U.S. Attorney's Office

Eastern District of Kentucky

Annual Report

2024

Contents

Eastern District of Kentucky

By the Numbers

437 Defendants Charged

In Fiscal Year 2024, our Office charged 437 defendants. Twenty-five defendants went to trial, representing 5.7% of our charged offenders – more than twice the national average for U.S. Attorney's Offices.

95.4% Criminal Conviction Rate

Our Office convicted 95.4% of the criminal defendants that we charged – higher than the national average of 91.5% for U.S. Attorney's Offices.

97% of Defendants Go to Prison

97% of offenders prosecuted by our Office are sentenced to prison – higher than the national average of 89.1% for U.S. Attorney's Offices.

104 Months is the Average Sentence

The mean sentence length for defendants prosecuted by our Office is 104 months – double the national average of 52 months. Similarly, the median sentence in our District is 80 months, compared to the national median of 24 months.

$40 million Collected for Victims and the Government

In Fiscal Year 2024, our Office collected $14.29 million in restitution for crime victims and on civil debts owed to the United States. Through asset forfeiture actions, it obtained $4.1 million for federal, state, and local law enforcement efforts, and restored $472,830 to crime victims. Through cases involving property on which the Government holds a lien, our Office recovered $1.38 million. Through Affirmative Civil Enforcement cases, our Office obtained civil settlements and judgments valued at $20.07 million on behalf of federal and state agencies. Our annual Office budget is approximately $10 million, meaning we collect far more for the Government than we cost.

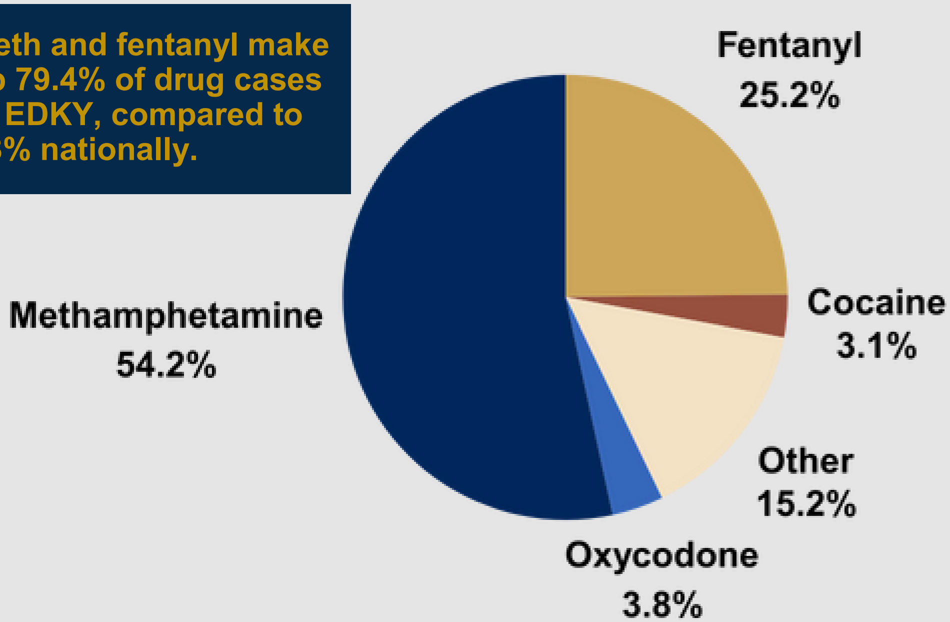
Combatting Drug Trafficking & Preventing Overdose Deaths

Drug trafficking and substance abuse continue to take a significant toll on communities in the Eastern District of Kentucky. The 2024 Kentucky Drug Overdose Fatality Report estimates that 1,410 Kentuckians died in 2024 from a drug overdose. The U.S. Attorney's Office works to address this harm in several ways:

- We prioritize the prosecution of traffickers whose distribution of illicit drugs leads to overdose deaths.
- We combat drug trafficking by simultaneously targeting trafficking organizations, their suppliers, and their regional and local distribution networks.
- We prioritize the prosecution of traffickers that use firearms to further their criminal activity. In addition to overdoses, illicit drug trafficking is frequently accompanied by firearms, violence, or other criminal activity that negatively impacts communities.
- We prioritize the illegal diversion of prescription drugs to illegitimate consumers, including by holding accountable medical professionals and corporations involved in writing and filling illegal prescriptions.
- We seek to increase community understanding of the opioid epidemic and help stop the cycle of substance abuse through education and outreach with our Heroin Education Action Team ("HEAT").

Drug Cases Prosecuted in EDKY

Meth and fentanyl make up 79.4% of drug cases in EDKY, compared to 68% nationally.



Fentanyl is a powerful synthetic opioid. It is approximately 100 times more potent than morphine and 50 times more potent than heroin. Two milligrams of fentanyl can be lethal – meaning a single gram could contain hundreds of potentially lethal doses. Often consumed unknowingly by drug users, illicit fentanyl is driving the number of overdose deaths. In 2024, there were 1,410 overdose deaths in Kentucky. Fentanyl was involved in 62.3% of those deaths.

2 mg

Potential Lethal Dose

U.S. v. Sizemore, et al.

Kris Anglin and Gregory Sizemore trafficked methamphetamine and fentanyl in Madison County, Ky. On January 11, 2021, a victim fatally overdosed from ingesting fentanyl distributed by Anglin and Sizemore. Text messages on the victim's phone confirmed the substance was a mixture of methamphetamine and fentanyl, and that Anglin delivered the drugs for Sizemore. About four hours later, the victim was found deceased.

Within hours of finding the victim, law enforcement located Anglin, with three baggies containing fentanyl, cocaine, and methamphetamine, as well as the $20 bill used by the victim to purchase the drugs. Law enforcement also found drug trafficking paraphernalia and three firearms. Anglin had multiple prior felony convictions, and consequently, was prohibited from possessing a firearm.

During a search of Sizemore's hotel room, law enforcement found 380 grams of methamphetamine. At his arrest, Sizemore had another 368 grams of methamphetamine and 3 grams of fentanyl.

The Result: Sizemore was sentenced to 389 months in prison; Anglin was sentenced to 262 months.

Lexington, Ky.

DEA Louisville, Richmond Police Department, and Madison County Sheriff's Office

U.S. v. Simpson

In November 2022, a victim in Danville, Ky. overdosed and died, due to the ingestion of fentanyl. Akili Simpson sold the fentanyl to the victim as a counterfeit pill, which was marked to resemble oxycodone. Simpson admitted he obtained approximately 300 to 500 of the counterfeit pills, per month, for distribution in Danville, and that he knew the pills contained fentanyl.

The Result: Simpson was sentenced to 26 years in prison.

Lexington, Ky.

DEA Louisville and Danville Police Department

U.S. v. Stanley, Jr.

In 2018, Jonathan Stanley, Jr., served a 51-months prison sentence for conspiring to distribute heroin. A few months after being released from prison in 2022, Stanley was arrested for violating the terms of his supervised release and taken to the Campbell County Detention Center. Within a week of being incarcerated, Stanley sold fentanyl to two other inmates, in exchange for money deposited into his jail account. Both inmates overdosed on the fentanyl, but eventually recovered after EMTs administered Narcan.

The Result: Stanley was sentenced to 22 years in prison.

Covington, Ky.

DEA Detroit and Campbell County Jail

U.S. v. Hudson

On March 24, 2022, Daniel Hudson, of Lawrenceburg, Ky., was booked into the Franklin County Region Jail. Hudson had approximately six grams of a fentanyl mixture concealed on his person, which he was able to smuggle into the facility. Inside the jail, Hudson sold the fentanyl to other inmates; the buyers sent payments, via Cash App, to an account held by Hudson's friend. On March 29, 2022, Hudson distributed fentanyl to an inmate who overdosed, but was successfully resuscitated with the administration of Narcan by jail personnel. On March 31, 2022, Hudson distributed fentanyl to another inmate, who was later found deceased in his cell.

The Result: Hudson was sentenced to 20 years in prison.

Frankfort, Ky.

DEA Louisville and Frankfort Police Department

U.S. v. Jackson

On November 3, 2021, law enforcement responded to a call for an unresponsive person in Boone County. Upon arrival, they found the deceased victim with symptoms consistent with an opioid overdose. Officers reviewed the victim's phone, which contained communications from Dominic Jackson, of Cincinnati, indicating that he had sold drugs to the victim earlier that day. Law enforcement then used the victim's phone to text Jackson and arrange the purchase of the same substance sold to the victim. Jackson provided more than 6 grams of a substance containing fentanyl and para-fluorofentanyl.

The Result: Jackson was sentenced to 20 years in prison and ordered to pay $7,243 in restitution to the victim's family for burial expenses.

Covington, Ky.

DEA Louisville and Northern Kentucky Drug Strike Force

U.S. v. Thomson

On June 26, 2022, law enforcement responded to reports of an unresponsive person. When they arrived at the residence, the victim was pronounced dead, from a suspected drug overdose. Law enforcement found a piece of a blue pill on the kitchen counter, which was later confirmed to contain acetylfentanyl and fentanyl. They then searched the victim's phone, finding an Instagram conversation between the victim and Thomson, from the day before, discussing the purchase of pills. When Thomson found out about the victim's death, he admitted to a friend that he had sold the victim the pills, and that he believed he was responsible for his death.

The Result: Thomson was sentenced to 20 years in prison.

Frankfort, Ky.

DEA Louisville and Lexington Police Department

The Organized Crime Drug Enforcement Task Force (OCDETF) is an independent component of the U.S. Department of Justice. OCDETF investigates and prosecutes major drug trafficking, money laundering, and other high priority transnational organized crime networks. These complex organizations engage in a broad array of criminal activity. By disrupting and dismantling every component of criminal networks operating in or affecting the United States, OCDETF reduces the availability of illegal drugs; reduces the violence, corruption, and other criminal activity associated with the drug trade; and reduces threats to our nation's infrastructure and stability.

U.S. v. Downey, et al.

Chase Downey, of Lexington, was a significant member of a cocaine trafficking organization based in Mexico and Houston. During the conspiracy, Downey made at least fourteen trips to Mexico and arranged for loads of cocaine to be transported in tractor-trailers from Mexico to Houston, and then eventually to Lexington, where it was distributed. During a search of a residence shared by Downey and his co-defendant, Lamari Henson, law enforcement found Downey in possession of a large amount of cocaine and other drugs, numerous loaded firearms, and $70,000 in drug proceeds. At the time of these offenses, Downey had several prior felony convictions and was on supervised release.

Downey was ultimately convicted of conspiracy to distribute more than 5 kilograms of cocaine, possession of firearms by a convicted felon, conspiracy to commit money laundering, and possession of firearms in furtherance of drug trafficking.

The Result: Downey was sentenced to 47 years in prison. Henson was sentenced to 78 months.

Lexington, Ky.

FBI Louisville, DEA Louisville, Kentucky State Police, and Lexington Police Department

U.S. v. Smith, et al.

On July 10, 2023, law enforcement located two vehicles traveling from Detroit to Kentucky, that they believed were involved in transporting drugs. Law enforcement conducted a traffic stop. Brothers Khari Smith and Khmari Smith were found in one vehicle, with no drugs. In the other vehicle, Brianna Hanspard was found with 4.6 kilograms of methamphetamine and 199.7 grams of fentanyl. Hanspard admitted to working with Khmari Smith and others to transport drugs from Detroit to Lexington, where it was distributed.

In August 2023, law enforcement searched the Smiths' Lexington residences. At the first residence, they found 354.4 grams of fentanyl, 216.3 grams of methamphetamine, and 18 firearms; at the second residence, they found additional fentanyl, methamphetamine, and 12 firearms. Khmari Smith admitted that he received those firearms as payment for drugs.

The Result: Khmari Smith was sentenced to 32 years in prison. Khari Smith was sentenced to 200 months; Hanspard to 84 months.

Lexington, Ky.

DEA Louisville, Kentucky State Police, and Lexington Police Department

U.S. v. Aguilar-Medina, et al.

In September 2022, law enforcement received information about suspected methamphetamine being shipped from California to the Lexington residence of Esteban Aguilar-Medina. Law enforcement seized the package, which contained two pounds of crystal methamphetamine. They conducted a search of Aguilar-Medina's residence and found over 25 pounds of marijuana, numerous rifles, firearms, ammunition, and drug trafficking paraphernalia. Maria Oritz-Lopez, who lived in California and visited Aguilar-Medina regularly, admitted she would conduct money transfers for him to hide the drug proceeds.

The Result: Aguilar-Medina was sentenced to 250 months in prison, followed by deportation. Oritz-Lopez was sentenced to 200 months.

Covington, Ky.

DEA Louisville, Kentucky State Police, and Lexington Police Department

U.S. v. Lamar

Rollie DeShawn Lamar distributed significant quantities of marijuana in the Lexington area. The investigation revealed that an individual working for Lamar travelled to Detroit, once or twice a week, and brought back approximately 50 pounds of high-quality marijuana each trip. Lamar then sold this marijuana, by the pound, in the Lexington area. On April 6, 2022, law enforcement executed a search warrant at Lamar's residence. There, they found several firearms, and seized more than $1.86 million, four luxury vehicles, and approximately $220,00 in jewelry, all of which were proceeds of drug trafficking. Lamar was ultimately convicted of conspiracy to distribute 1,000 kilograms or more of marijuana, money laundering, and possession of a firearm in furtherance of drug trafficking.

The Result: Lamar was sentenced to 220 months in prison.

Frankfort, Ky.

DEA Detroit, ATF Louisville, Kentucky State Police, Lexington Police Department, and Frankfort Police Department

U.S. v. Thurman, Jr., et al.

From May 1, 2020 to June 2, 2021, Carlos Thurman, Mario Baker, Edward Mashburn Jr., Maurice Raysor, Romeo Richardson, and Antoine Williams conspired to distribute methamphetamine, heroin, and cocaine. Law enforcement made several controlled purchases from Thurman, who was distributing methamphetamine while on supervised release for drug trafficking. Law enforcement also found two firearms and more than $17,000 at residences connected to Thurman.

The Result: Thurman and Baker were sentenced to 210 months in prison; Richardson was sentenced to 192 months; Raysor to 135 months; Williams to 132 months; and Mashburn to 90 months.

Covington, Ky.

FBI Louisville

U.S. v. Anderson, et al.

Raymond Anderson, of Columbus, Ind., conspired with his cousin, Dominic Anderson, and David Bradford, to distribute over 400 grams of a substance containing fentanyl. On June 7, 2023, the U.S. Postal Inspection Service intercepted a package that contained over 5,000 fentanyl pills, before it could be delivered to a residence in Erlanger, Ky. The next day, law enforcement conducted a controlled delivery of the package. Bradford and Dominic Anderson were arrested after each attempted to take possession of the package. Dominic Anderson admitted that he picked up the package so that he and Raymond Anderson could sell the pills to others.

The Result: Dominic Anderson was sentenced to 170 months in prison; Raymond Anderson was sentenced to 132 months; and Bradford to 60 months.

Covington, Ky.

U.S. Postal Inspection Service - Pittsburgh and DEA Louisville

U.S. v. Wala, et al.

Omar Wala, Vienna Cavanaugh, Michael Basalyga and Reina Chirinos de Urena conspired to produce and sell more than 16.1 million counterfeit alprazolam pills (commonly known by the brand name Xanax) from 2017 to 2022. The defendants produced pills that were stamped with numbers used by legitimate manufacturers, to look like real alprazolam tablets. The pills were actually made from other substances, designed to replicate the effects of alprazolam. The conspiracy involved selling directly to known customers and also selling the counterfeit drugs under pseudonyms on darknet marketplaces. Buyers across the United States, including in Kentucky, purchased the drugs with cryptocurrency.

The Result: Wala was sentenced to 90 months in prison and ordered to forfeit $6.9 million. Cavanaugh was sentenced to 25 months. Chirinos de Urena and Cavanaugh are scheduled to be sentenced in July and October 2025, respectively.

Lexington, Ky.

DEA Louisville, FBI Louisville, IRS, and U.S. Postal Inspection Service

Drug traffickers often possess firearms in connection with their sale of controlled substances, as a means of intimidation as well as protection against other criminals. The presence of dangerous weapons dramatically increases the dangers inherent in drug trafficking. Under federal law, 18 U.S.C. § 924(c), a defendant who possesses a firearm in furtherance of a federal drug trafficking crime is subject to a mandatory minimum sentence of 5 years, in addition to the sentence imposed for the drug offense.

U.S. v. Wilkins

Billy Wilkins, of Nicholasville, Ky., was convicted of armed drug trafficking. On November 4, 2021, law enforcement executed a search warrant at Wilkins' residence. There, officers located large quantities of methamphetamine, fentanyl, and cocaine, as well as three firearms and multiple rounds of ammunition. Wilkins was a convicted felon, with multiple prior Kentucky drug trafficking convictions.

The Result: Wilkins was sentenced to 30 years in prison.

Frankfort, Ky.

DEA Louisville and Jessamine County Sheriff's Office

U.S. v. Gomez

Renaldo Villa Gomez, a Mexican national residing in Lexington, was convicted of multiple drug trafficking offenses, unlawful re-entry into the United States after a prior deportation, and possession of a firearm by a convicted felon. Law enforcement conducted searches of a vehicle and multiple residences in Fayette County connected to Gomez, and seized 52 pounds of crystal methamphetamine, 1.7 kilos of cocaine, six semi-automatic firearms, ammunition, and more than $91,000 in drug proceeds. Gomez was already a convicted felon; his criminal history included two prior drug felonies and four prior illegal re-entries into the United States.

The Result: Gomez was sentenced to 25 years in prison. He was also processed for deportation.

Lexington, Ky.

DEA Louisville, FBI Louisville, ICE-ERO Chicago, and Lexington Police Department

U.S. v. Yarbrough

D'Angelo Yarbrough, of Detroit, was arrested at the Bluegrass Airport on an outstanding arrest warrant for drug trafficking in Jessamine County. During a search of Yarbrough's vehicle at the airport, law enforcement located approximately 60 grams of pressed fentanyl pills, along with narcotics paraphernalia and a loaded rifle, which had been converted to fire automatically. Yarbrough was convicted of armed drug trafficking.

The Result: Yarbrough was sentenced to 23 years in prison.

Lexington, Ky.

FBI Louisville, ATF Louisville, and Lexington Police Department

U.S. v. Garrett

Anthony Garrett, of Versailles, Ky., was convicted of armed drug trafficking. Law enforcement arranged a controlled purchase of approximately two pounds of methamphetamine and one ounce of fentanyl, to be delivered by Garrett. When approached, he was in possession of the drugs and a loaded firearm, under the driver's seat of his vehicle. Three additional firearms, pressed fentanyl pills, a pill press, digital scales, and additional drug trafficking paraphernalia were later discovered at his residence.

The Result: Garrett was sentenced to 20 years in prison.

Lexington, Ky.

DEA Louisville, Kentucky State Police, and Lexington Police Department

U.S. v. Matthews

Daniel Matthews was convicted of armed drug trafficking. Intending to make a delivery of controlled substances to another dealer he regularly supplied, Matthews was stopped by law enforcement and found in possession of $3,956 cash, 177 grams of fentanyl pills, and a loaded pistol. Then, in a search of his residence, law enforcement found more than 15,000 fentanyl pills and more than 50 grams of methamphetamine.

The Result: Matthews was sentenced to 19 years in prison.

London, Ky.

ATF Louisville and Kentucky State Police

U.S. v. Williams

Chris Williams was an armed drug trafficker who distributed large quantities of fentanyl in the Lexington area. During a month-long investigation in August 2022, Kentucky State Police purchased approximately 74 grams of fentanyl from Williams. In September 2022, detectives seized from Williams a loaded firearm, approximately 76 grams of fentanyl, and approximately 20 grams of pressed fentanyl analogue pills. In September 2023, following a second investigation, Lexington Police detectives located approximately 60 grams of fentanyl and two firearms at Williams' residence. Williams admitted he possessed the firearms in furtherance of his drug trafficking activities.

The Result: Williams was sentenced to 200 months in prison.

Lexington, Ky.

DEA Louisville, Kentucky State Police, and Lexington Police Department

U.S. v. Crossty

Tyjuan Crossty, of Newport, Ky., was stopped by law enforcement in Covington. In his vehicle, they located a small amount of marijuana and found a loaded handgun in the glove compartment. Law enforcement then searched Crossty's Covington residence, discovering 32.7 grams of crack cocaine, 3.9 grams of actual methamphetamine, and items consistent with manufacturing crack cocaine. Crossty admitted he distributed large amounts of cocaine and methamphetamine, and that he distributed pressed fentanyl pills (2,500-3,500 pills at a time), as a middleman.

The Result: Crossty was sentenced to 188 months in prison.

Covington, Ky.

ATF Louisville, Northern Kentucky Drug Strike Force, and Covington Police Department

U.S. v. White

On May 11, 2022, officers with the Johnson County Sheriff's Department conducted a traffic stop on a vehicle driven by Aristotle White, of Harrodsburg, Ky. During the search of the vehicle, law enforcement located nearly 300 grams of methamphetamine, two loaded firearms, and over $2,500 in United States currency. Witness testimony established that White was regularly importing large quantities of methamphetamine into, among other places, Johnson County.

The Result: White was sentenced to 181 months in prison.

London, Ky.

DEA Louisville, Johnson County Sheriff's Office, Magoffin County Sheriff's Office, and Operation UNITE

U.S. v. Evans

In the fall of 2021, law enforcement received information that Malachi Evans, of Lexington, was selling large quantities of heroin and fentanyl. On three occasions in October 2021, law enforcement arranged controlled purchases during which Evans provided 141 grams of a fentanyl analogue and approximately two ounces of methamphetamine. During a planned fourth transaction, Evans was arrested by law enforcement. A search of Evans's vehicle uncovered marijuana, $2,400 in cash, 125.3 grams of heroin/fentanyl, 26.65 grams of methamphetamine, and a handgun. Evans admitted he possessed the firearm in furtherance of his drug trafficking activities.

The Result: Evans was sentenced to 15 years in prison.

Lexington, Ky.

DEA Louisville, Gateway AHITDA Task Force, and Winchester Police Department

U.S. v. Lawson, et al.

Bradley Lawson worked with Amy Johnson, Jesse Taylor, and Michael Nakonechny to distribute methamphetamine in Laurel and Whitley Counties. In September 2022, law enforcement conducted a search and found two pounds of methamphetamine. Law enforcement also found Lawson in possession of a loaded firearm. Both Lawson and Johnson had previously been convicted of federal drug felony offenses, and Lawson was still on supervised release at the time of these new offenses. Lawson received an additional, consecutive sentence for his supervised release violation.

The Result: Lawson was sentenced to 15 years in prison; Nakonechny to 163 months; Taylor to 98 months; and Johnson to 68 months.

London, Ky.

ATF Louisville, Kentucky State Police, and Laurel County Sheriff's Office

The illicit distribution of prescribed controlled substances has long been a problem in Eastern Kentucky. The U.S. Attorney's Office seeks to combat this harm using both criminal and civil enforcement measures, including targeting physicians and pharmacists who abuse their licenses to unlawfully prescribe highly addictive controlled substances, often opioids.

U.S. v. Compton, et al.

A Pikeville physician, Crystal Compton, and a nurse, Kayla Lambert, who worked together at several medical clinics in the Pikeville area, conspired to illegally prescribe opioid painkillers and other drugs. Compton and Lambert issued prescriptions for significant quantities and dosages of opioids, sometimes in combination with other controlled substances, such as alprazolam and clonazepam. These prescriptions were not written for legitimate medical purposes. For example, one individual received prescriptions for 720 methadone 10mg and 180 alprazolam 2mg pills in a single month. Another received prescriptions for 480 methadone 10mg and 300 oxycodone 10mg pills in a single month. Compton also wrote multiple illegal prescriptions to Lambert, for oxycodone 30mg pills. Lambert sometimes issued illegitimate controlled substance prescriptions by signing Compton's name to prescriptions.

The Result: Compton was sentenced to 100 months in prison; Lambert was sentenced to 5 years.

London, Ky.

DEA Louisville

U.S. v. Rogers, et al.

Richard Rogers and Chad Wolf conspired, over multiple years, to submit numerous fraudulent prescriptions for codeine cough syrup to pharmacies across Kentucky. Neither Rogers nor Wolf had valid prescriptions for codeine cough syrup in their own names. Instead, Rogers and Wolf acquired identity information from unsuspecting individuals, often in the form of driver's licenses, and DEA numbers of medical providers, without the physicians' authorization or consent. They used this information to create fraudulent prescriptions for codeine cough syrup and organized others to retrieve the prescriptions as they were filled.

The Result: Rogers was sentenced to 44 months in prison; Wolf was sentenced to 39 months.

Lexington, Ky.

FBI Louisville and DEA Louisville

U.S. v. Stamper

A Pikeville doctor, Jason Stamper, illegally prescribed amphetamines. Over a five-month period in 2022, law enforcement made six undercover patient visits to Stamper's clinic. At each visit, Stamper prescribed Ritalin and Adderall to the undercover officer, without a legitimate medical purpose. Stamper performed no medical examinations, did not inquire into the legitimate medical need for the prescriptions, took no action when the undercover officer failed to secure blood work, and switched between the Ritalin and Adderall without explanation.

The Result: Stamper was sentenced to 32 months in prison.

Pikeville, Ky.

DEA Louisville

U.S. v. Smith Family Pharmacy

Smith Family Pharmacy, located in Barbourville, Ky., and its pharmacist-in-charge, Stephanie Smith, agreed to pay civil penalties to resolve allegations that they filled prescriptions for controlled substances that had been issued without a legitimate medical purpose, in contravention of a pharmacy's corresponding responsibility to ensure that only valid prescriptions are dispensed. The Government alleged that, from April 2017 to December 2021, Smith Family Pharmacy filled over 500 prescriptions for highly addictive drugs like oxycodone and oxymorphone, that showed "red flags" for diversion or abuse, but failed to resolve those concerns. The prescriptions displayed several "red flags," including combinations of commonly abused substances, high dosages, and patients traveling to out-of-state physicians to obtain prescriptions. Some prescriptions with "red flags" were written by out-of-state physicians who were later convicted of illegally prescribing controlled substances.

The Result: Smith Family Pharmacy and Smith agreed to pay the United States $215,000 in civil penalties. The DEA and Smith Family Pharmacy entered into a four-year Memorandum of Agreement pursuant to which the Pharmacy agreed to hire a new pharmacist-in-charge to replace Smith; agreed to submit quarterly compliance reports; and agreed to provide employee training addressing the identification and resolution of "red flags."

Lexington, Ky.

DEA London Resident Office Tactical Diversion Squad

U.S. v. Taylor Drug Store

Taylor Drug Store, a pharmacy located in Pineville, Ky., agreed to pay civil penalties to resolve allegations that it failed to comply with the recordkeeping requirements of the Controlled Substances Act. In an audit performed by the DEA, Taylor Drug Store's records did not account for the dispensation or disposal of over 4,500 dosage units of highly addictive substances, including hydrocodone, oxycodone, buprenorphine, and alprazolam.

The Result: Taylor Drug Store agreed to pay the United States $94,432.50 in civil penalties. The DEA and Taylor Drug Store entered into a Memorandum of Agreement pursuant to which Taylor Drug Store agreed to submit compliance reports and to provide employee training on the identification and reporting of suspected drug abuse or diversion.

Lexington, Ky.

DEA London Resident Office Tactical Diversion Squad

U.S. v. Merced

Pablo Merced, M.D., the owner of St. John Neumann's Extended Hours Clinic in Jackson, Ky., agreed to pay civil penalties to resolve allegations that he wrote invalid prescriptions. The Controlled Substances Act requires a prescription for Schedule II controlled substances to be issued for a legitimate medical purpose, by a licensed practitioner acting in the usual course of his professional practice. Dr. Merced pre-signed 94 blank prescriptions and then permitted unauthorized individuals to complete and issue those prescriptions in his absence, which is outside the usual course of professional practice.

The Result: Dr. Merced agreed to pay the United States $47,000 in civil penalties, as part of an ability-to-pay settlement. Dr. Merced further agreed to refrain from reapplying for a registration with the DEA, which he had surrendered during the investigation.

Lexington, Ky.

DEA Louisville

Project Safe Neighborhoods

Launched in 2001, the Project Safe Neighborhoods Program (PSN) is a nationwide initiative that brings together federal, state, and local law enforcement officials, prosecutors, community leaders, and other stakeholders to identify the most pressing violent crime problems in the community and develop comprehensive solutions to address them.

PSN is coordinated by the U.S. Attorney's Office in each federal judicial district and is customized to account for local violent crime problems and resources. In the Eastern District of Kentucky, local federal partners include the Louisville field offices of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the Drug Enforcement Administration (DEA), and the Federal Bureau of Investigation (FBI).

U.S. v. Grubb, et al.

Kenneth Ray Grubb and Landon Wagers, of Manchester, Ky., kidnapped a victim on behalf of a drug dealer. Wagers called the victim to arrange a meeting at his residence, under the pretense that Wagers had a firearm that the victim might be interested in purchasing. When the victim arrived, Grubb and Wagers forced him into a vehicle and started driving toward the dealer's residence. Before reaching the residence, Grubb stopped the vehicle and used metal knuckles to strike the victim multiple times, lacerating his head. Grubb and Wagers then forced the victim into the trunk. The drug dealer provided Grubb and Wagers with methamphetamine as payment for delivering the victim.

The Result: Grubb was sentenced to 112 months in prison; Wagers was sentenced to 84 months.

London, Ky.

ATF Louisville and Kentucky State

U.S. v. Carroll

On March 25, 2021, law enforcement was notified that Bryan Carroll, who had an active arrest warrant, was enroute to the University of Kentucky Hospital. Law enforcement took Carroll into custody outside the Emergency Department. During a subsequent search of Carroll and his vehicle, law enforcement found a total of eight firearms (including a sawed-off shotgun), four explosive devices (some of which contained nails), and one improvised explosive bomb. During his interview, Carroll acknowledged the firearms and "fireworks" in his vehicle, and admitted to constructing the explosive devices. At Carroll's residence, law enforcement found two more firearms along with six additional improvised explosive bombs.

Carroll was prohibited from possessing firearms and explosives based on his prior felony conviction, for complicity to traffic a controlled substance.

The Result: Carroll was sentenced to 15 years in prison.

Lexington, Ky.

ATF Louisville, FBI Louisville, Versailles Police Department, and University of Kentucky Police Department

U.S. v. Nantz

William H. Nantz was convicted for a second time for making threats against a federal law enforcement agent. In 2019, Nantz's son was indicted for murder and methamphetamine trafficking. On October 2, 2021, Nantz made a threat against the lead case agent investigating his son's case, to one of the agent's neighbors. Ultimately, Nantz pled guilty to retaliation against a witness for this initial threat and was sentenced to 70 months in prison. The day after his sentence was imposed, on October 12, 2022, Nantz again threatened the agent, during a recorded video jail call. This time, he threatened to sexually assault and murder the agent. In conversations that followed the call, Nantz reinforced his threats, referencing his desire to "take care of" the agent upon his release from prison. Nantz pled guilty to making this second threat.

The Result: Nantz was sentenced to 63 months in prison, running consecutively with his previous 70 month sentence.

London, Ky.

ATF Louisville

U.S. v. Tooley

On April 28, 2022, law enforcement officers were dispatched to a vehicle collision. Upon arrival, officers found cocaine, marijuana, and a firearm, and discovered that one of the drivers, Davon Tooley, had fled the scene. A year later, on July 7, 2023, law enforcement conducted a traffic stop on a vehicle driven by Tooley. Tooley had a firearm at his feet. Tooley was prohibited from possessing a firearm because of his previous convictions for second degree manslaughter and tampering with evidence. Tooley was on parole at the time of both new offenses.

The Result: Tooley was sentenced to 145 months in prison.

Lexington, Ky.

ATF Louisville and Lexington Police Department

U.S. v. Baxter

On February 9, 2024, law enforcement attempted to make contact with David Baxter, of Lexington, who had an outstanding warrant for a parole violation. Baxter fled on foot, but was eventually caught and found in possession of a loaded and chambered firearm. As a convicted felon, Baxter was prohibited from possessing a firearm. Baxter had several prior felony convictions, including for multiple drug trafficking offenses, robbery, receiving stolen property, wanton endangerment, and felon-in-possession of a firearm.

The Result: Baxter was sentenced to 100 months in prison.

Lexington, Ky.

ATF Louisville and Lexington Police Department

U.S. v. Taylor

On January 4, 2023, law enforcement responded to a burglary at Dan's Discount Jewelry and Pawn. Taylor and a juvenile had unlawfully entered the store and stolen 60 firearms. As law enforcement arrived, Taylor and the juvenile escaped through the back, dropping a duffel bag containing 57 of the 60 firearms. Later, on February 8, 2023, law enforcement responded to another burglary, this time in Clark County, at Bypass Gold and Pawn, from which Taylor had stolen nine firearms. A few days later, on February 10, 2023, law enforcement searched Taylor's residence and located five firearms, three of which Taylor had stolen from Bypass Gold and Pawn. Taylor had several prior felony convictions, including for multiple burglaries, bail jumping, and possession of a controlled substance.

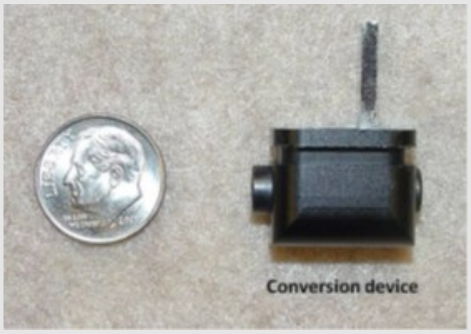
The Result: Taylor was sentenced to 94 months in prison.

Lexington, Ky.

ATF Louisville and Richmond Police Department

Machinegun Conversion Devices

A machine gun conversion device – commonly called a "switch" or "auto-sear" – is a small device that can be easily attached to a handgun, converting it into a fully automatic machine gun. A gun with a conversion device can automatically fire a full 30-round magazine in about two seconds. At that rate, it is often difficult to aim and control a handgun. According to ATF, from 2017 to 2021, over 5,000 conversion devices were recovered in the United States – a 570% increase over the prior 5-year period. A conversion device by itself is considered an illegal machine gun under federal law, and it cannot be possessed (with or without an accompanying firearm). For simply possessing these illegal devices, defendants face up to ten years in prison and a $250,000 fine.



U.S. v. Jointer, Jr.

In November 2022, agents with the ATF identified James Jointer, of Lexington, as a trafficker of firearms and narcotics. During the investigation, ATF purchased from Jointer two firearms,15.9 grams of pressed fentanyl pills, and a machinegun conversion device. Jointer had a prior felony conviction for drug trafficking.

The Result: Jointer was sentenced to 188 months in prison.

Lexington, Ky.

ATF Louisville

U.S. v. Garcia, et al.

For a two year period, Marcos Garcia, of Latonia, Ky., conspired with Kayla Vance, to distribute controlled substances, including marijuana and fluorofentanyl, a powerful analogue of fentanyl. In early 2023, law enforcement used an informant to make two controlled purchases of pressed fluorofentanyl tablets from Garcia. Law enforcement then executed a search warrant on a house shared by Garcia and Vance, where they found a handgun, 67 tablets of fentanyl, a pound of marijuana, other tablets, cash, and 11 uninstalled machinegun conversion devices.

The Result: Garcia was sentenced to 181 months in prison; Vance was sentenced to 51 months.

Covington, Ky.

ATF Louisville and Northern Kentucky Drug Strike Force

U.S. v. Sturgeon, et al.

Cylis Rowe, Clifton Barnett, and Demarco Sturgeon conspired to distribute over 100 firearms illegally between 2020 and 2022. Many of these sales were to individuals engaged in drug trafficking and other criminal offenses; sales also included machinegun conversion devices. Rowe and Sturgeon also regularly distributed marijuana, while in possession of firearms, and admitted that they possessed the firearms to protect themselves against the dangers associated with drug trafficking.

The Result: Sturgeon was sentenced to 130 months in prison; Rowe to 124 months; and Barnett to 70 months.

Covington, Ky.

ATF Louisville

Project Safe Childhood

Project Safe Childhood is a nationwide initiative to combat child sexual exploitation and abuse. Led by United States Attorneys' Offices and DOJ's Child Exploitation and Obscenity Section, Project Safe Childhood uses federal, state, and local law enforcement and advocacy groups to investigate and prosecute crimes involving child sexual exploitation including child pornography, online enticement of a minor for sexual purposes, and interstate travel to have sex with a minor.

U.S. v. Patel

Maynak Patel, of Lexington, pled guilty to producing images of himself sexually assaulting a minor victim. Patel also admitted to being a part of at least 30 online communities that specifically existed to receive and distribute child sexual abuse material. Patel received, distributed, and possessed hardcore and violent child sexual abuse material, which included serious bodily harm to infants, as part of his participation in these online communities.

The Result: Patel was sentenced to 38 years in prison.

Lexington, Ky.

HSI Nashville, Kentucky State Police, and Lexington Police Department

U.S. v. Lentz

Kevin Lentz, a former high school teacher in Fayette County, pled guilty to producing child pornography. Lentz began an online conversation with a 9-year-old victim, which quickly became sexual. Lentz sent the victim 85 images or videos of adult pornography, including sexually explicit images and videos of Lentz. He also persuaded the victim to create multiple sexually explicit videos and images of himself, and to send them to Lentz. The conduct was discovered after the victim's parents located the sexually explicit conversations and images on the victim's phone. A search of Lentz's devices revealed several hundred additional images and videos of prepubescent minors engaged in sexually explicit conduct, which he obtained from the internet.

The Result: Lentz was sentenced to 30 years in prison and ordered to pay $33,000 in restitution to the victim and $22,000 in special assessments.

Lexington, Ky.

HSI Nashville and Lexington Police Department

U.S. v. Whitt

Jonathan Whitt, of Ashland, pled guilty to producing sexually explicit videos of a minor. Whitt and the minor had a sexual relationship from 2011 to 2013, during which Whitt produced sexually explicit images of the victim. Whitt was also trading child sexual abuse material with others, by joining online groups and sending and receiving links to hundreds of images and videos.

The Result: Whitt was sentenced to 30 years in prison.

Ashland, Ky.

FBI Louisville, HSI Nashville, Kentucky State Police, and Ashland Police Department

U.S. v. Martin

Brenden Martin, of Findlay, Ohio, pled guilty to producing sexually explicit images of a minor. From 2019 to 2021, Martin had a continuing conversation with a minor residing in Kentucky, using online messaging and social media. After receiving non-nude, but compromising photos of the victim, Martin threatened to disseminate those images via social media, as leverage to convince the victim to engage in sexually explicit conduct in order to record it. The victim ultimately provided Martin with hundreds of photographs and videos.

The Result: Martin was sentenced to 29 years in prison.

London, Ky.

FBI Louisville and Kentucky State Police

U.S. v. Cannada

Jonathan Cannada, of Somerset, Ky., pled guilty to producing sexually explicit images of a minor. On at least two occasions, Cannada filmed himself engaging in sexual activity with the minor. The minor would also capture sexually explicit depictions of herself, on a device Cannada provided her, and would then send those images to him via Facebook Messenger. Later, Cannada attempted to obstruct law enforcement's investigation, by remotely wiping the victim's device while it was in police custody, encouraging the victim to delete evidence, and threatening physical violence toward a family member of the victim.

The Result: Cannada was sentenced to 28 years in prison.

Lexington, Ky.

FBI Louisville, Kentucky Attorney General's Office, and Somerset Police Department

U.S. v. Mullins

Skyler Mullins, of Flatwoods, Ky., pled guilty to using a social media application to exchange images and videos of children engaged in sexually explicit conduct. In total, Mullins possessed over 600 such images or videos. Mullins also admitted to attempting to create videos of himself sexually assaulting a minor that he knew.

The Result: Mullins was sentenced to 35 years in prison.

Ashland, Ky.

FBI Louisville and Kentucky State Police

U.S. v. Lawson

Tyler Lawson, of Georgetown, Ky., was convicted of producing child pornography. Lawson was the boyfriend of a woman who had close connections to two young girls. The girls frequently visited the residences where Lawson and his girlfriend lived. During the visits, Lawson produced sexually explicit images of the girls. One of the victims alleged that Lawson sexually abused her nearly every time she visited and that this abuse began when she was five years old. She also indicated that Lawson threatened to harm her, if she told anyone about the abuse. Law enforcement later found images on Lawson's phone that corroborated her reports.

The Result: Lawson was sentenced to 28 years in prison.

Frankfort, Ky.

FBI Louisville and Georgetown Police Department

U.S. v. Brady

Patrick Howard Brady, a teacher at Anderson County High School who also served as the band director, was convicted of producing child pornography. Brady and the minor victim engaged in a sexually explicit relationship, starting via text, calls, and social media, and eventually occurring in person, including at the high school. Brady admitted that, on multiple occasions, he had the victim engage in sexually explicit conduct for the purpose of transmitting live images.

The Result: Brady was sentenced to 25 years in prison.

London, Ky.

FBI Louisville, Kentucky Attorney General's Office, Kentucky State Police, and Anderson County Sheriff's Office

U.S. v. Ferguson

William Ferguson, of Ashland, pled guilty to producing child pornography, after law enforcement found on Ferguson's phone multiple recordings of Ferguson sexually assaulting a minor. Ferguson admitted that he had produced sexually explicit images of the minor on multiple occasions.

The Result: Ferguson was sentenced to 45 years in prison.

Ashland, Ky.

FBI Louisville, Kentucky State Police, and Ashland Police Department

U.S. v. Zaheri

Andrew Zaheri, a former Rowan County teacher, began a sexual relationship with a minor student at the high school where he taught. The relationship continued through the school year, and included Zaheri engaging in sexual acts with the victim during school hours. Zaheri admitted that he produced sexually explicit images and videos of the minor victim, using his cell phone.

The Result: Zaheri was sentenced to 22 years in prison.

Covington, Ky.

FBI Louisville and Kentucky State Police

U.S. v. Ruble

Law enforcement received information regarding an individual that was sending money via PayPal, to an account associated with selling and live streaming child pornography. Darren Ruble, of Nicholasville, Ky., a registered sex offender, was the owner of the account. When searched, Ruble's cell phones contained over 200 images and 250 videos of child pornography.

The Result: Ruble was sentenced to 20 years in prison.

Lexington, Ky.

HSI Nashville, Kentucky State Police, and Madison County Sheriff's Office

U.S. v. Knezevich

In September 2023, an Eastern Kentucky University student located a hidden camera in a men's bathroom on campus. The camera had been placed in the bathroom by Kyle Knezevich, a professor at the University. Law enforcement's investigation revealed that Knezevich produced surreptitious recordings of adult and minor males, from approximately 2009 through 2023. The videos were recorded in bathroom settings, including locker rooms, urinals, and the bathroom of his personal residence. In the videos, minor males can be seen in various states of nudity, including using the restroom, undressing, and showering. Knezevich admitted his intent was to capture the minor males engaged in sexually explicit conduct.

The Result: Knezevich was sentenced to 220 months in prison.

Frankfort, Ky.

FBI Louisville, Kentucky State Police, and EKU Police Department

U.S. v. Phillips

Ellen Phillips, who was employed as a teacher's aide, began sexual relationships with numerous teenage boys in the Boyle and Garrard County areas. Phillips would communicate with the victims via Snapchat, Facebook, or text messages, and in many instances, she would meet the victims to engage in sexual activity. Phillips admitted that she attempted to entice a 15-year-old minor to engage in sexual activity. Phillips messaged the victim using Facebook and repeatedly attempted to convince him to sneak out of his house, for sexual activity. When the victim said he could not leave, Phillips offered him alcohol and oral sex, as well as excuses he could tell his mother why he needed to leave home.

The Result: Phillips was sentenced to 188 months in prison.

Lexington, Ky.

HSI Nashville, Kentucky State Police, Danville Police Department, and Garrard County Sheriff's Office

Civil Rights Enforcement

The U.S. Attorney's Office is committed to the enforcement of federal civil rights laws. Criminal matters may arise from:

- **The use of unreasonable force by law enforcement**
- **Misconduct by individuals acting under color of law that deprives an individual of their Constitutional rights, such as sexual assault, illegal searches, wrongful arrest, or failing to protect those in their custody**
- **Hate crimes committed based on a victim's race, religion, gender, sexual orientation, or disability**

The United States Attorney's Office also enforces federal civil statutes that prohibit discrimination on the basis of race, religion, gender, sexual orientation, disability, and military status. These statutes include the Americans with Disabilities Act, the Fair Housing Act, and the Uniformed Services Employment and Reemployment Act.

U.S. v. Abbott

Tanner Abbott, a former Boyle County Sheriff's Deputy, was convicted of violating the constitutional rights of multiple people he arrested during his tenure as a law enforcement officer, including using excessive force against four arrestees, performing an illegal search, and writing and conspiring to write false police reports to cover up his abuse. Abbott's text messages showed that he bragged, sometimes in graphic and vulgar terms, about causing injuries to people he arrested and had taken photographs of injuries he caused – sending them to friends, but never including them in official police reports.

The Result: Abbott was sentenced to 110 months in prison.

Lexington, Ky.

FBI Louisville

U.S. v. Dennis, et al.

Seven former state Correctional Officers were convicted of violating the rights of an inmate and obstructing justice. Randall Dennis and James Benish, members of Eastern Kentucky Correctional Complex's (EKCC) internal affairs department, assaulted a non-violent inmate who was lying face-down, wearing handcuffs and leg shackles, while isolated in a prison shower cell. Jeffrey Havens, an entry-level officer, joined in the assault. Correctional officers Randy Nickell, Nathan Cantrell, and Derek Mays, who were standing outside the door of the shower cell when the assault began, joined the other officers in covering up the abuse, writing false reports and lying to state investigators. Eric Nantell, an EKCC sergeant, stood at the door of the shower when the assault began, silently observed the beating for more than 20 seconds, and walked away while the abuse continued.

The Result: Nantell was sentenced to 7 years in prison; Dennis was sentenced to 5 years; Benish to 27 months; and Havens to 15 months. Nickell, Cantrell, and Mays were each sentenced to one month, with Nickell and Cantrell also receiving five months of home confinement.

Lexington, Ky.

FBI Louisville

U.S. v. Patrick, et al.

Former Federal Bureau of Prisons correctional officers, Lieutenants Kevin Pearce and Ryan Elliott, and correctional officers Samuel Patrick and Clinton Pauley, were convicted of assaulting an inmate in one incident and filing false reports to cover up the abuse of another inmate, in a separate incident. In March 2021, Elliott was present when an inmate was taken to a room with no cameras, following a non-violent violation of prison rules. There, another officer began to assault the inmate, and Elliott assisted by tackling the inmate to the ground and punching him. As the assault continued, Pauley joined in. Separately, in April 2021, Elliott was asked by Pearce to help cover up an assault against another inmate, who had been beaten by Pauley and Patrick. Elliott, who had not been present, agreed to help Pearce cover up that assault by writing a false report claiming that he had been there and had seen no assault.

The Result: Pearce was sentenced to 66 months in prison; Pauley was sentenced to 40 months; Patrick was sentenced to 36 months; and Elliot was sentenced to 12 months and a day.

Lexington, Ky.

DOJ-Office of Inspector General and FBI Louisville

U.S. v. Lumpkins

Nathaniel Lumpkins was employed as a Youth Worker at Woodsbend Youth Development Center, a Kentucky Department of Juvenile Justice facility. Lumpkins pled guilty to violating the civil rights of a fifteen-year-old at Woodsbend, by using unreasonable force. Specifically, when the victim was already compliant, on the ground, and being held by three other adult Youth Workers, Lumpkins began twisting the victim's hand backward onto his wrist and pushing his body weight repeatedly down onto the wrist and arm. Lumpkins broke the victim's arm, admitting he did so out of anger and not for any legitimate purpose. Lumpkins later slammed the victim's already-broken arm into a wall, again out of anger. Lumpkins then drafted and signed an incident report that was false, to cover up his unlawful use of force.

The Result: Lumpkins was sentenced to 3 years in prison.

Ashland, Ky.

FBI Louisville

U.S. v. Curry

Former Manchester Police Officer Shawn Curry was convicted of violating the rights of an arrestee. In September 2021, Curry and other officers responded to a 911 call from a pool hall. On arrival, Curry and the other officers encountered the pool hall owner, who was holding a pool stick, and the victim, who was fighting with the owner. The owner fled; Curry tased him in the back and used force on him. Then, Curry joined the other officers who were attempting to arrest the victim. Instead of attempting to handcuff the victim, Curry grabbed the victim's hair and delivered five blows to his head and face. When interviewed later, Curry lied, telling investigators he hit the victim in the shoulder and claiming he only made incidental contact with the victim's face once, by accident. Curry also omitted any mention of his use of force in his incident report, despite knowing he was required to report it.

The Result: Curry was sentenced to 18 months in prison.

London, Ky.

DOJ-Office of Inspector General and FBI Louisville

U.S. v. Frankfort Regional Medical Center

The United States reached an agreement with Frankfort Regional Medical Center (FRMC), a 173-bed acute care facility, to resolve allegations that FRMC violated the Americans with Disabilities Act (ADA), by failing to ensure effective communication with a deaf patient who uses American Sign Language (ASL). Specifically, at multiple hospital visits during her pregnancy, FRMC failed to provide the patient with an ASL interpreter or other effective means of communication. Despite her request for an in-person interpreter during her labor and delivery, the patient had to provide her own interpreter for her cesarean section. FRMC also failed to ensure effective communication during the patient's recovery stay and subsequent hospital visits when she sought treatment for her infant. FRMC similarly failed to provide an interpreter or other appropriate auxiliary aids and services to the patient's mother, who is also deaf and was attending the patient's labor and delivery as a support person. FRMC cooperated fully with the United States' investigation of this matter, which substantiated the patient's allegations.

The Result: In a settlement with the United States, FRMC agreed to modify its policies and practices consistent with the ADA, including those that address providing effective communication and securing qualified interpreters for patients; to train its staff about the policies; to report any future complaints; and to cooperate with the U.S. Attorney's Office to ensure ongoing compliance. FRMC also agreed to pay a $62,500 civil penalty to the United States, $100,000 to the patient, and $10,000 to her mother.

U.S. v. Jack F. Ditty, M.D., P.S.C.

The United States reached an agreement with Jack F. Ditty, M.D., P.S.C., a dermatology practice in Ashland, to address effective communication with deaf and hard of hearing patients. The settlement resolved a complaint filed by a patient who alleged that she was not provided an ASL interpreter during an initial appointment. Through an investigation, the United States determined that the dermatology practice failed to take necessary steps to ensure effective communication, by not providing interpreters or other auxiliary aids and services to patients, who staff knew were deaf or hard of hearing, and instead encouraging those patients to bring someone with them to facilitate communication.

The Result: In a settlement with the United States, the practice agreed to advise patients and companions of their right to auxiliary aids and services to ensure effective communication, including a live qualified sign language interpreter, whether through video or on-site. The practice also agreed to maintain a list of qualified interpreters and establish procedures for ordering interpreting services. The practice will modify its policies and practices to comply with the ADA, train its staff on the ADA, and periodically submit compliance reports.

How to submit a Civil Rights Complaint

If you have information concerning a potential violation of federal civil rights laws that you wish to bring to our attention, please submit a report online with the U.S. Department of Justice's Civil Rights Division.

Alternatively, anyone wishing to report a potential violation of federal civil rights laws can submit the Office's Civil Rights Complaint Form.

Email: usakye.civilrights@usdoj.gov

Mail to: United States Attorney's Office
Attn: Civil Rights Intake
260 West Vine Street, Suite 300
Lexington, KY 40507-1612

Call: (859) 685-4880

Public Corruption

Public officials have a solemn obligation of public trust. When the integrity of public officials, offices, or elections are undermined, that does a grave disservice to the public – in terms of fraud, waste, and abuse, and from the critical erosion of faith in the institutions of our government. The Office's Fraud Division oversees the investigation and prosecution of crimes affecting government integrity, including bribery of public officials, election crimes such as vote-buying and campaign finance offenses, and public officials who misuse their offices to steal or abuse government resources.

U.S. v. Blair

Between April 2020 and March 2024, Scott Blair fraudulently deprived the citizens of Perry County of their right to his honest services, as the elected Commonwealth Attorney. On multiple occasions, Blair agreed to take official actions – including making recommendations on probation, drug court, and sanctions for defendants he was prosecuting – in exchange for methamphetamine and sexual favors.

The Result: Blair was sentenced to 54 months in prison.

London, Ky.

FBI Louisville, Kentucky Attorney General's Office, an Kentucky State Police

U.S. v. Goldy

Ronnie Goldy, the former Commonwealth Attorney for Bath, Rowan, Menifee, and Montgomery Counites, was convicted of honest services wire fraud, use of an interstate facility with the intent to carry on unlawful activity, and bribery concerning a program that receives federal funds. Goldy had a personal relationship with a woman that included sexual encounters, and solicitations and acceptance of sexually explicit images and videos of the woman. On multiple occasions , Goldy used his position as the Commonwealth Attorney to perform official actions, or to exert pressure and influence on other public officials to perform official actions, benefiting the woman.

The Result: Goldy was sentenced to 41 months in prison.

Lexington, Ky.

FBI Louisville

U.S. v. May

Brittany May, of Frankfort, was convicted of wire fraud and aggravated identity theft, for misappropriating funds from adoption and foster care programs. May was employed as an administrative specialist at the Kentucky Cabinet for Health and Family Services. As part of her duties, May initiated payments to providers who were eligible to receive funding through adoption and foster programs. When providers did not submit the required paperwork or stopped receiving payments because their services had expired, May directed the funds into four bank accounts that she controlled. To conceal her actions, May submitted false invoices to make it appear as if the provider requested payment, and changed the providers' addresses to which payment notification was sent. From July 2021 to May 2023, May used the names or social security numbers of 45 providers to operate her scheme. She stole $444,663.77 through more than 540 fraudulent wire transfers to bank accounts she controlled.

The Result: May was sentenced to 3 years in prison and was ordered to pay $444,663.77 in restitution.

Frankfort, Ky.

IRS and U.S. Postal Inspection Service

Elder Justice

The mission of the Elder Justice Initiative is to support and coordinate the Department's enforcement and programmatic efforts to combat elder abuse, neglect, and financial scams that target our nation's older adults. We engage in this work by focusing on the following areas:

- **Building Federal, State, and Local Capacity to Fight Elder Abuse**
- **Promoting Justice for Older Americans**
- **Supporting Research to Improve Elder Abuse Policy and Practice**
- **Helping Older Victims and Their Families**

DEPARTMENT OF JUSTICE
Elder Justice
INITIATIVE

U.S. v. Fike

From 2016 to 2021, Irene Fike was employed by an accounting firm in Winchester, Ky., where she performed bookkeeping for the victim, a woman in her 70s. In 2021, Fike left the accounting firm and the victim hired her as an independent contractor, to assist with paying bills, creating and updating financial records, and general bookkeeping. Fike abused her access to the victim's financial information, using of the victim's credit cards and bank accounts without authorization. Fike used $224,349 in the victim's funds to pay her personal credit card and used the victim's credit cards to make $139,307 in online purchases. Fike then misrepresented the expenditures on financial reports to avoid raising the suspicions of the victim and her family.

The Result: Fike was sentenced to 3 years in prison and ordered to pay $405,867.08 in restitution to the victim.

Lexington, Ky.

FBI Louisville

U.S. v. Patel, et al.

Satishkumar Rameshchandra Patel, an Indian national most recently living in the Chicago area, defrauded elder Americans through a money courier scheme. Patel's co-conspirators, located in India, made telephone calls to victims across the United States, claiming to be government officials. The co-conspirators would convince the victims they were in legal or financial trouble, and requested they send payment to relieve the trouble or protect against losing their savings. The victims, most of whom were in their 60s or 70s, mailed cash shipments to fake names, at addresses in Chicago, Central Kentucky, and elsewhere, where Patel and others would retrieve the packages. Individual victims lost between $9,000 and $375,000.

Other fraud schemes emanating out of the India-based call center at which Patel was employed included tech support scams, where victims were defrauded into believing their computer security company had erroneously issued them refunds. The victims were directed to the withdraw those excess refunds in cash and mail the cash to addresses located in Chicago and elsewhere, where Patel and others would retrieve those packages. Individual victims lost between $9,000 to $20,000.

The Result: Patel was sentenced to 32 months in prison and ordered to pay $631,336.40 in restitution to victims.

London, Ky.

FBI Louisville, HSI Nashville, Treasury Inspector General for Tax Administration, and Social Security Administration–Office of Inspector General

Pandemic Relief Fraud

The Office's Fraud Division prosecutes fraud schemes that exploit the Coronavirus Aid, Relief, and Economic Security (CARES) Act relief programs. Enacted in March 2020, the CARES Act was designed to provide emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic. Unfortunately, these programs became targets of many fraud schemes, as wrongdoers used false documents and false statements to obtain emergency benefits to which they were not entitled.

U.S. v. McDaniels

Vonnie McDaniels, of Lexington, was convicted of wire fraud, aggravated identity theft, money laundering, and committing an offense while on conditions of release, arising from his schemes to defraud pandemic-relief programs. In 2020, McDaniels obtained a $100,000 Economic Injury Disaster Loan for one of his business after submitting a materially false loan application. He also obtained $93,231 in Paycheck Protection Program loans after submitting applications that falsely claimed a business was still operational and that inflated numbers to increase the loan amounts. McDaniels used the loan proceeds to pay off personal credit cards and loans, and to purchase property.

McDaniels also defrauded Lexington's Housing Stabilization Program, fraudulently obtaining $45,000 in COVID-19 rental relief assistance. He solicited personal identifying information from his tenants and informed them that they did not qualify for the relief program. Without their knowledge, McDaniels submitted applications pretending to be the tenants and submitted fraudulent leases that inflated the amount of rent to increase the relief payments.

Law enforcement discovered McDaniels' crimes when preparing for a separate trial against him, in which McDaniels was convicted of bank fraud and aggravated identity theft.

The Result: McDaniels was sentenced to 96 months in prison.

Lexington, Ky.

Federal Deposit Insurance Corporation-Office of Inspector General

U.S. v. Harris, et al.

Neal Harris and Kelly Harris, of Lexington, were both convicted of eight counts of wire fraud. In 2020, the Harrises submitted materially false applications to the Small Business Administration, to obtain $357,600 in Economic Injury Disaster Loans, for five businesses they claimed were impacted by the COVID-19 pandemic. The Harrises claimed these businesses had $1.4 million in revenue in 2019, but none of these businesses were actually operational in 2019. A local bank detected the fraud and was able to return the fraudulently obtained funds. But the Harrises then submitted additional fraudulent documentation to the SBA, attempting to get these funds back.

The Result: Neal Harris was sentenced to 37 months in prison and ordered to pay $170,796.63 in restitution. Kelly Harris was sentenced to 46 months in prison and ordered to pay $110,785.42 in restitution.

Lexington, Ky.

U.S. Postal Inspection Service and Treasury Inspector General for Tax Administration

U.S. v. Fierro

Sandybell Fierro, of Lexington, was convicted of wire fraud and money laundering, after submitting a materially false application to obtain an Economic Injury Disaster Loan. In her loan application, Fierro falsely stated that she established a personal services business, "Sandybell Fierro," in 2018; that the business had 17 employees; that she had sold $94,000 worth of goods in the last 12 months; and that the business had a gross revenue of $197,000. In truth, no such business existed. As a result of Fierro's misrepresentations, she was fraudulently awarded a $206,000 loan, which she used for her own benefit.

The Result: Fierro was sentenced to 21 months in prison and was ordered to pay $206,000 in restitution.

Lexington, Ky.

IRS Criminal Investigations

Healthcare Fraud

Through its criminal and civil healthcare fraud prosecutions, the U.S. Attorney's Office seeks to protect federally-funded benefit programs, like Medicare and Medicaid, from healthcare providers who unlawfully bill for services patients did not need or for services that were never provided. These prosecutions also seek to protect patients from fraud schemes that result in patient harm, such as through the provision of substandard care.

U.S. v. Mohamed

Amr Mohamed, M.D., a nephrologist practicing in Lexington, was convicted for a kickback conspiracy. From March 2018 and April 2019, Mohamed worked for RediDoc, a telehealth service company. He ordered medically unnecessary medical equipment, topical creams, and genetic testing, for Medicare beneficiaries, in exchange for RediDoc paying him, on average, $20 per beneficiary. The orders were unlawful because Mohamed did not actually have a physician-patient relationship with the beneficiaries, and because he was receiving a kickback for each beneficiary. Mohamed received $261,054 in kickbacks from RediDoc and caused Medicare to pay more than $14 million for medically unnecessary items.

The Result: Mohamed was sentenced to two years in prison and was ordered to pay $14,150,764.60 in restitution.

Lexington, Ky.

FBI Louisville

U.S. v. Collins

Stephanie Collins was a registered pharmacist who operated Stephanie's Down Home Pharmacy in Corbin, Ky. Collins used the pharmacy's computer system to submit claims for payment to Medicare and Kentucky Medicaid for prescription drugs that patients never picked up or otherwise received. Collins also submitted fraudulent claims for diabetic test strips, billing Medicaid for more expensive test strips than she was actually giving her customers. Because of Collins' false and fraudulent claims, she received more than $730,000 in reimbursements from Kentucky Medicaid and Medicare to which she was not entitled.

The Result: Collins was sentenced to 20 months in prison and was ordered to pay $730,055.78 in restitution.

Lexington, Ky.

DEA Louisville, IRS Criminal Investigation, HHS-OIG, Kentucky Cabinet for Health and Family Services Office of Inspector General, and Kentucky Board of Pharmacy

U.S. v. AccuLab, LLC

Edgewater Recovery Center, LLC ("Edgewater") and AccuLab, LLC d/b/a Thoroughbred Diagnostics ("Thoroughbred") agreed to pay settlements to resolve civil healthcare fraud allegations relating to the performance of urine drug tests. Edgewater operated drug rehabilitation facilities in multiple locations in Kentucky. The Government alleged that Edgewater requested the same complex panel of urine drug tests for all its patients on a weekly basis, without considering whether the patients needed them. In typical cases, Edgewater did not even use the results of these expensive tests for the patients' medical diagnosis or treatment.

Thoroughbred was a clinical laboratory based in Bowling Green, Ky. The Government alleged that Thoroughbred performed urine drug tests for Edgewater's patients, and billed those tests to Medicare and Kentucky Medicaid, despite knowing that the tests were not typically used for medical diagnosis or treatment. The Government further alleged that Thoroughbred billed for urine drug screens – a less complex test – performed on Edgewater specimens without a proper medical order for the test. As a result, Thoroughbred improperly received substantial payments from Medicare and Kentucky Medicaid.

The Result: Edgewater agreed to pay the United States $2,249,632.92 and entered into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services, Office of Inspector General. Thoroughbred separately agreed to the entry of an Agreed Judgment, in favor of the United States, in the amount of $4,925,441.42.

U.S. v. Physicians' Medical Center, et al.

Physicians' Medical Center, LLC ("PMC"), a hospital in New Albany, Ind., operated a clinical laboratory that was managed by United States Medical Scientific Indiana, LLC ("US Med Sci"). The United States alleged that the laboratory committed healthcare fraud by billing for urine drug tests referred by various entities – including a homeless shelter and peer-to-peer recovery centers – that did not use the test results for medical diagnosis or treatment. Laboratory services, like urine drug tests, are only covered by federal healthcare programs when used for medical diagnosis or treatment. The United States alleged that PMC submitted nearly $3 million in false claims to Medicare, Kentucky Medicaid, and TRICARE for drug tests referred by entities that did not provide medical services.

The United States further alleged that Bobby Sturgeon, a laboratory sales representative, knew that these entities did not provide medical services, but nonetheless pursued and worked with them as clients. Sturgeon financially benefited, because his salary was based, in part, on the amount insurers paid PMC for his clients' tests. At one of these clients, the director, Derrick Arthur, allegedly helped arrange for a volunteer doctor to order urine drug tests, despite knowing that the doctor did not provide medical treatment to the center's clients. By doing so, Arthur facilitated the improper billing of laboratory tests.

After PMC closed its laboratory, Sturgeon became a sales representative for Bluewater Toxicology, a laboratory in Mount Washington, Ky. Sturgeon then caused Bluewater to bill federal healthcare programs for medically unnecessary urine drug tests, from the same peer-to-peer recovery centers and homeless shelter. Like PMC, Bluewater knew that federal insurers would not pay for urine drug tests used for nonmedical purposes, but still submitted claims for payment. The United States alleged that Bluewater submitted nearly $450,000 in false claims to Medicare and Kentucky Medicaid.

In a related scheme, Steve Moore, a laboratory sales representative, was alleged to have paid unlawful remuneration to a physician, Pablo Merced, M.D., and his wife, to induce them to refer laboratory tests to PMC and Bluewater Toxicology. Specifically, Moore paid cash to the Merceds, and paid additional salary to specimen collectors who worked at their office, in violation of the Anti-Kickback Statute. Federal healthcare programs paid PMC and Bluewater millions of dollars for lab tests ordered by Dr. Merced and tainted by Moore's kickbacks.

The Result: These civil healthcare fraud matters resulted in settlements returning more than $7.2 million to Medicare, Kentucky Medicaid, and TRICARE. As the laboratories submitting the false claims, PMC agreed to pay the United States $5,219,000 and Bluewater Toxicology agreed to pay $895,952. Sturgeon and Moore agreed to pay $713,466 and $40,000, respectively, to resolve their liability. Arthur agreed to pay $5,500. Dr. and Mrs. Merced agreed to pay $450,000 to resolve their liability under the False Claims Act and Dr. Merced's liability for separate conduct under the Controlled Substances Act.

U.S. v. Bryant Family Medicine, et al.

Bryant Family Medicine, LLC is a Rural Health Clinic in Whitley County, Ky.; Jill Bryant is an Advanced Practice Registered Nurse ("APRN") who owns and manages the Clinic. During the height of the COVID-19 pandemic, Bryant Family Medicine administered rapid COVID-19 tests in its parking lot. The United States alleged that when the test results were negative, the patients did not receive exams or other medical services from Ms. Bryant or any other licensed medical provider. But Bryant Family Medicine nonetheless billed Medicare and Kentucky Medicaid for these testing encounters, falsely representing that the patients had received an "Evaluation and Management" medical service from Ms. Bryant or another APRN. As a result, Bryant Family Medicine received higher reimbursements than they were otherwise entitled.

The Result: Bryant Family Medicine and Bryant agreed to pay the United States $149,090 to resolve their liability under the False Claims Act.

Financial Fraud

Since 2020, reports of financial victimization through fraud, especially internet-enabled fraud, have reached an all-time high. Federal law prohibits a wide variety of schemes to defraud government programs, consumers, business owners, lenders, and investors. The U.S. Attorney's Office identifies the perpetrators of these offenses, prosecutes them for federal crimes, and works to restore the economic harms done to their victims.

U.S. v. Mejia-Garcia

Jean Mejia-Garcia, of North Bergen, N.J., was convicted of conspiracy to launder money and aggravated identity theft. Mejia-Garcia conspired with Nana Kwabena Amuah and Shimea McDonald to launder criminal proceeds, including funds stolen from the Lexington City government. Mejia-Garcia procured fake identity documents, established shell companies with numerous Secretaries of State, and opened bank accounts in the names of other, real people to receive stolen funds that Amuah directed towards the accounts. Once the money was received, Amuah would direct Mejia-Garcia to bring him the stolen funds, and allowed Mejia-Garcia to retain a portion. Ultimately, the bank and the City were able to recover all the funds that were fraudulently transmitted .

The Result: Mejia-Garcia was sentenced to 6 years in prison. Amuah was sentenced to 86 months; McDonald to 80 months. All three defendants were ordered to pay $4,690,870.81 in restitution.

Lexington, Ky.

FBI Louisville and Lexington Police Department

U.S. v. Qasim, et al.

Hussein and Ibrahim Qasim conspired to launder money obtained through a scheme that targeted luxury car dealerships. The Qasim's co-conspirators, who lived outside the United States, would contact dealerships impersonating employees of other dealerships. They would deceive the dealerships into purchasing expensive vehicles that the co-conspirators did not actually own and would not deliver. At the co-conspirators' direction, the dealership victims sent payments to bank accounts opened by the Qasims, who then collected the money and transferred it through a sophisticated web of financial transactions, which eventually ended with investments, payments for personal expenditures, and payments to accounts outside the United States, often in crypto-currency, for the benefit of their co-conspirators. Between June 2022 and December 2023, the Qasims and their co-conspirators were responsible for laundering over $6 million in victim funds, which had been sent from at least seven different luxury car dealerships across the country.

The Result: Hussein Qasim was sentenced to 57 months in prison; Ibrahim Qasim was sentenced to 45 months. They were ordered to pay $3,274,690 in restitution.

Lexington, Ky.

U.S. Secret Service

U.S. v. Berenyi, et al.

Antoine "Tony" Berenyi, the founder of Berenyi, Inc., a business headquartered in Charleston, S.C., was convicted of conspiracy to commit honest services wire fraud, wire fraud, and money laundering. Beginning in 2017, Berenyi entered into an illegal kickback scheme with Jaymin Vinson, an employee of Nucor Steel Gallatin, to deprive Nucor of money and Vinson's honest services as their employee. The pair agreed that Vinson would help steer a $14.9 million construction management contract, for a Nucor mill expansion project, to Berenyi's company. This agreement was in exchange for Berenyi paying Vinson a 15% kickback on the contract and was reached without Nucor's knowledge or approval. These secret kickback payments continued into 2019, totaling over $452,000 kicked back to Vinson.

The Result: Berenyi was sentenced to 30 months in prison, ordered to pay a $50,000 fine, $753,625 in restitution, and $396,500 on a money judgment. Vinson was sentenced to 12 months and one day and ordered to pay $753,625 in restitution.

Covington, Ky.

FBI Louisville

U.S. v. Logan

Brian Logan, a Frankfort attorney, prepared a will for a client. After the client passed away, Logan was appointed executor of the client's estate, which included real property and cash. The will directed that the majority of the estate's assets be distributed among certain charities. Instead, Logan transferred $239,600 from the estate's bank account to his personal bank accounts, in a series of transactions. Logan then used these funds for personal expenses, including payments on his credit card.

Logan also used fraudulent transactions to transfer ownership of the estate's real property to himself. Using his role as executor, he caused the estate to conduct a fictitious transaction selling the property to a friend, then effecting a second fictitious transaction causing the friend to sell the property to an entity Logan owned. In each transaction, Logan forged the friend's name and signature on the deeds. Logan then collected rent on the property for nearly six years, using the funds to make payments on personal credit cards. In addition, Logan submitted fraudulent documents to a bank in connection with a loan application for the property. He provided the bank with one of the forged deeds and a fraudulent lease that again used his friend's name and forged signature. Logan used the $116,000 loan for his personal benefit.

The Result: Logan was sentenced to 3 years in prison and ordered to pay $178,381 in restitution.

Frankfort, Ky.

U.S. Secret Service and Kentucky Attorney General's Office

U.S. v. Hernandez-Pozos

Arturo Hernandez-Pozos, a Mexican national previously removed from the United States on two occasions, illegally assumed the identity of a U.S. Citizen who had died, at the age of two. Hernandez-Pozos used the birth certificate and baptismal record of the deceased U.S. Citizen to procure a social security number for the stolen identity. On three separate occasions, he submitted applications for a U.S. passport using that stolen identity. Additionally, Hernandez-Pozos improperly obtained $88,684.50 in disability benefits over a multi-year period using the stolen identity.

When law enforcement arrested Hernandez-Pozos, they discovered at his residence a number of fraudulent identity documents, including 20 social security cards, 14 permanent alien cards, three Mexican matriculation cards, and five driver's licenses, with various identities. Additional investigation revealed that Hernandez-Pozos was taking orders for false identification documents and distributing them by mail to individuals, in Kentucky and across the United States. There were more than 100 unique social security numbers involved in his scheme to transfer false identification documents.

The Result: Hernandez-Pozos was sentenced to 42 months in prison and was ordered to pay $88,684.50 to the Social Security Administration.

Frankfort, Ky.

SSA Office of Inspector General, U.S. Postal Inspection Service, HSI Nashville, and U.S. Department of State's Diplomatic Security Service

U.S. v. Noble

An individual claiming to be "James Michaels" responded to a post on Facebook Marketplace, which was offering a 2004 Chevrolet Avalanche for sale. The owner of the vehicle and "James Michaels" agreed on a sale price of $4,700, which "James Michaels" paid with 47 $100 dollar bills. The victim later discovered that 41 of these notes were not real currency, but rather movie prop notes. "James Michaels" was later identified as Timothy Noble.

An investigation into Noble continued, showing that Noble attempted to buy items on Facebook Marketplace using counterfeit money, on at least three different occasions. When law enforcement apprehended Noble, they found over 400 counterfeit notes, an open Amazon package with a receipt for fake $20 bills inside, as well as several items still in boxes that were believed to be purchased with counterfeit money.

The Result: Noble was sentenced to 40 months in prison.

Lexington, Ky.

U.S. Secret Service and Florence Police Department

U.S. v. Sapienza, et al.

From January 6 through January 11, 2023, John Sapienza and Tyshawn Wilson travelled to multiple bank locations between New York and Kentucky, attempting to withdraw money from customer accounts. They used counterfeit identifications that bore Sapienza's photograph, but with the identifying information of the account holder. On January 11, 2023, Sapienza and Wilson were arrested by officers with the Fort Thomas Police Department, after attempting to execute the scheme at multiple banks.

The Result: Sapienza was sentenced to 38 months in prison. Wilson was sentenced to 44 months.

Covington, Ky.

FBI Louisville and Ft. Thomas Police Department

U.S. v. Guthrie

Jeremy Guthrie was the manager of the Frankfort branch of an apiary supply business. Over a two-year period, Guthrie stole over $550,000 from his employer and customers. Guthrie charged customer credit and debit cards for products, but diverted payment to his own personal company, Guthrie's Naturals. He altered the pay-to lines on customers' checks, and routinely offered customers unauthorized discounts in exchange for cash payments, embezzling much of the cash he received. Guthrie also created false pick tickets for sales, concealed those sales from his employer, and pocketed the proceeds. Guthrie then failed to disclose all the income he received from this fraudulent scheme to his tax preparer or the IRS, underreporting his income by $325,543.

The Result: Guthrie was sentenced to 27 months in prison and was ordered to pay $72,770 in restitution.

Frankfort, Ky.

IRS Criminal Investigation, U.S. Secret Service, and Franklin County Sheriff's Office

U.S. v. Holbrook, et al.

For 20 years, Mark Holbrook and his son, Marshall Holbrook, worked in the business of sourcing natural gas, drilling wells, and acquiring gas rights. The Holbrooks often used Delta Gas or Somerset Gas Services (SGS) to transport their gas or for direct sales. In 2016, after the market price of natural gas had fallen substantially, the Holbrooks compensated by manipulating meters that SGS and Delta used on their pipelines to measure how much natural gas the Holbrooks were providing. This scheme allowed the Holbrooks to boost their profit substantially, while financially harming both SGS and Delta.

The Result: Mark Holbrook was sentenced to 1 year in prison and was ordered to forfeit $339,952 and pay restitution of $1,207,016 to SGS and $172,964 to Delta. Marshall Holbrook was sentenced to four months in prison and six months of home detention. He was ordered to pay Delta $239,642 in restitution.

London, Ky.

FBI Louisville

U.S. v. Harrell

Jeremy Harrell, of Shelbyville, Ky., was convicted of theft of government funds. Harrell stole funds from the U.S. Department of Veterans Affairs, by obtaining $128,000 in Individual Unemployability (IU) disability payments he was not entitled to receive.

Harrell was initially awarded IU benefits in 2011. In 2019, Harrell founded Veterans Club, Inc. and served as its CEO. From 2019 through 2023, Harrell worked 40-60 hours per week, actively running the organization, managing over $400,000 in assets and approximately 6,000 volunteers, engaging in media interviews, speaking at community events, and teaching classes, among other work. This evidence showed that Harrell could maintain substantial gainful employment, rendering him ineligible to receive the IU benefits. Harrell made numerous false statements to the government about his daily activities, depicting himself as withdrawn, unable to work, leading a highly restricted life, and rarely leaving his home. Harrell made these false statement to depict himself as unemployable, to continue to receive IU benefits.

The Result: Harrell was sentenced to six months in prison.

Frankfort, Ky.

U.S. Department of Veterans Affairs Office of Inspector General

Cybercrime

Keeping the public safe requires countering cybercrime perpetuated by foreign and domestic actors. Cyberthreats to individuals take the form of identity theft, cyberstalking, account hacking, email compromise schemes, and other online fraud schemes. The Department of Justice serves as the lead federal agency for cyberthreat response and maintains primary domestic responsibility for identifying, disrupting, and prosecuting malicious cyber actors.

U.S. v. Murarka

Anurag Pramod Murarka was an international virtual currency vendor operating under two monikers (“elonmuskwhm” and “la2nyc”). From April 2021 to September 2023, Murarka operated an international money laundering business. Murarka advertised his services online, often on darknet marketplaces. Customers would contact him through encrypted messages and negotiate an exchange rate. Once the exchange rate was set, Murarka, located in India, directed his customers to send cryptocurrency. Murarka then worked through a complex, pre-arranged hawala operation emanating out of India to arrange for cash to be delivered to his employees in the United States. Murarka’s network of employees would collect cash from Murarka’s hawala connections and then package it in a variety of ways, including between the pages of books and sealed in multiple envelopes, before mailing the cash to the customer.

Murarka was aware that many of his customers engaged in criminal activity – specifically computer hacking and drug trafficking – and therefore knew that his business facilitated that criminal activity, by disguising the source of the unlawful activity. In total, Murarka and his co-conspirators laundered more than $20 million in criminal proceeds.

A joint operation between the FBI and USPIS resulted in Murarka’s arrest. Thereafter, the FBI assumed his online identity, taking control of the money laundering operation and conducting undercover activity. This operation resulted in law enforcement actions against several of Murarka’s customers, including the prevention of multiple financial account takeovers (in excess of $1.4 million), the seizure of counterfeit and illegal drugs and drug manufacturing equipment, and related prosecutions. Additionally, the FBI seized millions of dollars’ worth of criminal proceeds.

The Result: Murarka was sentenced to 121 months in prison.

Lexington, Ky.

FBI Louisville and U.S. Postal Inspection Services

U.S. v. Kipf

Jesse Kipf, of Somerset, Ky., was convicted of computer fraud and aggravated identity theft, for gaining access to a computer without authorization and then obtaining information from a protected computer. Specifically, Kipf accessed the Hawaii Death Registry System, using the username and password of a physician living in another state, and created a “case” for his own death. Kipf then completed a Death Certificate Worksheet, assigned himself as the medical certifier, and certified his own death, using the digital signature of the doctor. This resulted in Kipf being registered as deceased in many government databases. Kipf eventually admitted that he faked his own death, in part, to avoid his outstanding child support obligations.

Kipf also infiltrated other states’ death registry systems, private business networks, and governmental and corporate networks, using credentials he stole from real people. He then tried to sell access to these networks to potential buyers on the darknet, an overlay network within the internet commonly associated with the sale of illicit goods and services

The Result: Kipf was sentenced to 81 months in prison.

London, Ky.

FBI Louisville, Kentucky Attorney General’s Office, Hawaii Attorney General’s Office, and Pulaski County Sheriff’s Office

Appellate Division

Appeals from the federal trial courts in our District are to the United States Court of Appeals for the Sixth Circuit, which sits in Cincinnati. This Court reviews appeals from the federal trial courts in Kentucky, Tennessee, Michigan, and Ohio.

Appeals represent a distinct form of advocacy. Appellate courts generally do not take evidence or adjudicate facts. Instead, they consider discrete legal and factual issues arising out of a party's challenge to an order or judgment of a trial court. Appellate lawyers review the records of those proceedings, prepare written arguments, and, at the discretion of the Court of Appeals, argue their case in person. Appellate decisions that are designated for publication in a federal reporter are precedential and govern the disposition of subsequent cases involving the same issue that arise in the federal trial courts within the Sixth Circuit.

Second Amendment

***United States v. Goins,* 118 F.4th 794 (6th Cir. 2024).** The Sixth Circuit upheld the constitutionality of the federal statute prohibiting felons from possessing firearms, 18 U.S.C. § 922(g)(1), as applied to Goins, who was serving a probated sentence for felony offenses at the time he possessed a pistol.

***United States v. Morton*, 123 F.4th 492 (6th Cir. 2024).** The Sixth Circuit affirmed Morton's conviction under 18 U.S.C. § 922(g)(1), following its interpretation of the Second Amendment in *United States v. Williams*, 113 F.4th 637 (6th Cir. 2024), because his criminal history demonstrated dangerousness. Importantly, the Court considered the facts of the defendant's prior convictions, not just the convictions themselves. These facts allowed the Court to classify Morton's prior convictions for wanton endangerment and possessing a firearm as a felon as "crimes against the person." The Court also considered a domestic violence assault as a crime against the person. The Court reasoned that crimes against the person were the most serious category of prior convictions.

Fourth Amendment

***United States v. Sanders*, 106 F.4th 455 (6th Cir. 2024).** The Sixth Circuit, sitting en banc, overturned the panel's decision reversing the district court's denial of Sander's motion to suppress evidence. The Court upheld law enforcement's search of Sanders's residence, finding that the search warrant affidavit established a sufficient nexus between drug evidence and Sanders's apartment to establish probable cause and, independently, that the officers acted in good faith in securing and exercising the warrant.

Jury Selection

***United States v. Johnson,* 95 F.4th 404 (6th Cir. 2024).** The Sixth Circuit upheld the jury selection process utilized in the Eastern District of Kentucky against racial disparity challenges.

Deliberate Ignorance Instruction

***United States v. Stanton,* 103 F.4th 1204 (6th Cir. 2024).** The Sixth Circuit affirmed Stanton's conviction and sentence for conspiring to violate federal drug laws. Stanton was the medical director of a pain clinic in Tennessee. The Court approved the district court's decision to give a deliberate ignorance jury instruction based on the facts that came out during trial—an "unusual patient population," a colleague's "lack of concern about drug testing," as well as "other telltale signs of a pill mill."

Restitution

United States v. O'Hara,* 114 F.4th 557 (6th Cir. 2024)*. The Sixth Circuit, reversing the district court, held that the Mandatory Victims Restitution Act does not authorize the trial court to modify a final restitution order.

Supervised Release Conditions

United States v. Hayden,* 102 F.4th 368 (6th Cir. 2024)*. The Sixth Circuit, addressing an unsettled issue regarding supervised release conditions that a district court must orally pronounce at sentencing to satisfy a defendant's due process rights, held that standard conditions listed in a general order or in a presentence report may be incorporated by reference. But special (discretionary) conditions must be orally pronounced, and the district court must explain the basis for imposing them. Mandatory conditions, however, need not be orally pronounced because a district court has no authority to depart from imposing them.

Compassionate Release

***United States v. Washington,* 122 F.4th 264 (6th Cir. 2024).** The Sixth Circuit, affirming the district court's denial of Washington's fourth motion for compassionate release, clarified that the continuing disparity between crack and powder cocaine sentences is not an extraordinary and compelling circumstance justifying compassionate release, nor is a defendant's commendable rehabilitation efforts while in prison.

Expert Testimony

***United States v. Thompson,* 119 F.4th 445 (6th Cir. 2024).** The Sixth Circuit held that the district court did not abuse its discretion by excluding expert testimony that medical personnel's and prison staff's negligence contributed to the victim's death, nor did it plainly err by permitting the medical examiner to testify about the autopsy performed by an unavailable pathologist. The Court reasoned that Thompson's proposed medical expert testimony was irrelevant because "Thompson's experts" admitted "that Jones's stab wounds were themselves the primary cause of Jones's death." Thus, any "allegedly improper medical care did not break the causal chain." The Court also reasoned that any error in admitting a substitute medical examiner's testimony did not affect Thompson's substantial rights because Thompson did not contest causation at trial, and other evidence made it clear that Thompson caused the victim's death.

Financial Litigation Program

The Office's Financial Litigation Program collects criminal and civil debts owed to the United States or victims of federal crime. Criminal debts include fines, penalties, and restitution ordered by the court as part of judgments in criminal cases. Restitution is paid to victims of a defendant's criminal activity; these victims may be private citizens or government agencies. Criminal fines and penalties are paid to the Department of Justice's Crime Victims Fund, which distributes the funds to federal and state victim compensation and victim assistance programs.

Civil debts owed to the United States arise in a variety of contexts. Debts often stem from loans made by federal agencies to private individuals or entities, such as student loans by the Department of Education and farm loans by the Department of Agriculture. Civil debts also result from the imposition of civil penalties by federal agencies and from civil fraud actions prosecuted by our Office.

At any given time, our Office is managing over 1,000 restitution debts and is seeking to recover hundreds of millions of dollars owed to both the Government and crime victims. Staff work to identify debtors' assets and maximize recoveries using a variety of debt-collection tools, including placement of liens on debtors' properties, wage garnishment, debtor examinations, and the off-set of funds owed to debtors by federal agencies, such as income tax refunds from the IRS.

These tools can yield quick and substantial results. For example, in *United States v. Berenyi*, the defendant was convicted of conspiracy to commit honest services wire fraud and money laundering, arising from a kickback scheme. The Office's Financial Litigation Program secured full payment from the defendant immediately after sentencing; this payment included $750,000 in restitution and approximately $400,000 on a money judgment.

The Result: In fiscal year 2024, the Office collected $14,299,361 for the Government and crime victims through its Financial Litigation Program.

Asset Forfeiture

The Office's Asset Forfeiture Program seizes and forfeits money, personal property, and real property that were proceeds of crime or used in furtherance of a crime. By aiming to ensure that crime does not pay, asset forfeiture is an effective tool in dismantling criminal networks.

Forfeited assets deposited into the Department of Justice Asset Forfeiture Fund are used for a variety of law enforcement purposes. Funds shared with state and local agencies reflect the degree of their participation in law enforcement efforts resulting in forfeiture. When money or property is forfeited by a defendant who also owes restitution to a crime victim, the Office can ask that the value of the asset be paid to the victim to make them whole.

Forfeiture matters arise in a variety of cases. For example:

- In *United States v. Wala,* the defendant was convicted for producing and distributing more than 16.1 million counterfeit alprazolam pills (commonly known by the brand name Xanax). The defendant sold these counterfeit drugs on darknet marketplaces, accepting cryptocurrency as payment. The Court ordered that the defendant forfeit more than $6.9 million; seized assets included a vehicle, jewelry, and multiple bank accounts. These seizures will fund additional law enforcement efforts at the federal and state levels.

- A defendant was criminally charged with animal cruelty in connection with illegal rooster fighting in Letcher County. The Office instituted a civil forfeiture case against the real property on which the animal fighting and related illegal gambling occurred. Ultimately, the defendant agreed to the civil forfeiture of seized cash and to a cash-in-lieu payment equal to the value of the property. He also agreed to dismantle the arena where the fights occurred.

The Result: In fiscal year 2024, the Office's Asset Forfeiture Program secured $4,161,490 for federal law enforcement efforts, shared $1,508,364 with state and local law enforcement agencies, and restored $472,830 to crime victims.

State Foreclosure Actions

In addition to representing the United States' interests in federal court, the Civil Division has an extensive state court practice in the 67 counties that comprise the Eastern District of Kentucky. Most of these state cases are foreclosure matters in which a federal agency holds a mortgage on real estate. These matters result in meaningful recoveries for federal agencies such as the IRS, Housing and Urban Development, and the U.S. Department of Agriculture. For example, in *Kentucky Transportation Cabinet v. Stephens Trucking*, the Office negotiated a complex settlement whereby it recovered $456,000 to satisfy IRS liens.

The Result: In fiscal year 2024, the Office collected $1,382,137 for taxpayers through these foreclosure actions.

Defensive Litigation

The Office's Civil Division represents the United States, its agencies, and federal employees in a variety of civil actions brought against the Government. Defensive cases include suits alleging discrimination in federal employment; challenges to agency actions under the Administrative Procedure Act; cases brought by landowners against the United States under the Quiet Title Act to resolve disputes over title to real estate; actions in which federal employees are personally sued for constitutional violations (*Bivens* actions); and suits alleging negligence by Government employees under the Federal Tort Claims Act. At any given time, the Civil Division defends dozens of cases that seek, in the aggregate, hundreds of millions of dollars against the Government, its agencies, and its employees.

Federal Tort Claims Act (FTCA)

The Eastern District of Kentucky is home to multiple medical facilities that are funded by the U.S. Department of Health and Human Services. The Civil Division defends the care provided by these clinics in medical malpractice suits brought under the FTCA. Successful defense of these medical facilities allows them to continue to operate and provide quality care to underserved communities in the District. In 2024, the Office favorably resolved several such cases, resulting in substantial savings to the federal government.

Prison inmates also bring tort claims under the FTCA. For example, in *Gandy v. United States*, the inmate filed several suits against the United States claiming that the Bureau of Prisons had not provided him with adequate medical care. The Office's Civil Division successfully defended the Government, obtaining summary judgment from the court.

Employment Discrimination

The federal government employs two million workers and, like any other employer, faces lawsuits from employees arising from issues allegedly occurring in its workplaces. The Office's Civil Division defends federal agencies in these employment actions. For example, in *Hankins v. McDonough*, a federal employee alleged a hostile work environment and disability discrimination, spanning a period of several years and involving three different federal employers in three different states. The Office's Civil Division successfully defended the Government, winning a motion for summary judgment.

Awards

Assistant U.S. Attorney Justin Blankenship was awarded the Danny Ray Smith Crime Victim's Rights Award, in recognition of outstanding work prosecuting a child exploitation case.

Assistant U.S. Attorney Paco Villalobos (fourth from right), along with ATF Louisville and Kentucky law enforcement agents, were awarded the ATF Director's Masengale Award for extraordinary work on an explosives investigation.

Law Enforcement Excellence Awards

In 2024, the U.S. Attorney's Office presented its Law Enforcement Excellence Awards to recognize exceptional work in cases involving Office priority areas, including violent crime, drug trafficking, overdose deaths, elder fraud, pandemic-relief fraud, public corruption, and child exploitation.

The following law enforcement officers and organizations were honored:

- **Jeff Price, Special Agent, ATF**
- **Bill Brislin, Detective, Georgetown Police Department; Task Force Officer, DEA**
- **Steve McCown, Detective, Lexington Police Department; Task Force Officer, ATF**
- **Paul Megilligan, Detective, Danville Police Department**
- **Mike Hughes, Diversion Investigator, DEA**
- **Jared Sullivan, Special Agent, DEA**
- **Chelsea Holliday, Special Agent, FBI**
- **Zachary Bryson, Detective, Kentucky State Police; Task Force Officer, FBI**
- **Eric Long, Forensic Examiner, Kentucky Office of Attorney General; Task Force Officer, U.S. Secret Service**
- **Jason Jarvis, Special Agent, Treasury Inspector General for Tax Administration**
- **Remington Schilling, Special Agent, U.S. Department of Veterans Affairs, Office of Inspector General**

Community Relations

In 2024, the U.S. Attorney's Office participated in many community events around the eastern and central Kentucky area, in order to support our community and law enforcement partners and to further the mission of the Department of Justice.

USAO Staff observing
Black History Month

USAO Staff Wearing Blue for
National Police Week

USAO Staff Wearing Purple for Domestic
Violence Awareness Month

USAO Staff at Lexington's Crime
Victims Rights Luncheon

USAO Staff volunteering at God's Pantry Food Bank

USAO Staff at Lexington's
DiverCity Festival

USAO Staff at Winburn Public
Safety Day

USAO Staff attending London Police
Department's National Night Out

USAO Staff at Richmond Police
Department's Back to School Bash

USAO Staff and DEA Louisville at Apple
Days in Paintsville, Ky.

Former U.S. Attorney Shier conducting a
HEAT presentation to Madison County
Sheriff's Office

U.S. Attorney's Office

Eastern District of Kentucky

859-233-2661

260 W. Vine Street

Suite # 300

Lexington, KY 40507-1612

justice.gov/usao-edky

@USAO_EDKY

U.S. Attorney's Office for the Eastern District of Kentucky