

# Outside



# Informer

**Newsletter of the U.S. Attorney's Office  
Eastern District of Tennessee**

**Volume 1, Issue 3  
Summer 2014**

## **NEWS FROM U.S ATTORNEY WILLIAM C. "BILL" KILLIAN**



As we continue to perform our Mission in a better budget climate, at least for now, we do not want to lose sight of the fact that it takes our continued cooperation with each other to achieve at the highest level. In addition to the normal law enforcement challenges, we are faced with challenges of rules changes by Congress, the Supreme Court or the Department of Justice. We sometimes disagree with some of these changes, do not understand some of them, and otherwise question certain policies. However, in our system of government we are required to comply with the court rulings, congressional statutes, or requirements of the Department of Justice.

While free, under the First Amendment, to express any dissatisfaction with these rules, we should not let our personal attitudes interfere with the quality of our Mission. Our pride in this accomplishment should likewise remain high. Rules changes are mere bumps in the road to the enforcement of federal criminal laws and the collection of monies owed or defense of attempts to collect money from the United States. Rules changes should never distract us from our mission.

Do not let rules changes affect your contact to US Attorney's office regarding requests to take matters or cases. Intake guidelines are merely that – guidelines. They guide us in our decisions of what to take. However we consider a number of factors. We regularly

### **Key USAO Staff**

William C. "Bill" Killian  
U.S. Attorney

Nancy Stallard Harr  
First Assistant U.S. Attorney

Steven H-Cook  
Criminal Chief

Suzanne Bauknight  
Civil Chief

David Jennings  
Deputy Criminal Chief  
Knoxville

Charles E. Atchley, Jr.  
Deputy Criminal Chief  
National Security Unit

Robert Reeves  
Supervisory AUSA  
Greeneville Branch Office

Scott Winne  
Supervisory AUSA  
Chattanooga Branch Office

Jane Archer  
Administrative Officer  
Knoxville

Sharry Dedman-Beard  
Law Enforcement Coordinator  
Pubic Information Officer

take cases that "impact" certain areas of widespread violation of federal law. Often these cases do not meet our intake guidelines, but have great deterrent effect throughout a particular area of federal activity.

As we have recently experienced and will continue to experience personnel changes, retirements, etc. we have tried to maintain a consistent method of communication of these occurrences. Sharry Dedman-Beard, our Law Enforcement Coordinator and Public Information Officer does great job of keeping you informed of any changes in personnel at our office, and any other federal agencies. She also informs you of other information that you should have. She continues to coordinate with you concerning our training efforts and coordinate with you to maximize attendance at those sessions. Your cooperation with her is appreciated. We urge you to continue to provide her with the information that needs to be disseminated to others.

Lastly, I want to announce that Chuck Atchley, Assistant United States Attorney in the Knoxville office, has been appointed as the Deputy Chief in charge of the National Security Unit. Chuck was formerly the Deputy Chief in charge of General Crimes in Knoxville. His function now concerns any and all issues related to national security, in the district, whether of a domestic or international subject matter. Should any of your matters or cases have any component of national security, Chuck should be notified immediately and he will coordinate the matter together with the supervisors of the various branch offices. David Jennings is now the branch manager of the Knoxville office, as is Scott Winne in Chattanooga and Rob Reeves in Greeneville. We also will now have a Special Crimes Unit, staffed with prosecutors whose experience and knowledge can be utilized for the special crimes..

As always, we invite your suggestions to improve our operation. Otherwise, on behalf of Nancy Harr, First Assistant United States Attorney, Criminal Chief Steve Cook, and Civil Chief Suzanne Bauknight, and all the other folks at our office, we thank you for your continued support and cooperation. We look forward to continuing to serve you in the best manner possible."

*Bill*

## U.S. ATTORNEY EVENTS

### 11TH ANNUAL PHARMACEUTICAL COMPLIANCE CONGRESS

Washington, DC  
January 28-30, 2014

U.S. Attorney William C. Killian participated, along with several other U.S. Attorneys from across the country on a keynote panel at the 11th Annual Pharmaceutical Compliance Congress in Washington, DC, January 28-30, 2014.

Approximately 375-400 senior level executives from pharmaceutical and biotech companies, primarily representing compliance, legal and audit functions attended this meeting. This included the Chief Compliance Officers at many large and small companies.



**UNITE: WEAR WHITE  
RAISES AWARENESS OF HUMAN TRAFFICKING  
Chattanooga, Tennessee  
January 10, 2014**



The Chattanooga Coalition Against Human Trafficking, Second Life of Chattanooga and Richmond Graduate University on Friday, Jan. 10, 2014, presented the Third Annual “Unite: Wear White” event. The event was held at the Chattanooga Choo Choo’s Imperial Ballroom. The keynote speaker was Ed Stanton, United States Attorney for the Western District of Tennessee.

“Unite: Wear White” is the local observance of National Human Trafficking Awareness Day. The event is designed to educate and mobilize organizations and individuals to work together against human trafficking in Chattanooga and Hamilton County.

“The Chattanooga Coalition Against Human Trafficking exists to create a community that is unified in the response to and prevention of human trafficking in all its forms,” said Jerry Redman, managing senior partner of Second Life of Chattanooga, a co-founding member of the Coalition. “‘Unite: Wear White’ is one of the ways we highlight that unified response, as well as strengthen and grow the Coalition. To have Ed Stanton with us, whose office is a national leader in prosecuting human trafficking crimes, made this event even more special.”



The 2014 Gatlinburg Law Enforcement Conference was held at the Gatlinburg Convention Center May 6-8, 2014, in Gatlinburg, Tennessee. This training conference is a unique collaboration between U.S. Attorney's Offices, Law Enforcement Coordinating Committees, the Tennessee Law Enforcement Training Academy, and state and local law enforcement agencies in eight different states and twelve different federal districts. Co-sponsoring U.S. Attorney's Offices include: Northern District of Alabama; Northern District of Georgia; Eastern and Western Districts of Kentucky, Western District of North Carolina;

District of South Carolina; Eastern, Middle and Western Districts of Tennessee; Western District of Virginia; Northern District of West Virginia; and Southern District of West Virginia. The conference provides extremely valuable training to local, state and federal law enforcement on current law enforcement issues and Department of Justice priorities and initiatives.

Deputy Attorney General James B. Cole and Director B. Todd Jones, Bureau of Alcohol, Tobacco, Firearms and Explosives participated as keynote speakers this year. Deputy Attorney General Cole spoke to over 500 local, state and federal law enforcement participants about the Smart on Crime Initiative. Director Jones gave a detailed overview of the ATF Frontline strategy.

Other high ranking Department of Justice officials, including two former Attorneys General, a former FBI Director, and former Assistant Attorney General for Civil Rights, have participated in previous years. Hearing these individuals speak in person is a rare opportunity for most local and state law enforcement officers.

This year's three-day conference included plenary and workshop sessions on Re-entry Programs; The Re-emergence of Heroin; Synthetic Drugs; Social Networking; Ethics; Gun Crimes; Wiretaps; Drug Market Intervention; Brady Giglio Discovery Issues; and Sovereign Citizens.



Pictured are the co-sponsoring U.S. Attorneys along with Deputy Attorney General Cole and Director Jones. From left: David Rivera, TNM; Sally Quillian Yates, GAN; Kerry B. Harvey, KYE; B. Todd Jones, Director, ATF; Joyce White Vance, ALN; David J. Hale, KYW; William J. Ihlenfeld, WVN; R. Booth Goodwin, WVS; Edward L. Stanton, TNW; Timothy J. Heaphy, VAW; James B. Cole, Deputy Attorney General; and William C. Killian, TNE.

Not pictured: Anne M. Tompkins, NCW and William N. Nettles, SC.

**Celebration of the 50th Anniversary of the Tennessee  
Human Rights Commission  
University of Tennessee Chattanooga  
February 24, 2014**



The University of Tennessee at Chattanooga partnered with the Tennessee Human Rights Commission (THRC) to create the video, made to commemorate the 50<sup>th</sup> anniversary of the THRC.

Civil rights leaders in Chattanooga were prominently featured in a 45-minute documentary titled *9 United for Equality: Reflections on the Struggle of Civil Rights in Chattanooga*, shown in the UTC University Center Auditorium. U.S. Attorney Killian participated in the program and discussion.





## CHATTANOOGA LAW ENFORCEMENT MEMORIAL SERVICE

On May 15, 2014, U.S. Attorney William C. Killian was the keynote speaker at the Hamilton County-Chattanooga Courts Building for the 2014 Law Enforcement Memorial Ceremony honoring 58 area officers and two canine officers who have died in the line of duty over the past 135 years.

The audience was filled with family and friends of the fallen officers. The name of every officer who died in the line of duty southeast Tennessee was called, as fellow officers carried a red rose to the front.

Fortunately, three years have passed since a local police officer died while on duty. Chattanooga Police Department Sgt. Tim Chapin suffered a fatal gunshot wound while responding to a robbery in 2011.

U.S. Attorney Killian told those attending the memorial service that this event that its more than just a salute to law enforcement people. He said he personally knew many of those who paid the highest price while wearing the uniform. The solemn observance honored every officer who died in the line of duty in southeast Tennessee dating back into the 1800's.

"Since the first reported death in 1791, more than 20-thousand law enforcement officers in the united states have made the ultimate sacrifice and been killed in the line of duty," said Killian.

Regardless of when, where or why, Americans can call the police, a group of men and women sworn to protect and serve the people. Bearing that burden alone makes law enforcement officers heroes. "A hero is defined as a person who exhibits extraordinary courage and fortitude," Killian said.

"These officers, like many others, may be called upon to exhibit the courage and fortitude to respond to a situation. They respond without reservation, it's what they do and who they are."

Sometimes, though, the job requires an even greater sacrifice. Some 111 American law enforcement officers were killed in the line of duty in 2013, according to the National Law Enforcement Officers Memorial Fund.



## U.S. ATTORNEY KILLIAN SPEAKS AT THINK TANK



William C. “Bill” Killian, U.S. Attorney for the Eastern District of Tennessee, was the guest speaker at the Community Think Tank hosted by the Hamilton County Coalition and the U.S. Department of Justice last week. The topic of discussion: the Smart on Crime Initiative, including: arrest, prosecution, and sentencing at the federal level; prescription drug abuse and designer drugs; and victims’ rights. Pictured are (L-R): Hugh Reece, Coalition policy and community safety consultant; Camilla Bibbs-Lee, Coalition executive director; Killian; and Calandra Smith, Coalition community mobilization outreach consultant. (Susanne Reed)

### 7TH ANNUAL CRIMINAL JUSTICE SEMINAR CHATTANOOGA-HAMILTON COUNTY NAACP

The Chattanooga-Hamilton County NAACP hosted the 7th Annual Criminal Justice Seminar on Saturday, June 14, at the Chattanooga Choo Choo Imperial Ballroom. The theme of this year's event, was Balancing the Scales of Justice: Rehabilitation; Reentry; Redemption.

William C. “Bill” Killian, U.S. Attorney: Eastern District, of Tennessee discussed Justice Department Initiatives and Reentry.



## OTHER COMMUNITY OUTREACH EFFORTS

### **Celebration of the 50th Anniversary of the Tennessee Human Rights Commission (THRC) University of Tennessee Chattanooga February 24, 2014**

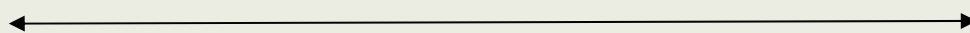


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**February 28, 2014**  
**Chattanooga Civitan Club**  
**Department of Justice Smart on Crime Initiative**



**May 30, 2014**  
**Bradley County Juvenile Detention Center**  
**Human Trafficking**

## 2014 VICTIMS RIGHTS WEEK

National Crime Victim’s Rights Week 2014 was observed in the Eastern District of Tennessee during the week of April 6-12, 2014.

A luncheon on April 8<sup>th</sup> in Chattanooga included a very moving presentation by Tiki Finlayson. In case you did not get to attend this luncheon, here is a brief synopsis of what Ms. Finlayson presented:

On July 31, 2011, Kevin Daniel "Sunshine" Yates, was hit head on by a drunk driver. He died as a result of his injuries less than 32 hours after the wreck on August 1, 2011. In memory of Kevin, his brother, Derek Yates and mother, Tiki Finlayson, founded **1N3** within days of the crash, because ‘one in three of us are impacted by drunk driving’. They are **1N3**, and wanted to do more than change laws pertaining to driving under the influence. They wanted to change the lives of the people who are impacted by it through Drug and Alcohol Awareness, Addiction Recovery and Grief Recovery.

National Crime Victim’s Rights Week was further observed by a luncheon in Knoxville on April 9<sup>th</sup>. In Knoxville the group attending was privileged to be a part of a 25-year look-back as to how Crime Victim’s rights have “gotten better for the victims in East Tennessee”. Hope Maxwell, a 6<sup>th</sup> grader from Boyd’s Creek Elementary school performed a wonderful rendition of our National Anthem. A few photos from this luncheon are attached.

Thanks to all who attended the luncheons in support of National Crime Victim’s Rights Week 2014 in the Eastern District of Tennessee.



# 25TH ANNUAL ACFE GLOBAL FRAUD CONFERENCE

On Monday, June 16, 2014, U.S. Attorney William C. Killian participated in the 25th Annual Association of Certified Fraud Examiners (ACFE) Conference in San Antonio, Texas. U.S. Attorney Killian conducted a workshop entitled Corporate Fraud in the Federal System: Civil and Criminal Penalties.

Violations of civil and criminal fraud statutes, penalties and fines provided by federal law all have consequences in the corporate world. This session will provide an overview of the various federal fraud statutes as applied to corporate business entities. Examples of actual cases prosecuted involving defense contractors, medical providers, device manufacturers, pharmaceutical entities and environmental contractors, as well as corporate wire and mail fraud activity, will be presented. You'll also learn practical and strategic ideas to consider when faced with a corporate fraud investigation.

Attendees of the workshop learned how to:

- Stay up-to-date on civil and criminal penalties available for fraud violations;
- Gain knowledge of federal sentencing guides for individual and corporate fraud; and
- Incorporate new strategies in federal corporate fraud investigations.



## **RECENT CASES OF INTEREST**

### **TENNESSEE AND APPALACHIAN ORTHOPEDIC CLINICS TO PAY COMBINED \$1.85 MILLION TO SETTLE FALSE CLAIMS ACT ALLEGATIONS**

KNOXVILLE, Tenn. – Two orthopedic clinics agreed to pay a combined \$1.85 million to resolve state and federal False Claims Act allegations that they knowingly billed state and federal health care programs for re-imported osteoarthritis medications, known as viscosupplements. Tennessee Orthopaedic Clinics, P.C., headquartered in Knoxville, Tennessee, will pay \$1.3 million and Appalachian Orthopaedic Clinics, P.C., headquartered in Kingsport, Tennessee, will pay \$550,000.

### **THREE INDIVIDUALS CONVICTED OF SABOTAGE AT THE Y-12 NATIONAL SECURITY COMPLEX SENTENCED**

KNOXVILLE, Tenn.- On Feb. 18, 2014, Michael Walli, Megan Rice, and Greg Boertje-Obed, were sentenced in U.S. District Court by the Honorable Amul Thapar, U.S. District Judge. Sister Megan Rice was sentenced to serve 35 months in prison. Walli and Boertje-Obed were each sentenced to serve 62 months in prison. All three will serve three years supervised release upon their release from prison. Additionally, these individuals were ordered to pay \$52,953 in restitution to the Department of Energy.

These individuals were convicted in May, 2013, of one count of injuring national defense premises, that is, the Y-12 National Security Complex, with the intent to interfere with the national defense of the United States, and another count of depredation against property of the United States.

### **DUSTIN PATRICK WILCOX SENTENCED TO 270 MONTHS ON OXYCODONE TRAFFICKING AND MONEY LAUNDERING CHARGES**

GREENEVILLE, Tenn. – Dustin Patrick Wilcox, a.k.a. “Weiner”, 32, of Kingsport, Tenn., was sentenced on Mar. 3, 2014, by the Honorable J. Ronnie Greer, U.S. District Court Judge, to serve 270 months in federal prison for his leadership role in oxycodone and money laundering conspiracies centered in and around the Sullivan County, Tenn., area.

### **WILLIAM BIRCH “BILL BILL” GUDGER SENTENCED TO SERVE 125 MONTHS IN PRISON FOR CRACK COCAINE CONSPIRACY**

GREENEVILLE, Tenn. – William Birch Gudger, a.k.a. “Bill Bill”, 35, of Greeneville, Tenn., was sentenced on Mar. 24, 2014, by the Honorable J. Ronnie Greer, U.S. District Court Judge, to serve 125 months in federal prison for his involvement in a crack cocaine conspiracy.

**SEEVERS PLEADS GUILTY TO ATTEMPTED MURDER AND  
AGGRAVATED SEXUAL ABUSE BY FORCE**

KNOXVILLE, Tenn. - William E. Seevers, 48, appeared in U.S. District Court on Apr. 21, 2014, and pleaded guilty to one count of attempted murder and one count of aggravated sexual abuse by force. Sentencing has been set for 2:00 p.m., Aug. 21, 2014, before the Honorable Thomas Varlan, U.S. District Court Judge.

A federal grand jury returned an indictment against Seevers in December 2013 alleging that in June 2012 Seevers attempted to kill an individual in the Great Smoky Mountains National Park by stabbing her in the neck with a knife. Additionally, Seevers engaged in sexual activity with the individual by use of force and placing her in fear of death by holding her at knife point and stabbing and punching her when she attempted to flee from him.

**DARIEN HOUSTON SENTENCED AS ARMED CAREER CRIMINAL**

CHATTANOOGA, Tenn. - On Apr. 24, 2014, Darien Houston, 43, of Chattanooga, Tenn., was sentenced as an armed career criminal to serve 15 years in prison, by U.S. District Court Judge Curtis L. Collier. Houston's criminal history includes 23 felony convictions which include second degree burglary, possession of cocaine for resale, possession of marijuana for resale, felony escape, forgery, theft of property and concealing stolen property, among others. Houston is an admitted member of the Vice Lords street gang.

**PILL MILL OWNER SENTENCED TO 69 YEARS IN PRISON**

KNOXVILLE, Tenn. -- Randy Kincaid, 58, of Maryville, Tenn., was sentenced to serve 830 months in prison by the Honorable Thomas A. Varlan, Chief U.S. District Judge. The sentence was the result of a conviction at trial in October 2013 to a federal indictment charging him with drug, firearm, money laundering and structuring offenses in conjunction with Breakthrough Pain Therapy Center in Maryville. Kincaid's wife and co-owner of Breakthrough, Sandee Kincaid, along with family members Wendi Henry and Dustin Morgan were also convicted and are presently in custody and awaiting sentencing.

**FORMER PRESIDENT OF UNIVERSITY OF TENNESSEE FOUNDATION  
SENTENCED TO SERVE 121 MONTHS IN PRISON FOR  
RECEIVING AND POSSESSING CHILD PORNOGRAPHY**

KNOXVILLE, Tenn. - Bruce Owen Downsborough, 61, of Knoxville, Tennessee, was sentenced to serve 121 months in federal prison by the Honorable Thomas A. Varlan, Chief U. S. District Judge for the Eastern District of Tennessee. Downsborough pleaded guilty in October 2013 to a federal indictment charging him with receiving and possessing child pornography.

Complete text of press releases for all of these cases and others can be found at  
[www.usdoj.gov/usao/tne](http://www.usdoj.gov/usao/tne)

## LECC INFORMATION

### **2014 INTELLIGENCE SHARING AND ATAC POINTS OF CONTACT TRAINING**

Four separate Law Enforcement Intelligence Sharing Sessions were held throughout the Eastern District of Tennessee, during April 2014. A total of 260 local, state and federal law enforcement and prosecutors attended these sessions. The morning intelligence sharing sessions were moderated by First AUSA Nancy Harr. The afternoon sessions at each location included Sovereign Citizen training by Tennessee Homeland Security and the Tennessee Fusion Center. A terrorism update was also provided by the Joint Terrorism Task Force (JTTF) with the FBI.

The first meeting was held on April 2, 2014 at the Kingsport Center for Higher Education, Kingsport, Tennessee, for the counties of Carter, Cocke, Greene, Hamblen, Hancock, Hawkins, Johnson, Sullivan, Unicoi, & Washington Counties.

The second meeting was held April 3, 2014, at the Knoxville Marriott Hotel, Knoxville, Tennessee, for the counties of Anderson, Blount, Campbell, Claiborne, Grainger, Jefferson, Knox, Loudon, Morgan, Meigs, Roane, Scott, Sevier & Union Counties.

The third meeting was held April 9, 2014, at Chattanooga State Community College, Chattanooga, Tennessee, for the counties of Bledsoe, Bradley, Hamilton, McMinn, Marion, Monroe, Polk, Rhea, & Sequatchie Counties.

The fourth meeting was held April 10, 2014, at the Franklin County Government Annex Building, Winchester, Tennessee, for the counties of Bledsoe, Bradley, Hamilton, McMinn, Marion, Monroe, Polk, Rhea, & Sequatchie Counties.

A report is currently being developed from the information obtained at each of these meetings and will be distributed to all district law enforcement.

## CHARACTERISTICS OF ARMED PERSONS TRAINING

June 11, 2014—Knoxville, Tennessee

June 12, 2014 — Chattanooga, Tennessee

Two training sessions on the Characteristics of Armed Persons were presented on June 11th in Knoxville, and June 12th in Chattanooga. This training was sponsored by the International Association of Chiefs of Police (IACP), Tennessee Association of Chiefs of Police (TACP), PSN, ATF and the U.S. Attorney's Office.

Approximately 150 local, state and federal law enforcement personnel were trained by Ret. Lt. Richard Hobson who has developed and administered several U.S. Department of Justice, Bureau of Justice Assistance-sponsored Gun Recovery and Enforcement Training Program seminars specifically for street-level law enforcement officers and line prosecutors. He retired as a lieutenant with the Metropolitan Police Department, Washington, DC. Working with the International Association of Chiefs of Police (IACP), Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) component to the Project Safe Neighborhoods Anti-Gang Enforcement and Site Support Training Programs, Mr. Hobson has trained more than 35,000 members of the law enforcement community throughout the United States and Canada.

The afternoon portion of the training consisted of additional firearms training by ATF Special Agents Jason Reeves and Marty English, ADA Cameron Williams, Hamilton County District Attorney's Office, ADA Sean McDermott, Knox County District Attorney's Office and AUSAs Kelly Norris and Jay Woods from the U.S. Attorney's Office.



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[www.usdoj.gov/usao/tne](http://www.usdoj.gov/usao/tne)

## CALENDAR

### July 2014

July 4, 2014  
 July 14, 2014

July 4th Holiday  
 SOL Meeting

Knoxville

### August 2014

August 11, 2014  
 August 14, 2014  
 August 14, 2014  
 August 19, 2014  
 August 22, 2014

SOL Meeting  
 Federal Chief's Meeting  
 ATAC Meeting  
 Re-entry Summit  
 TN Meth Task Force

Knoxville  
 Knoxville  
 Knoxville  
 Chattanooga  
 Nashville

### September 2014

September 1, 2014  
 September 8, 2014

Labor Day Holiday  
 SOL Meeting

Knoxville

## The Eastern District of Tennessee

41 of 95 Counties  
 2.5 Million Population  
 Land area: 16,977 sq. miles  
 15 of 31 State Judicial Districts  
 5 Interstate Highways

