

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

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

**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 through the date of this indictment, 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 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 SEVEN**

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 EIGHT**

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 NINE**

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