Section 1956(h).

COUNT SEVEN

The Grand Jury further charges that in or about March, 2008, in the Eastern District of Tennessee and elsewhere, the defendants, MICHAEL KELLEY, RONALD GOODWIN and others known and unknown to the grand jury, did combine, conspire, confederate and agree to knowingly, intentionally and without authority violate Title 18, United States Code, Section 1512(c)(2), that is, to corruptly attempt to obstruct, influence and impede an official proceeding, to wit, a Federal grand jury and a proceeding before a judge and a court of the United States.

MANNER AND MEANS

On March 5, 2008, Hamilton County, Tennessee, Sheriff's Office deputies stopped the vehicle operated by the defendant, MICHAEL KELLEY. A search of the vehicle resulted in the seizure of approximately sixty nine thousand five hundred dollars (\$69,500) in United States Currency. KELLEY intended to travel with this cash to meet with another person, known to the

grand jury, in order to pay for controlled substances. The defendant, RONALD GOODWIN, an accountant who had prepared tax returns for KELLEY in the past, agreed to meet with KELLEY to discuss the money seizure. Thereafter, KELLEY contacted other persons soliciting personal checks each in the amount of \$8000.00 payable to KELLEY intended by the defendants to falsely represent investments in KELLEY's business. KELLEY intended to use these checks to falsely justify a claim to be submitted to the Hamilton County Sheriff's Office for the cash that had been seized. KELLEY explained to at least one person, known to the grand jury, from whom he solicited a personal check, that GOODWIN could explain more clearly how the scheme involving the personal checks was to work. KELLEY assured persons solicited that their personal checks would never be cashed.

OVERT ACTS

In furtherance of the conspiracy and to achieve the objects thereof, the defendants and their co-conspirators, known and unknown to the grand jury, committed and caused to be committed the following overt acts in the Eastern District of Tennessee and elsewhere:

(1) The defendant, MICHAEL KELLEY, and the defendant, RONALD GOODWIN, and another known to the grand jury, met at Celebrity Tax Service in Chattanooga, Tennessee, to discuss the money seizure;

(2) subsequently, the defendant, MICHAEL KELLEY, solicited personal checks from several individuals falsely reflecting that the checks had been provided to KELLEY on dates preceding the money seizure;

(3) KELLEY received such checks from at least two persons, known to the grand jury; all in violation of Title 18, United States Code, Section 371.

COUNT EIGHT

The Grand Jury further charges that on or about April 1, 2008, in the Eastern District of Tennessee, in a matter within the jurisdiction of the United States Department of Treasury, Internal Revenue Service, an agency and department of the United States, the defendant, RONALD GOODWIN, did knowingly and willfully make materially false, fictitious and fraudulent statements and representations, that is, that he was never contacted by Michael Kelley regarding the seizure by law enforcement of a large sum of cash during March, 2008, and that he never met with Michael Kelley regarding that seizure, when in fact he was contacted by Michael Kelley regarding the cash seizure by telephone and he did meet with Michael Kelley at Celebrity Tax Service in Chattanooga, Tennessee, on March 5, 2008, in violation of Title 18, United States Code, Section 1001.

COUNT NINE

The Grand Jury further charges that on or about May 8, 2008, in the Eastern District of Tennessee, in a matter within the jurisdiction of the United States Department of Treasury, Internal Revenue Service, an agency and department of the United States, the defendant, RONALD GOODWIN, did knowingly and willfully make materially false, fictitious and fraudulent statements and representations, that is, that he never met with Michael Kelley when another individual, known to the grand jury, was present and that he had never met with Michael Kelley regarding the seizure by law enforcement of a large sum of cash during March, 2008, when in fact he met with Michael Kelley and the other individual, known to the grand jury, together, at Celebrity Tax Service on March 5, 2008, and the subject of the meeting was the seizure by law enforcement of a large sum of cash from Michael Kelley earlier on March 5, 2008, in violation of Title 18, United States Code, Section 1001.

COUNT TEN

The Grand Jury further charges that on or about March 7, 2008, in the Eastern District of

Tennessee, the defendant, MICHAEL KELLEY, did knowingly, intentionally, and without authority distribute a mixture and substance containing a detectable amount of cocaine, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C).

COUNT ELEVEN

The Grand Jury further charges that on or about March 7, 2008, in the Eastern District of Tennessee, the defendant, KEVIN FLETCHER, did knowingly, intentionally, and without authority distribute a mixture and substance containing a detectable amount of cocaine, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C).

COUNT TWELVE

The Grand Jury further charges that on or about March 7, 2008, in the Eastern District of Tennessee, the defendant, JOHNNY LEVI, did knowingly, intentionally, and without authority possess with intent to distribute a mixture and substance containing a detectable amount of cocaine, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C).

COUNT THIRTEEN

The Grand Jury further charges that on or about March 18, 2008, in the Eastern District of Tennessee, the defendant, MICHAEL KELLEY, did knowingly, intentionally, and without authority possess with intent to distribute a mixture and substance containing a detectable amount of cocaine, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C).

FORFEITURE ALLEGATIONS

The Grand Jury further charges that in committing the felony offense alleged in Count One, above, which is fully incorporated herein, and upon conviction of the same, the defendants,

MICHAEL KELLEY, GERALD CUNNINGHAM, NANETTE SHROPSHIRE, GUY STINER, KENNETH EDMOND, KEVIN FLETCHER, and JOHNNY LEVI shall forfeit to the United States pursuant to Title 21, United States Code, Section 853, any property constituting or derived from proceeds obtained, directly or indirectly, as a result of the said violations and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the said violations, including but not limited to the following:

I. Proceeds

Money Judgment

A sum of money of at least \$1,200,000.00 which represents proceeds generated from the conspiracy alleged in Count One.

II. Substitute Assets

In the event that any property, described above, constituting proceeds of the offenses set forth in this Indictment, as a result of any act and omission of the Defendants (1) cannot be located upon the exercise of due diligence; (2) has been transferred or sold to or deposited with a third party; (3) has been placed beyond the jurisdiction of the court; (4) has been substantially diminished in value; or (5) has been commingled with other property which cannot be divided without difficulty, the defendants shall, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title

18, United States Code, Section 982(b)(1), forfeit any other property of the defendants up to the value of property subject to forfeiture pursuant to the charges herein.

A TRUE BILL

/s/ Grand Jury Foreperson
GRAND JURY FOREPERSON

JAMES R. DEDRICK
United States Attorney

By: /s/ Scott A. Winne
Scott A. Winne
Assistant U. S. Attorney