

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
CENTRAL DIVISION
LEXINGTON

Eastern District of Kentucky
FILED
OCT 17 2019
AT LEXINGTON
ROBERT R. CARR
CLERK U.S. DISTRICT COURT

UNITED STATES OF AMERICA

V.

INDICTMENT NO. 5:19cr-165-DCR

JOSEPH G. PEAVLER

* * * * *

THE GRAND JURY CHARGES:

INTRODUCTION

1. At all relevant times, **JOSEPH G. PEAVLER**, was a resident of Lawrenceburg, Kentucky or Georgetown, Kentucky.
2. Between a date in 2004 and July 2018, **JOSEPH G. PEAVLER** was the manager of a commercial and industrial warehouse in Georgetown, Kentucky, located at 109 Triport Road (hereafter the "Warehouse").
3. During this relevant period, the Warehouse was owned by L. O., a resident of Winchester, Kentucky, and, upon her death in 2014, the estate of L. O. (hereafter referred to collectively as the "Owners").
4. During this period, **JOSEPH G. PEAVLER** was employed by the Owners to provide property management, maintenance and supervision of the Warehouse, and to act as an intermediary between tenants and the Owners. At no time did **JOSEPH G.**

PEAVLER have the lawful authority to enter into a lease agreement for any portion of the Warehouse.

5. At all relevant times, **JOSEPH G. PEAVLER** conducted some of his personal business activities through an entity by the name of JKM LOGISTICS. He maintained bank accounts and a post office box in Lawrenceburg, Kentucky.

6. At all relevant times, Leggett & Platt was a multi-state corporation, headquartered in Carthage, Missouri, which produced and sold bedding, furniture and other products. It maintained a production facility in Georgetown, Kentucky, located at 446 Delaplain Road and for a short period of time a facility at 108 Summer Court.

7. At all relevant times, Industrial Tech Services was a company, located at 321 Triport Road, Georgetown, Kentucky, which manufactured products for Toyota Manufacturing and Toyota-related companies.

SCHEME TO DEFRAUD

8. The allegations contained in paragraphs 1-7 are restated and incorporated herein by reference.

9. From on or about a date in 2009 until on or about a date in July 2018, in Scott County (Georgetown,) Anderson County (Lawrenceburg,) and other places in the Eastern District of Kentucky, and elsewhere, **JOSEPH G. PEAVLER** devised and intended to devise a scheme and artifice to defraud and to obtain money by false and fraudulent pretenses, representations and promises, utilizing the following manner and means.

MANNER AND MEANS

10. As part of the aforesaid scheme to defraud, **JOSEPH G. PEAVLER** falsely represented to potential tenants of vacant Warehouse space that he or JKM LOGISTICS was the owner of the Warehouse and as such was legally authorized to enter into lease agreements with them.

11. At other times, as part of the scheme to defraud, **JOSEPH G. PEAVLER** told tenants that he was an agent of the Owners and was legally authorized to enter into lease agreements with them.

12. As part of the scheme to defraud, **JOSEPH G. PEAVLER** falsely represented to the Owners that portions of the Warehouse were vacant, when in truth and fact he had leased those portions and was receiving the rent for his personal benefit.

13. As part of the scheme to defraud, **JOSEPH G. PEAVLER** directed tenants of the Warehouse with whom he entered into unauthorized leases, to mail rent checks to his post office box in the name of JKM Logistics.

14. On or about dates in early 2009, **JOSEPH G. PEAVLER** falsely held himself out variously as the owner or as an authorized agent of the Owners, with lawful authority to lease Warehouse space to Leggett & Platt. On or about a date in December 2009, **JOSEPH G. PEAVLER**, without legal authority, using the name JKM LOGISTICS, LLC., and unbeknownst to the Owners, executed a lease agreement with Leggett & Platt for space in the Warehouse.

15. From December 2009 through August 2016, Leggett & Platt paid rent in excess of one million dollars to JKM LOGISTICS, LLC. **JOSEPH G. PEAVLER** received, retained, and used that money as his own.

16. On or about a date in June 2017, **JOSEPH G. PEAVLER** falsely represented to prospective tenant, Industrial Tech Services, that his company, JKM Logistics, LLC, was the owner of the Warehouse and began negotiating the terms of a lease for a portion of the Warehouse. On or about June 27, 2017, **JOSEPH G. PEAVLER**, without lawful authority, signed a lease on behalf of JKM LOGISTICS as the Lessor of space in the Warehouse to Industrial Tech Services.

17. During 2017, Industrial Tech Services paid to JKM LOGISTICS rent in the approximate amount of \$100,000. **JOSEPH G. PEAVLER** received and kept this money as his own.

18. On or about April 16, 2018, **JOSEPH G. PEAVLER**, without legal authority, again leased a portion of the Warehouse to Leggett & Platt. Thereafter, Leggett & Platt paid rent to JKM LOGISTICS, LLC until July 2018, in the approximate amount of \$40,000. **JOSEPH G. PEAVLER** without lawful authority, received, retained, and used that money as his own.

19. At various times during the life of the Leggett & Platt leases, **JOSEPH G. PEAVLER** falsely represented to the Owners and others that the portion of the Warehouse leased by Leggett & Platt was vacant.

COUNT 1
18 U.S.C. § 1341

20. The allegations contained in paragraphs 1-19 above are restated and incorporated herein by reference.

21. On or about the May 17, 2018, for the purpose of executing the aforesaid scheme and artifice to defraud,

JOSEPH G. PEAVLER

did knowingly cause to be placed with a commercial interstate carrier, that is, United Parcel Service, to be delivered according to the directions thereon to Leggett & Platt, 108 Summer Court, Georgetown, Kentucky 40324, a parcel, consisting of an envelope containing a check from Leggett & Platt made payable to JKM Logistics, in the amount of \$6,577.81, in violation of Title 18, United States Code, Section 1341.

COUNT 2
18 U.S.C. § 1343

22. The allegations contained in paragraphs 1-19, above are restated and incorporated herein by reference.

23. On or about the June 27, 2017, for the purpose of executing the aforesaid scheme and artifice to defraud, **JOSEPH G. PEAVLER** caused to be transmitted by means of wire communication in interstate commerce a writing, that is, an email to B.S., requesting B.S. to sign and return an attached lease agreement, which email was transmitted by **JOSEPH G. PEAVLER** in Kentucky through an email server owned and

operated by Google in another state, and then transmitted to B.S. in Kentucky, in violation of Title 18, United States Code, Section 1343.

COUNTS 3-20
18 U.S.C. § 1343

24. The allegations contained in paragraphs 1-19, above are restated and incorporated herein by reference.

25. On or about the dates set forth in the chart below, for the purpose of executing the aforesaid scheme and artifice to defraud,

JOSEPH G. PEAVLER

caused to be transmitted by means of wire communication in interstate commerce, writings, signs, and pictures, that is, digital images of checks from Leggett & Platt or Industrial Tech Services made payable to JKM LOGISTICS and deposited in bank accounts owned by **JOSEPH G. PEAVLER** at banks with branches in Anderson County and Scott County in the Eastern District of Kentucky, and cleared through the Federal Reserve System, which transmissions traveled out of Kentucky.

| COUNT | DEPOSIT DATE | CHECK NO. | DEPOSIT BANK |
|--------------|---------------------|------------------|-----------------------|
| 3 | November 26, 2014 | 9273545 | Century Bank |
| 4 | March 2, 2015 | 9282668 | Century Bank |
| 5 | May 27, 2015 | 9292170 | Century Bank |
| 6 | August 26, 2015 | 9301478 | Century Bank |
| 7 | November 30, 2015 | 9311111 | Century Bank |
| 8 | February 29, 2016 | 9320104 | Century Bank |
| 9 | May 26, 2016 | 9329538 | Century Bank |
| 10 | June 28, 2017 | 107923 | Peoples Exchange Bank |
| 11 | July 13, 2017 | 108071 | Peoples Exchange Bank |
| 12 | July 31, 2017 | 108184 | Peoples Exchange Bank |
| 13 | August 4, 2017 | 108318 | Peoples Exchange Bank |
| 14 | August 29, 2017 | 108491 | Peoples Exchange Bank |
| 15 | September 8, 2017 | 108591 | Peoples Exchange Bank |
| 16 | October 6, 2017 | 108929 | Peoples Exchange Bank |
| 17 | December 20, 2017 | 109883 | Peoples Exchange Bank |
| 18 | April 19, 2018 | 107195 | Central Bank |
| 19 | May 18, 2018 | 113766 | Central Bank |
| 20 | May 29, 2018 | 115223 | Central Bank |

Each in violation of Title 18, United States Code, Section 1343.

COUNT 21
26 U.S.C. § 7206(2)

26. On or about the April 14, 2014, in Anderson County and Scott County, in the Eastern District of Kentucky,

JOSEPH G. PEAVLER,

a resident of Lawrenceburg, Kentucky, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a joint U.S. Individual Income Tax Return, for the calendar year 2013, which was false and fraudulent as to a material matter, in that it reported, on Schedule C, gross receipts by JKM LOGISTICS in the amount of \$3,000, whereas, as he then knew, JKM LOGISTICS had additional income from the leasing of real estate in the amount of \$244,825, in addition to the amount stated in the return, in violation of Title 26, United States Code, Section 7206(2).

COUNT 22
26 U.S.C. § 7206(2)

27. On or about the April 15, 2015, in Anderson County and Scott County, in the Eastern District of Kentucky,

JOSEPH G. PEAVLER,

a resident of Lawrenceburg, Kentucky, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a joint U.S. Individual Income Tax Return, for the calendar year 2014, which was false and

fraudulent as to a material matter, in that it reported, on Schedule C, gross receipts by JKM LOGISTICS in the amount of \$1,800, whereas, as he then knew, JKM LOGISTICS had additional income from the leasing of real estate in the amount of \$244,825, in addition to the amount stated in the return, in violation of Title 26, United States Code, Section 7206(2).

COUNT 23
26 U.S.C. § 7206(2)

28. On or about the April 18, 2016, in Anderson County and Scott County, in the Eastern District of Kentucky,

JOSEPH G. PEAVLER,

a resident of Lawrenceburg, Kentucky, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a joint U.S. Individual Income Tax Return, for the calendar year 2015, which was false and fraudulent as to a material matter, in that it reported, on Schedule C, gross receipts by JKM LOGISTICS in the amount of \$2,375, whereas, as he then knew, JKM LOGISTICS had additional income from the leasing of real estate in the amount of \$244,825, in addition to the amount stated in the return, in violation of Title 26, United States Code, Section 7206(2).

COUNT 24
26 U.S.C. § 7206(2)

29. On or about the April 18, 2017, in Anderson County and Scott County, in the Eastern District of Kentucky,

JOSEPH G. PEAVLER,

a resident of Lawrenceburg, Kentucky, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a joint U.S. Individual Income Tax Return, for the calendar year 2016, which was false and fraudulent as to a material matter, in that it reported, on Schedule C, gross receipts by JKM LOGISTICS in the amount of \$0, whereas, as he then knew, JKM LOGISTICS had additional income from the leasing of real estate in the amount of \$122,412.50, in addition to the amount stated in the return, in violation of Title 26, United States Code, Section 7206(2).

COUNT 25
26 U.S.C. § 7206(2)

30. On or about the April 17, 2018, in Anderson County and Scott County, in the Eastern District of Kentucky,

JOSEPH G. PEAVLER,

a resident of Lawrenceburg, Kentucky, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a joint U.S. Individual Income Tax Return, for the calendar year 2017, which was false and

fraudulent as to a material matter, in that it reported, on Schedule C, gross receipts by JKM LOGISTICS in the amount of \$2,200, whereas, as he then knew, JKM LOGISTICS had additional income from the leasing of real estate in the amount of \$103,572, in addition to the amount stated in the return, in violation of Title 26, United States Code, Section 7206(2).

FORFEITURE ALLEGATION

18 U.S.C. § 981(a)(1)(C)

28 U.S.C. § 2461

30. Upon conviction of the offenses charged in Counts 1 - 20 of this Indictment, **JOSEPH G. PEAVLER** shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses, including but not limited to the following:

MONEY JUDGMENT:

A sum representing the gross proceeds in aggregate obtained by **JOSEPH G. PEAVLER** as a result of the mail and wire fraud violations alleged in this Indictment.

SUBSTITUTE ASSETS:

If any of the property listed above, as a result of any act or omission of the defendant,

- (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;

it is the intent of the United States to seek the forfeiture of any other property in which the above defendant has an interest, up to the value of the currency described above and pursuant to 21 U.S.C. § 853(p), as incorporated in 28 U.S.C. § 2461(c).

A TRUE BILL

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A handwritten signature in black ink, reading "Robert M. Duncan, Jr." with a stylized flourish at the end.

ROBERT M. DUNCAN, JR.
UNITED STATES ATTORNEY

PENALTIES

COUNT 1: Not more than 20 years imprisonment, \$250,000 fine, and 3 years supervised release.

COUNT 2-20: Not more than 20 years imprisonment, \$250,000 fine and 3 years supervised release.

COUNTS 21-25: Not more than 3 years imprisonment, not more than \$250,000 fine, or both, together with the costs of prosecution, and 3 years supervised release.

PLUS: Forfeiture of proceeds.

PLUS: Mandatory special assessment of \$100 per count.

PLUS: Restitution, if applicable.