FREEDOM OF INFORMATION
AND
PRIVACY ACTS

SUBJECT **Marshall E. Honaker**

FEDERAL BUREAU OF INVESTIGATION

6/23/86 [redacted]

b7C

talked to Sgt. got lost [redacted] stopped

[redacted]

[redacted] knew about gifts - sex book

city police & Sheriff

Was resident of [redacted] county

b7C

believed Honaker claimed absentee

ballots - for [redacted] [redacted]

ove [redacted] during recent election

[redacted]

Rt.

DCPD

1984

b7C

[redacted]

[redacted]

[redacted] Field

talked to [redacted] after

lived at [redacted]

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

MEMORANDUM

TO : SAC, RICHMOND (~~194C~~ 87E-NEW) (P)

DATE: 6/18/86

FROM : SA [redacted]

SUBJECT: MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VIRGINIA
HOBBS ACT; CORRUPTION OF PUBLIC OFFICIAL
(OO: RH)

On 5/29/86, [redacted] was interviewed by SA [redacted] as a result of her having contact of the Bristol, Virginia, Resident Agency, during which she stated that she wanted to provide information concerning captioned subject [redacted] and whom she believed is operating his office in a corrupt manner for his own personal gain. She advised that Sheriff HONAKER was using his influence to obtain interest in the estates of older persons by having himself named in their wills.

She advised that there [redacted] b7C

[redacted] codicil to a will Ms. EDITH ROBERTS, was a forgery. This codicil gave the bulk of the EDITH ROBERTS' estate to Sheriff MARSHALL E. HONAKER. In addition, she advised that the Bristol City forum, which is operated by the BRISTOL, VIRGINIA, SHERIFF'S OFFICE, for the purpose of growing food for inmates, was originally owned by Sheriff HONAKER, and it was only after an inmate at the BRISTOL CITY JAIL, who was working illegally on the farm was killed, that the deed to the property was made to the city of Bristol.

[redacted]

(2)-Richmond
DPT/sgr
(2)

87E-16495-1

SEARCHED INDEXED
SERIALIZED FILED
JUN 18 1986
FBI—RICHMOND

In addition, complainant alleged that Sheriff HONAKER received a $20,000.00 check payable to himself from the estate of EDITH ROBERTS, and that the signature of ROBERTS appearing on the check was forged.

[redacted] advised that she had several witnesses who would be willing to come forth and provide information to the FBI concerning the alleged corrupt manner in which MARSHALL HONAKER was running his office.

Arrangements were made to interview [redacted] in further detail regarding captioned matter. b7C

Based on the above, interviews will be held with [redacted] and with other witnesses who allegedly have information concerning captioned matter. Upon completion of preliminary interviews, AUSA will be contacted regarding this matter.

FD-302 (Rev.3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/23/86

1

He advised he has known Bristol, Virginia, City Sheriff MARSHALL HONAKER for 12 to 13 years. He stated that, in his opinion, Sheriff HONAKER is an intimidating and threatening person who is a "slick operator." stated he had been a supporter of Sheriff HONAKER at one time until an He related

When the police arrived, his

this and was never reported to the FEDERAL BUREAU OF INVESTIGATION (FBI). Mr. b7C stated that he had contacted someone at the FBI Office in Bristol and was advised of the procedure for making a civil rights complaint and when told that

that Sheriff HONAKER has the power to messup one's life. He stated that as an example,

advised that Sheriff HONAKER, at one time, worked for the Virginia DEPARTMENT OF MOTOR VEHICLES and was allegedly fired from that job.

Another matter that he stated he wished to discuss was an estate matter involving JEAN MALCOLM, whom he described as a deceased midget who operated MALCOLM'S MARKET in Bristol. He stated that Sheriff HONAKER somehow or other was able to get JEAN MALCOLM'S mother, EDITH MALCOLM, to change her will while she was in the hospital and immediately before her death, giving everything

Investigation on 6/3/86 at Bristol, Virginia File # Richmond 87E-16495-2

by SA :jzg Date dictated 6/16/86

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that she owned to a local church in Bristol. He stated that Sheriff HONAKER had city deputies posted at the hospital door and would not allow anyone to go into her room while she was in the hospital. This also occurred several years ago.

[redacted] stated [redacted] Mr. PAUL COCK (deceased), an ex-Vice President of DOMINION BANK in Bristol, that the situation in Bristol wherein then Bristol [redacted] received information from sources that Sheriff HONAKER himself is gay.

b7C

[redacted] advised that [redacted] BRISTOL SHERIFF'S DEPARTMENT. He advised he believes Sheriff HONAKER misuses the job of sheriff in that he uses jail inmates to cook food for various functions that he attends which are primarily related to him being reelected.

Concerning the [redacted] stated that the arrest was actually made by the BRISTOL CITY POLICE DEPARTMENT but the beating was done by the BRISTOL CITY SHERIFF'S OFFICE. He stated [redacted] and that he was uncertain as to the exact date of the arrest but believed it to be at least four to five years ago and may possibly been longer.

FD-302 (Rev.3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/25/86

1

[redacted] was interviewed at the [redacted]

[redacted] advised that [redacted] the Bristol, Virginia, City Sheriff, MARSHALL HONAKER. By way of background, she advised that MARSHALL HONAKER [redacted]

[redacted] advised that she believed that MARSHALL HONAKER has been using his influence as the City Sheriff in Bristol, Virginia, to obtain the estates of old people and provided the following information:

She advised that several years ago, an older gentleman by the name of MACK WHITE, who owned a large farm in Washington County, Virginia, was befriended by MARSHALL HONAKER shortly before his death. MACK WHITE allegedly could not read or write. However, WHITE allegedly told MARSHALL HONAKER that he wanted to update his will and MARSHALL HONAKER allegedly agreed to help him do so. [redacted] alleged that MARSHALL HONAKER then had a will typed per the instructions of Mr. WHITE. However, he also typed a second will in which he was to be the beneficiary to all of the estate. Allegedly, when the will was taken to Mr. WHITE to be signed, one meeting his instructions was read to him and was shown to the witnesses present. According to [redacted] after the legitimate will was read to Mr. WHITE and shown to the witnesses, it was switched with the second will, giving everything to MARSHALL HONAKER, which was then signed by MACK WHITE and witnessed by two persons who were present. b7C

She advised that the second will gave everything to MARSHALL HONAKER and that it involved an estate of approximately several hundred thousand dollars. There was some type of legal challenge made to the will and a potential witness who was to testify in the matter was accidently killed in New York City in some type of automobile accident shortly before the hearing.

Investigation on 5/29/86 6/16/86 at [redacted] File # Richmond 87E-16495-3

by SA [redacted] /kyf Date dictated 6/16/86

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SEARCHED ptw
SERIALIZED ptw
INDEXED
FILED

1 2 3 5

[redacted] concerning the witness who was killed accidently.

[redacted] advised that the MACK WHITE farm that was given to MARSHALL HONAKER in the phony will is what is now known as the City of Bristol Farm, which is farmed by inmates of the Bristol City Jail. However, after the death of MACK WHITE, the farm allegedly was the property of Sheriff MARSHALL HONAKER and he was allegedly using prisoners from the jail to do labor at the farm. At that time, a young fellow, name unknown, was accidently killed in some type of farm accident. She stated that this has been a few years ago. [redacted] claimed that, after the accident, the MACK WHITE farm was then suddenly deeded to the City of Bristol and she felt that [redacted] also MARSHALL HONAKER's backdate the paperwork giving the MACK WHITE farm to the City of Bristol to alleviate any claims that might arise against MARSHALL HONAKER as a result of the jail inmate having been killed at the farm. b7C

In addition to the above, [redacted] advised that MARSHALL HONAKER was the [redacted]

She advised that [redacted]

She stated that [redacted]

gave the larger part of the estate to MARSHALL HONAKER.

[redacted] stated that after the death ROBERTS, MARSHALL HONAKER [redacted]

She exhibited to SA [redacted] a copy of DOMINION NATIONAL [redacted] in the amount of [redacted] payable to MARSHALL HONAKER, signed [redacted] and

[redacted] alleged that the signature appearing on the check described above was forged and stated that [redacted] b7C

[redacted] a former FBI Documents Examiner that the check described above, the codicil, and a will which was received after the [redacted]

[redacted] advised that the [redacted] She

[redacted] advised concerning the codicil, she believed that it too was a forgery and stated that [redacted] who is the witnesses to the codicil. Sheriff MARSHALL HONAKER. In addition, [redacted]

b7C

[redacted] in Bristol, was also a witness. In addition to the questioned validity of the signature appearing on the codicil, [redacted] advised that [redacted] presented several

b7C

[redacted]

Concerning the handwriting analysis [redacted] advised that [redacted] a retired FBI Documents Examiner, concluded that the $20,000.00 check, the codicil, and a will from the state of Ohio, which was mysteriously received after [redacted] were all trace over type signatures.

[redacted] advised that MARSHALL HONAKER used an expert, name unrecalled, but advised that he is the handwriting expert who allegedly authenticated some Hitler documents which surfaced a few ago and which were later found to be fake. She advised that this expert testified that the three signatures appearing on the above-described documents had some questions, but he did not believe them to be forgeries.

As to other background information concerning MARSHALL HONAKER, [redacted]

b7C

She advised that, in her opinion, MARSHALL HONAKER is a very vindictive person and is very clever in his dealings. She gave as an example a situation [redacted]

[redacted]

She advised that MARSHALL HONAKER told the family not to worry about the Virginia charges; that he would take care of them. However, recently, even though it has been [redacted] She believed that MARSHALL HONAKER was responsible for the news article having been sent.

She stated that she believes MARSHALL HONAKER is a homosexual and she has heard that he has forced his attention on prisoners. In addition, he allegedly was arrested at the K-MART STORE in Bristol, Tennessee, while engaged in some type of homosexual activity. However, due to his position, no formal charges were made and no record of the arrest exists.

Concerning the $20,000.00 check, [redacted] stated that the check is in the custody of the CITY OF BRISTOL COURT and that [redacted] made available a copy of the check and a copy of the report of the questioned Document [redacted] She was advised that the report would be reviewed and would be returned to her. b7C

[redacted] stated that the following additional people would have information concerning misuse of the office of the City Sheriff by MARSHALL HONAKER:

[redacted]

In addition, [redacted] made available for review [redacted] and was advised that [redacted] would be returned to her immediately upon their review by SA [redacted] She was also advised that the UNITED STATES ATTORNEY'S OFFICE, Western District of Virginia, would be contacted as to possible criminal violations concerning the information which she had provided and that the opinion of the United States Attorney would be made known to her at a later date.

b7C

Subsequently, on June 16, 1986, [redacted] was recontacted regarding several questions that were raised from review of the documents and provided the following information:

She advised that the witnesses to the mysterious will, which appeared from the state of Ohio and which was mailed to the office of [redacted]

b7C

She stated that the original codicil to the will disappeared allegedly during the time that [redacted] was in possession of a briefcase containing important papers of [redacted] EDITH ROBERTS. However, she stated that [redacted] only kept the briefcase upon the insistence of MARSHALL HONAKER. [redacted] who had written the original will, had made a copy of the codicil when he was consulted by both MARSHALL HONAKER and [redacted] concerning the validity of the codicil. This codicil is the one that was used for handwriting comparison purposes by the various document examiners. She stated that she believed the signatures appearing on the codicil, the will from Ohio, and the check were one and the same and that, if you held them up to a window or a light and laid one over top of the other, they would match perfectly.

During this contact, [redacted] was advised that the office of the United States Attorney, WDVA, had been contacted and Assistant United States Attorney (AUSA) THOMAS R. KING, JR. advised that he saw no violations concerning the estate matter.

However, AUSA KING advised that he would reserve his opinion concerning the possible forgery of the $20,000.00 check until such time as [redacted]

b7C

[redacted] expressed doubt as to whether or [redacted] would make [redacted] presented to him and that she believes that he is biased in favor of Sheriff MARSHALL HONAKER and [redacted] b7C

Rev.3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/23/86

1

[redacted] telephone number [redacted] voluntarily appeared at the Bristol, Virginia, Resident Agency of the FBI, after which she provided the following information:

b7C

She [redacted]

Sheriff HONAKER.

[redacted] advised that [redacted] Sheriff HONAKER, that he sent inmates to his home to do housework. [redacted] b7C

[redacted] was sent to Sheriff MARSHALL HONAKER'S home to do housework. She stated that she believed that the deputies who worked at the city jail were too intimate with female inmates, even though she never saw any of them engage in sexual intercourse with the inmates. She further stated that she believed that [redacted]

She advised that while she knew of no specific illegal acts on behalf of Sheriff MARSHALL HONAKER, that she had spoken with various people and had become aware of the names of different individuals whom she believed would have information concerning illegal acts on his behalf. She identified these people as follows:

[redacted] police officer;

[redacted] and it was unknown as to whether or not he would be able to submit to an interview;

1,2 dpt

Investigation on 6/3/86 at Bristol, Virginia File # Richmond 87E-16495-4

by SA [redacted]/sgr Date dictated 6/16/86

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Bristol, [redacted]

[redacted] stated that she has learned that some time ago, MARSHALL HONAKER was caught in the restroom at K-MART with another male individual, and that he is a "homosexual." In addition, [redacted] Virginia.

She stated that [redacted] MARSHALL HONAKER is a homosexual, but did not submit to an interview.

She further advised that [redacted] Sheriff MARSHALL HONAKER, who was [redacted]

[redacted] was advised that being a homosexual is not a Federal crime, and that the above-named individuals would not be interviewed unless they had evidence of violations of Federal laws on behalf of Sheriff MARSHALL HONAKER.

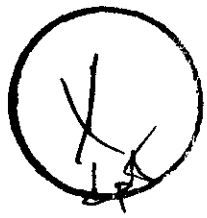
She advised that she realized the information she had was dated and was non-specific in nature, but felt that she should come forth and make it known.

b7C

RH 87E-16495
DPT/sgr

1

On June 6, 1986, this matter was discussed with Assistant United States Attorney (AUSA) THOMAS R. KING, JR., Western District of Virginia, Roanoke, Virginia, who advised that he felt there was no Federal violation concerning the estate matter as related to him. Concerning the possible forgery of a $20,000.00 check made payable to Sheriff MARSHALL E. HONAKER and signed EDITH ROBERTS, AUSA KING advised that he would reserved his opinion until after a ruling is made by Judge AUBREY C. MATTHEWS in local court in Bristol, Virginia. AUSA KING noted that if the check is a forgery, that there is also a state violation which could be pursued if the complainant so desired. He requested that this investigation be kept pending until a ruling is made by Judge MATTHEWS.



ptw

ptw

87-16495-5

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

MEMORANDUM

DATE: 7/7/86

TO : SAC, RICHMOND (87E-16495) (P)

FROM : SA [redacted]

SUBJECT: MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VIRGINIA
HOBBS ACT; CORRUPTION OF PUBLIC OFFICIAL; ITSP
(OO: RH)

On 6/18/86, SA [redacted] telephonically contacted the Document Section, FBI Laboratory, and spoke with Document Examiner [redacted] The purpose of the contact was to determine if the Document Section could examine the $20,000.00 check in captioned matter after it had been examined by at least three other questioned document examiners. SA [redacted] advised that it is the policy of the Document Section not to make reexaminations of documents that have been previously examined by experts. He stated that in extremely rare situations involving matters of national significance and/or a gross miscarriage of justice, an exception would sometimes be made to the policy. SA [redacted] noted that if the examiners that had also conducted the examination used the proper techniques, that their conclusions should be the same as that which would be reached by the Document Section if an examination was to be conducted by that section.

X a

b7C

During the above discussion, it was also determined that if the check in question were, in fact, a forgery involving a carbon trace, it would be extremely difficult to prove who was involved in the trace signature inasmuch as there would be no natural characteristics in the signature from the writer thereof. As to other possible examinations, it is noted that captioned subject, as recipient of the check, would have his fingerprints on it as a matter of routine.

(2) - Richmond
DPT/bwh
(2) bwh

87-16495-6
SEARCHED INDEXED
SERIALIZED FILED
JUL 1986
FBI—RICHMOND

RH 87E-16495

Contact with the U.S. Attorney's Office on 6/23/86, determined that AUSA THOMAS R. KING is on vacation and will not return for approximately one week.

LEAD:

RICHMOND DIVISION

AT BRISTOL, VIRGINIA

Will contact AUSA THOMAS R. KING and advise him of the above and thereafter determine what, if any, additional investigation is necessary.

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/14/86

1

was contacted at his request inasmuch as he had telephonically contacted the Bristol, Virginia, Resident Agency of the FEDERAL BUREAU OF INVESTIGATION (FBI). provided the following information:

He is Virginia, and moved back to Southwest Virginia after his

b7C

In approximately 1984, Virginia, VIRGINIA STATE POLICE (VSP) regarding matters in the city of Bristol, Virginia, which he believed should be investigated, involving the BRISTOL CITY SHERIFF'S OFFICE and the BRISTOL CITY POLICE. One of the matter that he complained about involved members of the CITY POLICE and CITY SHERIFF'S OFFICE obtaining "sex books" from various bookstores, reading them and then taking them back to the stores. He advised that he

b7C

name unknown, and after having received

COUNTY SHERIFF'S DEPARTMENT and BRISTOL CITY JAIL. When

advised that he believed that Bristol City Sheriff Marshall HONAKER had changed some absentee ballots regarding a recent election between He stated that MARSHAL HONAKER is a supporter of eventhough they are of different parties.

related that on another occasion,

Investigation on 6/23/86 at Abingdon, Virginia File # Richmond 87E-16495

by SA /kdi Date dictated 7/1/86

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SEARCHED
SERIALIZED
INDEXED
FILED

[redacted] and while there, was [redacted]

[redacted] advised that he knew of no specific violations of law on behalf of anyone, other than that he felt that his Civil Rights had been violated when [redacted] He was advised that that the FBI could only investigate specific violations of Federal law, and that in the absence of more specific information, no further investigation would be conducted concerning his complaint. b7C

[redacted] advised that had been asked to contact the FBI concerning his knowledge of Sheriff HONAKER.

The interview was subsequently terminated.

FD-302 (Rev.3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/14/86

1

[redacted]

b7C

[redacted] advised that she believed [redacted] was in error in [redacted] inasmuch as the check had not been a matter of the estate and that her [redacted] planned to [redacted] concerning this [redacted]

[redacted] was advised that contact had been made with the U.S. Attorney's Office and with the FBI Laboratory. She was further advised that it is the policy of the FBI Laboratory that documents that have previously been examined by other experts not be re-examined by the Laboratory.

Investigation on 6/27/86 at Bristol, Virginia File # Richmond 87E-16495-8

by SA [redacted] /lnm Date dictated 7/1/86

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b7C

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INDEXED
FILED

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

87E-16495

Post Office Box 12325
Richmond, Virginia 23241
August 6, 1986

File Stripped 8/30/91 JRD

Honorable John P. Alderman
United States Attorney
Western District of Virginia
Roanoke, Virginia

Attention: Mr. Thomas R. King, Jr.
Assistant United States Attorney

Re: MARSHALL E. HONAKER,
SHERIFF, BRISTOL, VIRGINIA
INTERSTATE TRANSPORTATION OF
STOLEN PROPERTY; HOBBS ACT;
CORRUPTION OF PUBLIC OFFICIAL

Dear Sir:

This will confirm recent conversations between Assistant U.S. Attorney (AUSA) Thomas R. King, Jr. and Special Agent (SA) [redacted] wherein the following was discussed: b7C

As AUSA King is aware, allegations were received in June 1986 concerning the alleged mishandling of the estate of Edith T. Roberts, deceased, and of Marshall E. Honaker. Also discussed during the conversations was a $20,000.00 check payable to Marshall E. Honaker and written on the account of Edith T. Roberts shortly before her death. Other relatives had challenged the validity of the $20,000.00 check and the validity of certain other documents regarding the estate of Ms. Roberts, including the will and a codicil thereto. As was discussed with AUSA King, Judge Aubrey C. Matthews had ruled that the will and codicil were valid instruments.

1-Addressee
1-Richmond (87E-16495) (C)
DPT/lnm
(2)

DESTRUCTION DATE: 8/91

SEARCHED
SERIALIZED
INDEXED
FILED

87E-16495-9

On June 6, 1986, AUSA King was advised that the matter concerning the validity of the $20,000.00 check was still pending in local court and at that time, AUSA King advised that he would reserve his opinion regarding possible Federal violations until such time that Judge Matthews had ruled on the validity of the $20,000.00 check. For information, it is noted that the check had been examined by at least three handwriting experts, the examination of which resulted in conflicting opinions as to the validity of the signature. SA [redacted] inquired of the Document Section of the Federal Bureau of Investigation (FBI) Laboratory as to what, if any, additional examinations could be made in order to determine the validity of the signature appearing on the $20,000.00 check. This inquiry determined that it is the overall policy of the Document Section not to re-examine evidence that has previously been examined by other experts. b7C

On June 26, 1986, during a hearing in local court at Bristol, Virginia, Judge Matthews ruled that based upon evidence presented to him that the $20,000.00 check was a valid instrument.

On July 16, 1986, AUSA King advised that in view of the opinion of Judge Matthews, he desired no further investigation be conducted concerning this matter inasmuch as there is no evidence that a Federal crime was committed. Accordingly, the Richmond Office of the FBI is closing this matter.

Very truly yours,

Terry T. O'Connor
Special Agent in Charge

By: [redacted] b7C
Supervisor

(Title) _____

(File No.) _____

Item	Date Filed	To be returned			Disposition
		Yes	No		

87E-1649S-A

SEARCHED _____ INDEXED _____
SERIALIZED _____ FILED _____

JUL 9 1986

FBI—RICHMOND

Exhibit A

CLASS: 087 CASE: 016495 SUB-FILE: EX-NO: A004 EX-ITEM: 0001
SERIAL: ENT-DATE: 072086 ACQ-DATE: 062386 DOC-DATE: FO: RH
FROM: [redacted]
G-JURY: N
LOC: EX A RETAIN: RETURN: N RECEIPT: N
DESCR: INTERVIEW NOTES OF [redacted] b7C
CHGD-OUT: INV1: INIT1: INV2: INIT2:
DISP-DATE: MEANS:

CLASS: 087 CASE: 016495 SUB-FILE: EX-NO: A003 EX-ITEM: 0001
SERIAL: 00004 ENT-DATE: 070986 ACQ-DATE: 060386 DOC-DATE: FO: RH
FROM: [redacted] G-JURY:
LOC: EX A VOL 1 RETAIN: RETURN: N RECEIPT: N b7C
DESCR: ORIGINAL NOTES RE INTERVIEW OF [redacted]
CHGD-OUT: INV1: INIT1: INV2: INIT2:
DISP-DATE: MEANS:

CLASS: 087 CASE: 016495 SUB-FILE: EX-NO: A002 EX-ITEM: 0001
SERIAL: 00003 ENT-DATE: 070986 ACQ-DATE: 052786 DOC-DATE: FO: RH
FROM: [redacted] G-JURY:
LOC: EX A VOL 1 RETAIN: RETURN: N RECEIPT: N
DESCR: ORIGINAL NOTES RE INTERVIEW OF [redacted]
CHGD-OUT: INV1: INIT1: INV2: INIT2:
DISP-DATE: MEANS:

b7C

CLASS: 087 CASE: 016495 SUB-FILE: EX-NO: A001 EX-ITEM: 0001
SERIAL: 00002 ENT-DATE: 070986 ACQ-DATE: 060386 DOC-DATE: FO: RH
FROM: [redacted]
G-JURY:
LOC: EX A VOL 1 RETAIN: RETURN: N RECEIPT: N
DESCR: ORIGINAL NOTES RE INTERVIEW OF [redacted]
CHGD-OUT: INV1: INIT1: INV2: INIT2:
DISP-DATE: MEANS:

b7C

FD-340 (Rev. 4-3-84)

Serial 2

Field File No. _____

OO and File No. #7E 16495-A1

Date Received 6/3/86

From [redacted]
(Name of Contributor)

[redacted]
(Address of Contributor)

Bristol, VA.
(City and State)

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☒ No Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure ☐ Yes ☐ No

b7C

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

6/3/86

Marshall Honaker known
Intimidate - threatening
slick operator

b7C

took to

photos

working

SA

RH 87-16495-A1

Honaker allegedly fired by [redacted]

b7C Gene Malcolm - midget (Deceased)
Paul Cook (Deceased) of VP - Dominion Bank
[redacted] hospital
had deputies on door - charged
will changed to give everything to
Church of Bristol
Honaker - State Street Methodist

b7C

Denied [redacted]

BCSO

he is gay.

[redacted]

Marshals

FD-340 (Rev. 4-3-84)

Serial 3

Field File No. _____

OO and File No. RH 87E 1649-A 2

Date Received 5/27/86

From [redacted]
(Name of Contributor)

(Address of Contributor)

(City and State)

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☒ No Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure ☐ Yes ☐ No

b7C

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

May 29, 1986

[redacted]

b7C

b7C

Marshal Honaker [redacted]

[redacted]

Edith T. Roberts [redacted]

[redacted]

Estates - old people

M.H. & [redacted]

b7C

Mack White - large estate
could not read or write -
wanted to update will -
MH has will typed per
instructions - two
has our witness

RA 87-16495-A2

(2)

Will signed gave [redacted] everything
several hundred thousand dollars
[redacted]

Mack White own city farm
had prisoners used to do
labor on his farm (free labor)
Young fellow killed accidentally
on farm (few years ago)
Farm suddenly deeded to
city & [redacted] M.H. of
legal responsibility

Executor of [redacted] estate -
several thousand dollars missing

b7C

Edith Roberts estate - land TN, Va & Ohio

Codicle found in briefcase giving him largest part of estate -

Ck dtd 5/16/85 $20,000
Marshal Honaker

joint acct - Edith Roberts or

[redacted]

b7C

Dominion National Bank
Bristol, Va.

[redacted]

Trial two day - 26 exhibits
8 min deliberation Judge
Matthews found for
Honaker

(3)

[redacted]

M.H. living beyond income

Edith Roberts

[redacted]

[redacted] FRI

handwriting Xpert -
concluded check, codicils &
will from Ohio were trace
over types

Marshal Honaker xpert
was man who allegedly authorized
[redacted] document later found
to be fake. Testified
signatures had question.

b7C

(4)

jail suicide

[redacted]

knows about situation -

Marshal is vindictive to

[redacted]

MH holding Virginia

charges

[redacted]

news article.

MH is h.s. - Forced attention

a prisoners

?

[redacted] Sheriff

b7C

Edith Roberts estate worth
+4 million. Died 5/29/80-

[redacted]

b7C

Have $20,000 check
In custody of city of
Bristol Court

[redacted]

[redacted]

Two story - white siding
black shutters

FD-340 (Rev. 4-3-84)

Serial 4

Field File No. _____

OO and File No. 94-87E-16491-A3

Date Received 6/3/82

From [redacted]
(Name of Contributor)

(Address of Contributor)

Bristol, Va
(City and State)

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☑ ~~No~~ Receipt Given ☐ Yes ☑ ~~No~~

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure ☐ Yes ☐ ~~No~~

b7C

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted]

[redacted]

has lots of info

[redacted]

recently

[redacted]

from Homak -

[redacted]

[redacted] state?

Va [redacted] case

Caught in rest room at K Mart

homosexual

[redacted]

caught w

by [redacted]

[redacted] has

papers re MH being gay

b7C

RH 87-16495-A

6/3/86 age 65

[redacted]

Worked for SSA - [redacted]

until [redacted]

[redacted]

thought [redacted]

Sent inmates to home to do homework [redacted]

w to RH

[redacted]

(too friendly)

Deputies intimate w female inmate - did it see innercourse

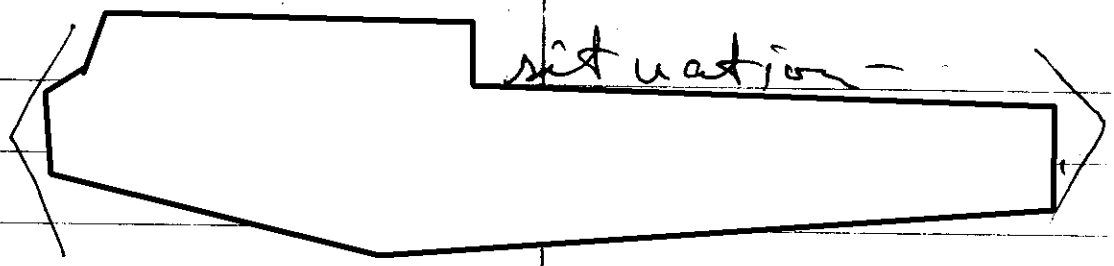
[redacted] - ex policeman

BVA

b7C

b7C

b7C



b7C

FD-340 (Rev. 4-3-84)

Field File No. _____

OO and File No. RH 87E 16495 - A4

Date Received 6/23/86

From [redacted]
(Name of Contributor)

[redacted]
(Address of Contributor)

[redacted]
(City and State)

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☒ No Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure ☐ Yes ☐ No

b7C

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted]

FOIPA

DO NOT DESTROY

PRIOR TO

RICHMOND FILE # 87-16495

FOIPA FILE # 190-RH-49487

MAINTAIN AS TOP SERIAL

FREEDOM OF INFORMATION
AND
PRIVACY ACTS

SUBJECT MARSHALL E. HONAKER

FEDERAL BUREAU OF INVESTIGATION

FOIPA

DO NOT DESTROY

PRIOR TO

RICHMOND FILE # 46-RH-40962

FOIPA FILE # 190-RH-49487

MAINTAIN AS TOP SERIAL

Memorandum

To : SAC, RICHMOND (46A RH-NEW) Date 12/16/91

From : SA [redacted]

Subject: MARSHALL E. HONAKER, SHERIFF
BRISTOL, VIRGINIA SHERIFF'S OFFICE,
BRISTOL, VIRGINIA;
FAG
OO: RICHMOND

b7C

Subject

b7C

In January, 1991, an investigation entitled [redacted] DEPUTY SHERIFFS, BRISTOL, VIRGINIA, SHERIFF'S OFFICE, was initiated in Bristol, Virginia, to investigate the numerous allegations of corruption on the part of the three deputies and the Sheriff, MARSHALL E. HONAKER. Originally, Sheriff HONAKER was not included in the title due to the lack of specificity of the allegations concerning him and because of the sensitivity of his position as President of the NATIONAL SHERIFF'S ASSOCIATION.

During the investigation, no explanation could be determined that would account for the inordinate increase in wealth displayed by Sheriff HONAKER in the last three years. The records of his personal bank account at DOMINION BANK were subpoenaed and when the documents were received, it became apparent that Sheriff HONAKER had diverted over $300,000.00 in Federal funds paid to the City of Bristol for housing Federal prisoners to his own personal use.

This diversion was determined to be in direct violation of Title 18, United States Code, Section 666.

It is recommended that a new FAG investigation be opened, captioned as above.

b7C

2 - Richmond
NCH/jcn
(2) [redacted]

Submit FD-761 to FBI HQ & 30 Day LHM T 1/13/92 RDB

1*

46A-RH-40962-1

SERIALIZED INDEXED
FILED
FBI - RICHMOND

b7C

O + A

RDB C/A [redacted]

Memorandum

To : SAC, RICHMOND (~~194D RH-39874~~) (P) 46A-RH-40962 Date 12/10/91

From : SA N[redacted]

Subject: RENTAL OF VEHICLE FOR 30 DAYS

b7C

On 12/4/91, SSA[redacted] advised that SAC SATKOWSKI authorized the rental of a vehicle for 30 days to facilitate investigation in Bristol, Va. This rental vehicle is necessary because of the sensitivity of the investigation, position of the main subject, and the imminence of the service of search and seizure warrants.

This vehicle is due back 1/5/91.

2 - Richmond
NCH/leh
(2)

AGENT INSTRUCTED TO INDEX ON WORK COPY

46A-RH-40962-2
SEARCHED INDEXED
SERIALIZED FILED
DEC 1991
FBI—RICHMOND

C/A [redacted]

b7C

Memorandum

To : SAC, RICHMOND (46A RH-40962) (P) Date 12/20/91

From : SA [redacted]

Subject: MARSHALL E. HONAKER, SHERIFF
BRISTOL, VIRGINIA SHERIFF'S OFFICE
FRAUD AGAINST THE GOVERNMENT -
DEPARTMENT OF JUSTICE
(OO: RH)

The purpose of this memorandum is to request supervisor and SAC approval for the installation of pen registers on telephones as follows:

Residence of
MARSHALL E. HONAKER
7 Woodland Drive
Bristol, VA

Private telephone located in office of
Sheriff MARSHALL E. HONAKER
417 Cumberland Street
Bristol, VA.

b7C

This matter has been discussed with Assistant United States Attorney JULIE M. CAMPBELL, Western District of Virginia, Abingdon, Va., who is willing to file the pen register request with the appropriate UNITED STATES DISTRICT COURT Judge. The use of the pen register is not being requested as a substitute for other logical investigation.

This matter has been discussed with SA [redacted] who will make arrangements for the availability of the appropriate equipment.

5-Richmond
(3-46A RH-40962)
(1-66-2827 Pen Register Control File)
(1-SA [redacted]
DPT/jgs
(5)

b7C

46A-RH-40962-3

Approved mg

[redacted]

(INFO)

b7C

C/A [redacted]

Additionally, [redacted] UNITED TELEPHONE COMPANY, Bristol, Tenn., has been contacted and has advised that it would be feasible to install the appropriate telephone lines from the above residences to space currently available in the [redacted] has advised that it will cost approximately $90 per line for installation or $180 total. The monthly rate for the lines is anticipated to be approximately $15 per month or $30 for the two lines. b7C

Inasmuch as the pen register technique will aid considerably in captioned investigation, it is requested that the approval be granted for installation of same.

SAC Approval

SSA [redacted] Approval

12/23/91

b7C

Pen register coverage should begin on 1/10/92 RDS

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
[X] Teletype
[ ] Facsimile
[ ] AIRTEL

PRECEDENCE:
[ ] Immediate
[X] Priority
[ ] Routine

CLASSIFICATION:
[ ] TOP SECRET
[ ] SECRET
[ ] CONFIDENTIAL
[ ] UNCLAS E F T O
[X] UNCLAS

Date 12/20/91

FM FBI RICHMOND (46A RH-40962) (P)

TO DIRECTOR FBI ()/PRIORITY/

BT

UNCLAS

CITE: //3710//

PASS: ASSOCIATE DEPUTY DIRECTOR FOR INVESTIGATIONS, W; DOUGLAS GOW; ASSISTANT DIRECTOR TRAINING DIVISION, ANTHONY E; DANIELS; WHITE COLLAR CRIMES SECTION, GOVERNMENTAL FRAUD UNIT; WHITE COLLAR CRIMES SECTION, PUBLIC CORRUPTION UNIT.

SUBJECT: MARSHALL E HONAKER, SHERIFF, BRISTOL, VIRGINIA, SHERIFF'S OFFICE; FRAUD AGAINST THE GOVERNMENT - DEPARTMENT; OF JUSTICE; OO: RICHMOND.

RE RICHMOND SAC TELCAL TO ASSOCIATE DEPUTY DIRECTOR W. DOULGAS GOW ON DECEMBER 20, 1991.

DURING OCTOBER 1990, THE INTERNAL REVENUE SERVICE BEGAN A TAX INVESTIGATION OF MARSHAL E. HONAKER BECAUSE OF AN

46A-RH-40962-4

1-Richmond
NCH/rlw
(1)

Approved: RMS/RSB Original filename: ~~RLW001S0.354~~

Time Received: Telprep filename: RLW001S0.354

MRI/JULIAN DATE: 1554/354 ISN: 001

FOX DATE & TIME OF ACCEPTANCE: 2034 SEB

INORDINATE INCREASE IN WEALTH THAT HE BEGAN TO DISPLAY. THIS INCREASE WAS EXEMPLIFIED BY HIS PURCHASE OF A NEW RESIDENCE IN BRISTOL, VIRGINIA, IN 1989 FOR CASH. THIS HOME WAS PURCHASED FOR $260,000. THE FBI OPENED A PUBLIC CORRUPTION INVESTIGATION ON MARCH 1, 1991 ON SAC AUTHORITY ENTITLED, [redacted] DEPUTY SHERIFFS - BRISTOL, VIRGINIA; CORRUPTION OF STATE AND LOCAL PUBLIC OFFICIALS - LAW ENFORCEMENT - DRUG RELATED; OO: RICHMOND, FILE NUMBER 194D RH-39874." THIS INVESTIGATION WAS INITIATED BECAUSE OF THE UNEXPLAINED INCREASE IN WEALTH OF SHERIFF HONAKER, ALLEGATIONS OF ILLEGAL NARCOTICS DISTRIBUTION BY [redacted] AND ALLEGATIONS OF PUBLIC CORRUPTION WITHIN THE BRISTOL, VIRGINIA, SHERIFF'S OFFICE. SHERIFF HONAKER WAS NOT INCLUDED IN THE TITLE OF THE 194D CASE BECAUSE OF THE LACK OF SPECIFICS OF THE ALLEGATIONS AGAINST HIM AND BECAUSE OF THE SENSITIVITY OF HIS POSITION. HE IS CURRENTLY PRESIDENT OF THE NATIONAL SHERIFF'S ASSOCIATION IN THE UNITED STATES. THIS INVESTIGATION HAS BEEN CONDUCTED JOINTLY WITH THE IRS. THE FBI HAS PURSUED THE ALLEGED ILLEGAL NARCOTICS ACTIVITIES TO DETERMINE IF MONIES FROM THESE

b7C

ACTIVITIES WOULD EXPLAIN THE NEWFOUND WEALTH OF SHERIFF HONAKER. AT THE SAME TIME, THE IRS PURSUED THE FINANCIAL RECORDS, TAX RETURNS, ETC., OF SHERIFF HONAKER. ALL INFORMATION DEVELOPED EITHER BY IRS OR THE FBI HAS BEEN JOINTLY SHARED BETWEEN THE TWO AGENCIES. THE ILLEGAL NARCOTICS ACTIVITIES OF [redacted] ARE BEING SUBSTANTIATED, BUT THAT PORTION OF THE INVESTIGATION FAILED TO EXPLAIN THE INCREASE IN SHERIFF HONAKER'S FINANCIAL STATUS. THE FINANCIAL AUDIT; HOWEVER, DEVELOPED INFORMATION THAT SHERIFF HONAKER, HAS SINCE 1986, BEEN DIVERTING FEDERAL MONIES FROM UNITED STATES MARSHALS SERVICE PAID TO THE BRISTOL SHERIFF'S OFFICE FOR HOUSING FEDERAL PRISONERS TO HIS PERSONAL USE. SINCE 1986, HE DIVERTED $513,002.60 OF THESE MONIES TO A PERSONAL BANK ACCOUNT AT DOMINION BANK. HE HAS PAID THE CITY OF BRISTOL $135,119.75 DURING THAT SAME PERIOD OF TIME WITH THE DIFFERENCE OF $377,882.85 BEING DIVERTED TO PERSONAL EXPENDITURES. THIS HAS BEEN DETERMINED TO BE A VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 666, THEFT AND BRIBERY OF FEDERALLY FUNDED PROGRAMS.

b7C

BECAUSE OF THE SPECIFICS OF THIS VIOLATION, AND TO SEPARATE THE PREVIOUS INVESTIGATIVE ACTIVITIES FROM THIS ASPECT, A NEW FRAUD AGAINST THE GOVERNMENT CASE ENTITLED AS ABOVE WAS OPENED IN RICHMOND, VIRGINIA. AN FD-761 AND LHM IS BEING PREPARED BY RICHMOND. AS THE RESULT OF THE ABOVE, AN AFFIDAVIT HAS BEEN PREPARED BY IRS [redacted] AS THE AFFIANT AS THE BASIS OF SEARCH AND SEIZURE WARRANTS FOR THE SHERIFF'S OFFICE IN BRISTOL, THE HOME OF MARSHAL E. HONAKER IN BRISTOL, HIS PERSONAL BANK ACCOUNT AT DOMINION BANK, TWO CERTIFICATES OF DEPOSITS, AND THREE VEHICLES. APPROXIMATELY [redacted] OF SHERIFF HONAKER.

b7C

b3

ON JANUARY 10, 1992, APPROXIMATELY 35 SPECIAL AGENTS OF THE FBI AND IRS WILL SIMULTANEOUSLY SERVE THE SEARCH AND SEIZURE WARRANTS IN BRISTOL AND WILL ALSO SERVE THE 30 GRAND JURY SUBPOENAS. A [redacted] THIS

OPERATION IS BEING FULLY COORDINATED WITH THE UNITED STATES ATTORNEY'S OFFICE, WESTERN DISTRICT OF VIRGINIA, ROANOKE, VIRGINIA, AND A REPRESENTATIVE FROM THAT OFFICE WILL BE IN BRISTOL ON JANUARY 10, 1992. A SPECIAL GRAND JURY WILL BE CONVENED LATE JANUARY 1992 AND IT IS ANTICIPATED THAT A MULTIPLE COUNT INDICTMENT WILL BE RETURNED IN MARCH 1992 CHARGING MARSHAL E. HONAKER WITH VIOLATIONS OF TITLE 18, UNITED STATES CODE, SECTION 666; TITLE 18, UNITED STATES CODE, SECTION 1341; TITLE 18, UNITED STATES CODE, SECTION 1957; AND TITLE 26, UNITED STATES CODES, SECTION 7206 (1).

BECAUSE OF THE SENSITIVITY OF THIS INVESTIGATION, THE NECESSITY OF CONTINUED INVESTIGATIVE ACTIVITY IN BRISTOL ON THE ILLEGAL NARCOTICS ACTIVITY OF [redacted] b7C AND THE FACT THAT THE CASE AGENT [redacted] AND [redacted] IT IS REQUESTED THAT RICHMOND BE AUTHORIZED TO LEASE A VEHICLE FOR 60 DAYS. THIS VEHICLE WILL BE UTILIZED FOR SURVEILLANCES, CONTACTS WITH WITNESSES, ETC., IN BRISTOL, VIRGINIA. A TYPICAL FBI VEHICLE CANNOT BE UTILIZED FOR THIS CONTINUED INVESTIGATION, BECAUSE TARGETS IN THIS INVESTIGATION ARE LAW ENFORCEMENT OFFICERS AND

^PAGE 6 46A RH-40962 UNCLAS

ARE HIGHLY COGNIZANT OF SURVEILLANCES. THE OPERATION ON JANUARY 10, 1992 IS EXPECTED TO HEIGHTEN THEIR AWARENESS AND WILL INCREASE THEIR SENSITIVITY TO SURVEILLANCES AND ACTIVITIES OF OTHER LAW ENFORCEMENT AGENCIES.

THE BUREAU IS REQUESTED TO APPROVE RENTAL OF VEHICLE FOR THIS CASE BY JANUARY 5, 1992.

BT In view of the fact that the affidavits for these searches and seizures will be sealed SAC Richmond plans to make no comment to any media inquiries regarding this matter.

[illegible] MRT 01208

PP FBIRH

DE RUCNFB #0131 3650525

ZNR UUUUU

P 302153Z DEC 91

FM DIRECTOR FBI

TO FBI RICHMOND (46A-RH-40962)/PRIORITY/

BT

UNCLAS

CITE: //0623//

PASS: SA [redacted] ROANOKE RESIDENT AGENCY.

SUBJECT: MARSHALL E. HONAKER, SHERIFF, BRISTOL, VIRGINIA, SHERIFF'S OFFICE; FAG-DOJ; OO: RICHMOND. b7C

REFERENCE RICHMOND TELETYPE TO BUREAU ON 12/20/91 AND TELCALL FROM SUPERVISORY SPECIAL AGENT [redacted] GOVERNMENTAL FRAUD UNIT, FBIHQ, TO ROANOKE RESIDENT AGENCY ON 12/30/91.

RICHMOND DIVISION'S REQUEST TO COVERTLY RENT A VEHICLE IN CONNECTION WITH CAPTIONED MATTER IS APPROVED. THE RENTAL PERIOD FOR THE VEHICLE IS SIXTY DAYS, NOT TO EXCEED 2/29/92.

SA [redacted] advised b7C
of info in T/T. 12/31 at 8:25 am jgw

T set for 2/19/92
jgw

AGENT INSTRUCTED TO IND[illegible]
COPY ROB

46A-RH-40962-5

SERIALIZED [illegible]

b7C

C/A [redacted]

THIS VEHICLE HAS BEEN ASSIGNED BUCAR NUMBER 99-6799 AND SHOULD BE RENTED IN ACCORDANCE WITH THE GUIDELINES SET FORTH IN THE MANUAL OF ADMINISTRATIVE OPERATIONS AND PROCEDURES, PART II, SECTION 6-7.10, PAGE 474.04. RICHMOND DIVISION SHOULD ENSURE THIS VEHICLE IS RENTED AND MAINTAINED IN A COVERT MANNER.

THE CASE AGENT SHOULD ALSO ENSURE THE VEHICLE IS PROPERLY SERVICED AND ALL COST SHOULD BE FORWARDED TO THE RICHMOND AUTOMOTIVE CLERK. ALSO, UPON RENTAL OF THE VEHICLE, RICHMOND DIVISION SHOULD FORWARD TO FBIHQ, ATTENTION: AUTOMOTIVE MANAGEMENT UNIT/ADMINISTRATIVE SERVICES DIVISION, ROOM 6863, THE VEHICLE MAKE, MODEL AND MONTHLY COST.

BT

#0131

NNNN

FD-36 (Rev. 11-17-88)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/7/92

TO : SAC, WMFO

FROM : SAC, RICHMOND (46A RH-40962) (P)

SUBJECT : MARSHALL E. HONAKER,
SHERIFF,
BRISTOL SHERIFF'S OFFICE,
BRISTOL, VA.;
FAG
(OO: RH)

b7C

Re Richmond teletype to the Bureau dated 12/20/91, and Richmond telcal to Relief Supervisor [redacted] WMFO, on 1/7/92.

Enclosed for WMFO is a Grand Jury subpoena and a list of proposed questions.

On 1/10/92, approximately 30 Special Agents of the FBI and IRS will assist in this joint investigation by participating in the simulatneous execution of multiple search/seizure warrants. At the same time search/seizure warrants will be served on the Sheriff for his personal residence, a personal bank account at DOMINION BANK, two $10,000 Certificates of Deposit (CDs) at DOMINION BANK, and for three personal vehicles. Numerous Grand Jury subpoenas will also be served on various businesses, city officials, and individuals in and around Bristol, Va., and Washington, D.C.

Sheriff HONAKER is presently the President of the National Sheriff's Association and is very highly connected within the Democratic Party in the state of Virginia. For these reasons and to prevent any potential compromise of this

2 - WMFO (Enc. 2)
(2) - Richmond
NCH/leh
(4) KEH

b7C

C/A [redacted]
AGENT INSTRUCTED TO INDEX ON MAIN COPY

46A RH-40962-6

Approved: _____ Transmitted _____ (Number) (Time) Per _____

investigation, it is imperative that this document be provided appropriate security. It is also imperative that no local, county, or state police agencies be contacted or advised of any of the following information prior to 9:30 a.m., 1/10/92.

No information will be given to the press by investigative personnel because the affidavit supporting the search and seizure warrants will be sealed at least until the Special Grand Jury meets in Roanoke during the last week of January, 1992. Any release of information could cause a loss of evidence and have a detrimental effect on the successful prosecution in this matter.

Sheriff HONAKER has been Sheriff in Bristol, Va., for over fifteen years and during that time period has established a power base that reportedly heavily influences the political structure in the Bristol city government. He has allegedly accomplished this by influence peddling and more heavy handed tactics. He runs the SHERIFF'S OFFICE as an autonomous entity in Bristol, Va., and because of his power base he is able to do as he pleases. There is reportedly no external audits done of the SHERIFF'S OFFICE operations. Because he allegedly controls the City Council in Bristol, Va., he is given a free hand. In the late 1980s, Sheriff HONAKER began displaying an inordinate amount of wealth for a man whose salary is approximately $50,000 per year. For instance, he purchased a home in Bristol, Va., for $260,000. He reportedly paid cash for this home.

As a result, an investigation was begun by the IRS in October, 1990, and the FBI began participation in the investigation in February, 1991, because of this inordinate increase in wealth, allegations that deputy sheriffs of the Bristol, Va., SHERIFF'S OFFICE were selling illegal narcotics in the Bristol, Va., area and because of allegations of public corruption. IRS was interested in the Sheriff because when his tax returns were pulled they did not show any increase in income that would explain his ability to pay cash for his present home which is valued in excess of $300,000.

Because the narcotics portion of the investigation, although developing evidence that two of the deputies were selling illegal narcotics, had failed to develop any flow of monies that would answer the questions concerning the Sheriff's increased wealth his banking records at DOMINION BANK were subpoenaed by the IRS. Because of the information received from DOMINION it became apparent that the Sheriff had diverted approximately $370,000 to his personal account from monies paid to the City of Bristol, Va., by the U.S. MARSHAL'S SERVICE in Roanoke, Va., and the DEPARTMENT OF CORRECTIONS in

Washington, D.C., for housing prisoners. The diverted monies were utilized for personal expenditures. This diversion of funds began in 1986 and continues to the present.

As a result of a Federal Grand Jury which will be meeting in the first two months of 1992, it is anticipated that a multi count indictment will be returned charging MARSHALL E. HONAKER with violation of Title 18, U.S.C., Section 666, Title 18, U.S.C., Section 1341, Title 18, U.S.C., Section 1957, Title 26, U.S.C., Section 7206(1).

b7C

Based on an affidavit filed by SA [redacted] of the IRS, search and seizure warrants have been obtained for two locations, one bank account, two CDs, and three vehicles. Numerous subpoenas have also been obtained.

To have the most impact and to prevent compromise it was decided that all warrants and subpoenas would be served at the same time and date.

LEADS:

WASHINGTON METROPOLITAN FIELD OFFICE

AT WASHINGTON, D.C.

1. WMFO is requested to serve the enclosed Grand Jury subpoena at 9:30 a.m., on 1/10/92.

2. That all documents regarding this matter be obtained on 1/10/92, if possible as the Special Grand Jury will meet the last week in January.

3. That the enclosed list of questions be answered when the subpoena is served.

0010 MRI 01422

OO FBIRH

DE RUCNFB #0116 0082100

ZNY EEEEE

O 081839Z JAN 92

FM DIRECTOR FBI

TO FBI RICHMOND (46A-RH-40962)/IMMEDIATE/

BT

UNCLAS E F T O

CITE: //0623//

PASS: SA [redacted] ROANOKE RESIDENT AGENCY. b7C

SUBJECT: MARSHALL E. HONAKER, SHERIFF;; BRISTOL, VIRGINIA; FAG-DOJ; OO: RICHMOND.

REFERENCE RICHMOND TELETYPE TO FBIHQ, 12/20/91 AND TELCALS OF SSA [redacted] FBIHQ TO RICHMOND AND ROANOKE RA ON 1/6/92. b7C

PER REFERENCED TELETYPE, RICHMOND DIVISION PROVIDED DETAILS OF PLANS TO EXECUTE A NUMBER OF SEARCH WARRANTS AND SEIZURE WARRANTS IN CONNECTION WITH CAPTIONED INVESTIGATION.

REFERENCED TELCALS TO RICHMOND AND THE ROANOKE RA BY SSA [redacted] b7C WERE TO ENSURE THAT THE U. S. MARSHALL'S OFFICE IS CONTACTED

46A-RH-40962-7

[redacted] b7C

[redacted] b7C

AGENT INSTRUCTED TO INDEX ON WORK COPY

[redacted] b7C

[redacted] SSARY

C/A

IMMEDIATELY IF NOT ALREADY DONE FOR THE PURPOSE OF EXECUTING THE SEIZURE WARRANTS.

AS RICHMOND IS AWARE, THE MARSHALL'S OFFICE HAS RESPONSIBILITY FOR MAINTAINING SEIZED REAL PROPERTY AND THEREFORE REQUIRES ADVANCE NOTIFICATION OF PLANNED SEIZURES. RICHMOND SHOULD ENSURE THAT THE PLANNED SEIZURES ARE CLOSELY COORDINATED WITH THE U. S. MARSHALL'S OFFICE.

BT

#0116

NNNN

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] AIRTEL

PRECEDENCE:
- [ ] Immediate
- [X] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date 1/13/92

FM FBI RICHMOND (46A RH-40962) (P)

TO DIRECTOR FBI ()/PRIORITY/

BT

UNCLAS

CITE: //3710//

PASS: WHITE COLLAR CRIMES SECTION, GOVERNMENTAL FRAUD UNIT;

✓ASSISTANT DIRECTOR X, TRAINING DIVISION, [redacted] b7C

SUBJECT: MARSHALL E HONAKER, SHERIFF; BRISTOL SHERIFF'S; OFFICE, BRISTOL, VIRGINIA; FRAUD AGAINST THE GOVERNMENT; OO: RICHMOND.

RE RICHMOND TELETYPE TO THE BUREAU DATED DECEMBER 20, 1991 AND RICHMOND AIRTEL TO WMFO DATED JANUARY 7, 1992.

ON JANUARY 10, 1992, AT APPROXIMATELY 9:30 A.M., SPECIAL AGENT IN CHARGE, ROBERT M. SATKOWSKI OF THE FBI AND IRS [redacted] ADVISED SHERIFF MARSHALL E. HONAKER OF FEDERAL PROCESS THAT HAD BEEN ISSUED AND THAT HIS OFFICE AND HOME

46A-RH-40962-8

1-Richmond
NCH/rlw
(1) rlw

AGENT INSTRUCTED TO INDEX AND WORK COPY RDB

INDEXED

FILED

b7C

Approved: RMS/RSB Original filename: ~~RLWOOLW.013~~

Time Received: Telprep filename: RLW001S0.013

MRI/JULIAN DATE: 1511 ISN: 004

FOX DATE & TIME OF ACCEPTANCE: 2310

CC TO [redacted]

WOULD BE SEARCHED. IMMEDIATELY THEREAFTER, 17 FBI AGENTS AND 14 IRS AGENTS SERVED SEARCH WARRANTS ON THE CAPTIONED SUBJECT AT HIS OFFICE IN BRISTOL, VIRGINIA, AND SIMULTANEOUSLY [redacted] b7C [redacted] RESIDENCE IN BRISTOL. NUMEROUS BOXES OF FINANCIAL RECORDS WERE RECOVERED AT THE RESIDENCE. AT THE SHERIFF'S OFFICE, NUMEROUS BOXES OF RECORDS WERE RECOVERED AS WELL AS APPROXIMATELY $64,000 IN CASH FROM HONAKER'S PERSONAL DESK. SEVERAL COIN COLLECTIONS WERE ALSO RECOVERED. SEIZURE WARRANTS FOR HONAKER'S RESIDENCE WERE SERVED AS WELL FOR THE SHERIFF'S 1991 EXPLORER, 1989 TOYOTA CELICA SUPRA, AND 1987 CHEVROLET PICK-UP TRUCK. [redacted] b7C REMAIN LIVING IN THE RESIDENCE AT THE PRESENT TIME AND A LIEN WAS FILED BY THE UNITED STATES GOVERNMENT PREVENTING HIM FROM FINANCIALLY INCUMBERING THE RESIDENCE UNTIL THE CHARGES PENDING AGAINST HIM ARE ADJUDICATED. THE THREE VEHICLES WERE SEIZED AND DRIVEN TO ROANOKE, VIRGINIA, FOR STORAGE. ALTHOUGH NO PRESS RELEASE WAS MADE BY THE GOVERNMENT, SHERIFF HONAKER ISSUED A RELEASE WHEREIN HE STATED THAT A JOINT FBI AND IRS INVESTIGATION IS BEING CONDUCTED AND THAT FINANCIAL RECORDS HAVE BEEN SEIZED FROM THE SHERIFF'S OFFICE AND HIS HOME. HE

ALSO REMOVED HIMSELF FROM THE DAILY OPERATION OF THE SHERIFF'S OFFICE UNTIL THE INVESTIGATION IS COMPLETE. APPROXIMATELY 35 GRAND JURY SUBPOENAS WERE ALSO SERVED IN THE BRISTOL AREA AND THESE PERSONS WILL BE CALLED BEFORE A SPECIAL GRAND JURY IN ROANOKE, WHICH WILL CONVENE JANUARY 21, 1992. IT IS ANTICIPATED THAT INDICTMENTS AGAINST HONAKER WILL BE RETURNED IN EARLY MARCH, 1992. INVESTIGATION IS CONTINUING IN THE RICHMOND DIVISION CONCERNING THIS ASPECT OF THE CASE AND ALSO OTHER ALLEGATIONS OF PUBLIC CORRUPTION IN BRISTOL.

SAC RICHMOND IS APPRECIATIVE OF ASSISTANCE RENDERED BY SSAS [redacted] OF THE b7C TRAINING DIVISION CONCERNING INTERVIEW STRATEGY TO BE USED WHEN TALKING WITH SUBJECT. ALTHOUGH THE SUBJECT DID NOT CONFESS THE APPROACH AND INTERVIEW STRATEGY SUGGESTED BY QUANTICO PROVED TO BE EXTREMELY BENEFICIAL TO THE CASE.

FURTHER DETAILS TO FOLLOW AT LATER DATE.

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P 132309Z JAN 92

FM FBI RICHMOND (46A RH-40962) (P)

TO DIRECTOR FBI ()/PRIORITY/

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CITE: //3710//

PASS: WHITE COLLAR CRIMES SECTION, GOVERNMENTAL FRAUD UNIT; ASSISTANT DIRECTOR, TRAINING DIVISION, ANTHONY E DANIELS.

SUBJECT: MARSHALL E HONAKER, SHERIFF; BRISTOL SHERIFF'S; OFFICE, BRISTOL, VIRGINIA; FRAUD AGAINST THE GOVERNMENT; OO: RICHMOND.

RE RICHMOND TELETYPE TO THE BUREAL DATED DECEMBER 20, 1991 AND RICHMOND AIRTEL TO WMFO DATED JANUARY 7, 1992.

ON JANUARY 10, 1992, AT APPROXIMATELY 9:30 A.M., SPECIAL AGENT IN CHARGE, ROBERT M. SATKOWSKI OF THE FBI AND IRS [redacted] ADVISED SHERIFF MARSHALL E. HONAKER OF FEDERAL

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INDEXED _____

FILED KU

46A-RH-40962-8

PROCESS THAT HAD BEEN ISSUED AND THAT HIS OFFICE AND HOME WOULD BE SEARCHED. IMMEDIATELY THEREAFTER, 17 FBI AGENTS AND 14 IRS AGENTS SERVED SEARCH WARRANTS ON THE CAPTIONED SUBJECT AT HIS OFFICE IN BRISTOL, VIRGINIA, AND SIMULTANEOUSLY [redacted] b7C [redacted] RESIDENCE IN BRISTOL. NUMEROUS BOXES OF FINANCIAL RECORDS WERE RECOVERED AT THE RESIDENCE. AT THE SHERIFF'S OFFICE, NUMEROUS BOXES OF RECORDS WERE RECOVERED AS WELL AS APPROXIMATELY $64,000 IN CASH FROM HONAKER'S PERSONAL DESK. SEVERAL COIN COLLECTIONS WERE ALSO RECOVERED. SEIZURE WARRANTS FOR HONAKER'S RESIDENCE WERE SERVED AS WELL FOR THE SHERIFF'S 1991 EXPLORER, 1989 TOYOTA CELICA SUPRA, AND 1987 CHEVROLET PICK-UP TRUCK. [redacted] b7C REMAIN LIVING IN THE RESIDENCE AT THE PRESENT TIME AND A LIEN WAS FILED BY THE UNITED STATES GOVERNMENT PREVENTING HIM FROM FINANCIALLY INCUMBERING THE RESIDENCE UNTIL THE CHARGES PENDING AGAINST HIM ARE ADJUDICATED. THE THREE VEHICLES WERE SEIZED AND DRIVEN TO ROANOKE, VIRGINIA, FOR STORAGE. ALTHOUGH NO PRESS RELEASE WAS MADE BY THE GOVERNMENT, SHERIFF HONAKER ISSUED A RELEASE WHEREIN HE STATED THAT A JOINT FBI AND IRS INVESTIGATION IS BEING CONDUCTED AND THAT FINANCIAL RECORDS HAVE BEEN SEIZED FROM THE SHERIFF'S OFFICE AND HIS HOME. HE

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FURTHER DETAILS TO FOLLOW AT LATER DATE.

BT

#0004

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FD-350 (Rev. 5-8-81)

Page 1

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
Richmond Times-Dispatch
Richmond, VA
Date: 1/11/92
Edition: Morning
Title: Marshall E. Honaker
Character: FAG
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

Bristol sheriff yields duties as IRS, FBI act

By Bill McKelway
Staff writer

Longtime Bristol Sheriff Marshall E. Honaker removed himself from day-to-day control of his office yesterday as FBI and Internal Revenue Service agents seized financial records from his office and home.

Honaker, 55, a powerful political figure who is also prominent in a variety of national law enforcement organizations, quickly left work yesterday morning as teams of federal agents converged on his private office and home to execute search warrants.

Neither the FBI nor IRS had any comment.

But a former Bristol police chief last night said that his office requested a federal investigation into Honaker's office operations more than a year ago.

Thomas W. Stone Jr., who left office in November, said he could not go into detail about the investigation because of an ongoing federal grand jury investigation.

File photo

Marshall E. Honaker
Sheriff since 1973

Stone said that Bristol police, the FBI, and IRS all cooperated in the case.

"All I know is that he handed me a copy of the release while I was on my way up to court," Honaker's

Continued on page 7, col. 1

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46A-RH-40962-9
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SERIALIZED ____ FILED ____
FBI—RICHMOND
SA [redacted] copy

INDEX AS NECESSARY

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Sheriff yields duties as U.S. moves in

Continued from first page

chief deputy, Charles Arnold, said yesterday, explaining how he learned from Honaker that he had been placed in charge of the 50-deputy department.

Honaker, a Democrat, has been Bristol sheriff since 1973 and has rarely attracted opposition. He began his law enforcement career as a dispatcher in the Washington County sheriff's office in 1957.

Honaker said in a statement that pending completion of the investigation, he was taking annual leave and removing himself from direct supervision of the sheriff's office.

Honaker, who became president of the Alexandria-based National Sheriffs' Association in June after 20 years as member, already was taking steps to withdraw from activities associated with the group.

NSA Executive Director Charles B. Meeks said that Honaker has asked that he not attend previously scheduled appearances as NSA president at the Florida sheriff's association this weekend and at the Mississippi organization next week.

"I have strong indications," Meeks said, that Honaker will submit his resignation as president sometime next week.

Meeks, himself a former sheriff, said he was "shocked by the investigations . . . We've been getting calls from all over the country wondering what's going on."

Meeks said he talked briefly with Honaker and described him as embarrassed, despondent, and "sorry that the taint of an investigation has touched his family and his office."

Gov. L. Douglas Wilder swore in Honaker as NSA president in June when the association met in Minnesota, Meeks said.

"I've known him for a long time," said Meeks. "I've been very impressed with him and thought very highly of him. He's been a gentleman to us, to the citizens of the United States and to his fellow law enforcement officers."

Sheriff's deputies said federal agents dressed in street clothes spent most of the day going through financial records and other files in Honaker's office. Boxloads of documents were removed sometime after 5 p.m.

Honaker was president of the Virginia State Sheriffs' Association in the early 1980s, executive director John Jones said. "He was always getting into the professionalism of the sheriff's office. That was the image I thought he attempted to project and did," Jones said.

Honaker was to have been honored at a banquet next month in Los Angeles as the U.S. Marshals' Association law enforcement officer of the year, according to The Associated Press. But association president Bryant Herbert said that Honaker "has withdrawn."

The award will go to the runner-up in the voting, Robert E. Colvin, commissioner of the state Alcoholic Beverage Commission.

Honaker once said that he had "absolutely no training to become an officer of the law because training was not required. There were only three requirements to be a deputy in those days.

"You had to be big, tough, and mean."

FD-350 (Rev. 5-8-81)

Pg D-1

(Indicate page, name of newspaper, city and state.)
Richmond Times-Dispatch
Richmond, VA

Date: 11/12/92
Edition: Sunday

Title Marshall E. Honaker

Character: FAG
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

Bristol sheriff's handling of accounts criticized

By Bill McKelway
Staff writer

A longtime Bristol sheriff who is the target of FBI and Internal Revenue Service probes had been criticized for handling government accounts that some officials believe should have been controlled exclusively by city finance authorities.

Bristol Treasurer Emma B. Muller said yesterday that tens of thousands of dollars in payments destined for deposit in the city's general fund were first deposited into accounts controlled by Sheriff Marshall E. Honaker.

"We would receive money in the form of checks from the sheriff's department," she said.

Mrs. Muller, who was subpoenaed Friday to testify before a federal grand jury in Roanoke that is investigating Honaker, said she was instructed by the FBI and IRS not to discuss details of the investigation.

But Mrs. Muller said that she has virtually no knowledge of how Honaker utilized money generated by his office.

"It basically amounted to a blank check for the sheriff's use," said former City Manager Hugh Cooper, who retired in 1989.

Cooper said he repeatedly raised questions before City Council about the accounts and about $15 meal payments deputies made to the sheriff, but no action was taken. Honaker "seemed to be immune from scrutiny," Cooper said.

Bristol Mayor James Rector, while saying he has no reason to stop supporting the 17-year incumbent sheriff, said he believes Honaker's handling of department funds "is at the center of the investigation."

But the mayor said he has no specific knowledge that Honaker maintained separate accounts.

Rector said the sheriff's office, which, according to the mayor, has a budget of about $2.4 million and employs more than 50 deputies despite the city's 18,000 population, received thousands of dollars in payments by housing prisoners from other localities and the federal government.

The sheriff's office maintained as many as a half-dozen contracts with various localities to house prisoners, according to one source.

"For the last several years, the sheriff has reported that the jail has made a profit," Rector said.

Sources familiar with the operation of state and city jails said yesterday there is nothing unusual about handling prisoners from other jurisdictions. But they said it would be unusual for payments made for such activities not to be deposited directly into a locality's bank accounts rather than into accounts controlled by the sheriff.

Honaker, 55, who has relin-

46A RH-40962-10

3 b7C

SA [redacted] CO

INDEX AS NECESSARY

FBI

quished day-to-day control of his office; disclosed Friday in a press release that he is the target of probes by the FBI and IRS. A Bristol newspaper, quoting unnamed sources, reported yesterday that the investigation is focusing on allegations of embezzlement.

Federal agents seized records from Honaker's home and office Friday as well as some personal items. In addition, financial records, audits and other materials were seized from the treasurer's office and the office of the city clerk and comptroller. Subpoenaes in the case seek documents dating between January 1986 and December 1991.

Mrs. Muller and Daniel Johnson, city clerk and comptroller, confirmed yesterday that they were ordered to appear before a federal grand jury Jan. 21.

Honaker, whose flashy lifestyle and political connections have made him a source of gossip for years, could not be reached for comment yesterday.

The executive director of the National Sheriff's Association, Charles B. Meeks, said Honaker has told him he will resign as president of the 20,000-member organization next week.

"We're waiting until we receive it in writing before we make it formal," Meeks said.

U.S. Department of Justice

United States Attorney
Western District of Virginia

b7C

Poff Federal Building
210 Franklin Road, S.W.
Roanoke, Virginia 24011

Mailing Address
Post Office Box 1709
Roanoke, Virginia 24008-1709
703/982-6250
Fax [redacted]

January 2, 1992

[redacted] b7C
Criminal Investigation Division
INTERNAL REVENUE SERVICE
Post Office Box 10047
Richmond, Virginia 23240

Robert M. Satkowski, Special Agent-in-Charge
Federal Bureau of Investigation
Post Office Box 28060
Richmond, Virginia 23228

Gentlemen:

Thanks for all the planning and attention to the details of our planned operation for January 9 and 10, 1992.

One aspect of the operational security concerns me greatly. Specifically, I strongly advocate removing the seized evidence from the local area and bringing it to a secure storage facility somewhere else in the district. Perhaps Roanoke.

Thanks for your attention to this request.

Sincerely,

E. MONTGOMERY TUCKER
United States Attorney

Karen B. Peters for

Morgan E. Scott, Jr.
First Assistant U.S. Attorney

cc: [redacted] Supervisor, FBI
[redacted], IRS
Julie Campbell, AUSA
b7C [redacted] Special Agent, IRS
[redacted] Special Agent, FBI

MES/pg

46A-RH-40962-11

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JAN - 1992
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FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

P. C-2, RICHMOND TIMES-DISPATCH, Richmond, Va.

Date: 1/13/92
Edition: Morning

Title: SHERIFF MARSHALL E. HONAKER

Character: 46-RH-40962
or
Classification: RH [redacted]
Submitting Office: RICHMOND

Indexing:

U.S. sheriff's association expects president to quit

BRISTOL (AP) — The director of the National Sheriffs' Association said yesterday that the group expects its president, Bristol Sheriff Marshall E. Honaker, to resign this week as the result of a federal probe.

"We're waiting for him to follow through with what he's told us he'd do," said Charles B. Meeks, executive director of the Alexandria-based lobbying and educational group.

Meeks said he spoke briefly with Honaker on Friday night, after dozens of agents from the FBI and Internal Revenue Service stormed the Bristol Sheriff's Department and Honaker's home.

Honaker, 55, sheriff for the past 18 years, has not been charged, but federal agents have seized his home, three personal vehicles and private bank accounts, in addition to numerous boxes of files from the department and the courthouse.

"He indicated to me that he does plan to resign" from the NSA, Meeks said. He said the NSA bylaws require a president to submit his resignation in writing and he hadn't received such notice yesterday.

Meeks said the NSA didn't advise Honaker to step down and declined to comment on the probe, saying, "We don't have all the facts and information to make a judgment on it."

Sheriff Frank Policaro of Beaver, Pa., will become president of the NSA upon the arrival of Honaker's resignation, Meeks said.

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FD-36 (Rev. 8-29-85)

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PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [ ] UNCLAS

Date 1/14/92

TO : SAC, RICHMOND (46A-RH-40962)

FROM : SAC, KNOXVILLE (46A-RH-40962)(RUC)

SUBJECT : MARSHALL HONAKER,
SHERIFF,
WASHINGTON COUNTY, BRISTOL, VIRGINIA;
CORRUPTION OF PUBLIC OFFICIAL;
OO: RH

On 1/10/92, an agent of the Johnson City Resident Agency [redacted]

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No additional investigation remains at Knoxville.

2 - Richmond
2 - Knoxville
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46A-RH-40962-13
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JAN 21 1992
FBI — RICHMOND

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Approved: _____ Transmitted _____ (Number) (Time) Per _____

Complaint Form
FD-71 (Rev. 4-16-82)

1C-1261 38
46 RH-40962
194-RH-40095
9-2059; 87-16195

NOTE: Hand print names legibly; handwriting satisfactory for remainder.
Indices: ☐ Negative ☑ See below

Subject's name and aliases	Character of case
Sheriff Marshall Honaker ✓ 91-1140 [redacted]	
	Complainant ☐ Protect Source: Anonymous
	Complaint received: ☐ Personal ☑ Telephonic Date 1-15-92 Time
Address of subject: Bristol, VA	Complainant's address and telephone number

Subject's Description	Race	Sex	Height	Hair	Build	Birth date and Birthplace
		☐ Male ☐ Female				
	Age		Weight	Eyes	Complexion	Social Security Number
	Scars, marks or other data					

Facts of complaint

Anonymous called advised that Marshall created [redacted] but funded by Honaker. The name of the business is [redacted] (correct spelling unknown) [redacted] Several thousands of dollars & [redacted] is still in [redacted] possession & has not been seized by the IRS. Although, it seems to be [redacted] it is Honaker's family assets & business. [redacted] also advised that [redacted] may have been running this business without a license.

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46A RH-40962-14

Action Recommended

(Agent)

C/A [redacted] LOCK STAMP

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FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

P. 1, RICHMOND TIMES-DISPATCH, Richmond, Va.

Date: 1/16/92

Edition: Morning

Title: MARSHALL E. HONAKER, SHERIFF, BRISTOL, VA.

Character: or Classification: RH

Submitting Office: RICHMOND

Indexing:

Cash drawer

BRISTOL — Court records show that agents investigating allegations of tax evasion, money laundering and fraud found $63,281 stashed in Bristol Sheriff Marshall E. Honaker's desk.

He resigned yesterday as president of the National Sheriffs' Association.

Honaker took a leave of absence and declined to comment.

Details, page B-1

46A-RH-40962-15

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FBI/DOJ

$63,281 is seized from Bristol sheriff

From staff, wire dispatches

BRISTOL — Federal agents investigating allegations of tax evasion, money laundering and fraud found $63,281 stashed in Bristol Sheriff Marshall E. Honaker's desk, court documents revealed yesterday.

Honaker resigned yesterday as president of the National Sheriffs' Association.

Dozens of agents from the FBI and Internal Revenue Service searched the Bristol Sheriff's Department and Honaker's home Friday.

Honaker, 55, has not been charged. But federal agents seized his home, three personal vehicles and private bank accounts, in addition to numerous boxes of files from the Sheriff's Department and the city courthouse.

The search warrant and the list of items seized was unsealed yesterday by U.S. District Judge Samuel Wilson.

The warrant said agents were looking for items that would "tend to show fraudulent intent and or knowledge . . . of tax evasion, money laundering, federal program fraud and mail fraud."

The list of 57 items seized in his office included $63,281 in "various denominations" in the middle desk drawer, six $100 bills in a box under his desk, bank statements, prisoner records, campaign records, jewelry, coin collections, a diamond ring and airline tickets. The dozens of items found in the home included tax and financial documents and records.

Honaker, sheriff since 1973, is taking a leave of absence until the investigation is completed. He has refused to comment on the case other than to confirm he is under investigation.

Much of the city's administration has been subpoenaed to testify before a federal grand jury next week. Sources have said the investigation deals with allegations of a major embezzlement in which several hundred thousand dollars were channeled out of the department, and is likely to target additional people.

Honaker operates one of the few jails in the state that generates a profit. Despite its location in Southwest Virginia, his jail has housed

Continued on page 2, col. 6

$63,281 seized from sheriff in Bristol

Continued from first page

hundreds of federal prisoners and prisoners from other jurisdictions as far away as the District of Columbia.

Honaker, who gave up day-to-day control of his Bristol office last week when the investigation became public, notified NSA officials of his resignation with a faxed, one-sentence letter, according to NSA's assistant executive director, A.N. Moser.

Honaker apparently remains a member of at least three other law enforcement organizations, but a spokesman for Gov. L. Douglas Wilder said Honaker has stated his intention to resign from the Governor's Advisory Commission on the Dillon Rule and Local Government.

In accepting the resignation, the association praised the sheriff as someone who has "projected a positive image on behalf of all sheriffs of the United States and has continually demonstrated his ongoing leadership and compassion."

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

P. 1, RICHMOND TIMES-DISPATCH, Richmond, Virginia

Date: 1/17/92

Edition: Morning

Title: MARSHALL E. HONAKER
Sheriff

Character: Bristol, Va.
or

Classification: RH 46A-RH-40962

Submitting Office: RICHMOND

Indexing:

IRS agent says sheriff diverted funds

By Bill McKelway
Staff writer

BRISTOL — Federal documents unsealed yesterday allege that Bristol Sheriff Marshall E. Honaker diverted hundreds of thousands of dollars in city jail proceeds into a personally controlled bank account that he used for his own benefit.

In a 20-page affidavit, a special agent with the Internal Revenue Service traced bank transactions during a four-year period in which Honaker accumulated about $512,000 and then parceled out checks to the city treasurer for $135,119.

In essence, the documents suggest, the jail became a private source of money for the 55-year-old sheriff, whose salary is about $60,000 a year.

The affidavit offers the clearest insight yet into details of a wide-ranging federal investigation focusing on Honaker and unidentified officials that became public last Friday when teams of FBI and IRS agents seized the suspect bank account, Honaker's personal records, the longtime sheriff's $275,000

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FBI — RICHMOND

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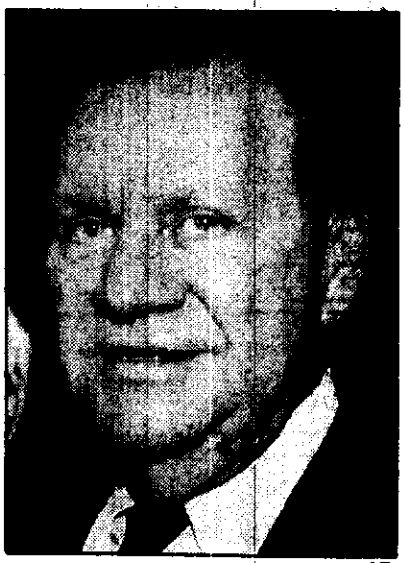

AP

Marshall E. Honaker
Personal wealth not explained

home and three vehicles.

Boxloads of financial documents also were taken from the city's comptroller's office and treasurer's office.

Federal agents said they established that proceeds generated by the jail were used by Honaker to pay off loans he used to purchase his home in April 1989 and the seized vehicles.

In addition, agents recovered $63,881 in cash from the sheriff's office in the jail and a list of political contributions, according to search warrants.

"Honaker came to the attention of law enforcement officers due to a material increase in personal wealth that was not explained by known legal sources of income," special agent Jack Bumgardner said in the affidavit.

Honaker has not been charged in the ongoing federal investigation, which Bumgardner said began in May.

Appointed to office in 1973, Honaker is perhaps Virginia's best-known sheriff. He was president of the 20,000-member National Sheriffs' Association until he resigned Wednesday.

Honaker, who addressed newly elected sheriffs last month in Williamsburg, has been unavailable for comment and his lawyer, James Bowie, declined to comment when asked if the sheriff plans to resign.

The investigation of money-laundering and embezzlement allegations, as outlined in the affidavit, centers on Honaker's alleged diversion of hundreds of thousands of dollars that was paid to the jail for housing federal prisoners, primarily those under the custody of the U.S. Marshal Service and the District of Columbia Department of Corrections.

A spokesman in Washington told The Times-Dispatch earlier this week that the District of Columbia housed hundreds of misdemeanants in the Bristol Jail from July 1986 through March 1991 at a cost of $55 per day per inmate.

Hundreds more inmates under federal custody also have been housed in the 67-person jail over a similar time and rate, almost 10 times more than the average daily cost of housing

Continued on page 7, col. 1

Continued from first page

prisoners, according to the affidavit.

Honaker, according to state corrections officials, operated one of the state's premier jails and was able to increase prisoner loads exponentially as prison overcrowding became the norm across the country.

While state prisoners made up the largest contingent of felons in the jail, Honaker negotiated contracts with federal officials that were outside the purview of state and city auditors, state and local officials interviewed this week said.

The federal agencies were billed by the sheriff for their prisoners and payments were subsequently made by checks that were typically made payable to the jail or to Honaker himself, according to state, city and federal documents.

According to the affidavit, Honaker established a personal checking account at a local bank and deposited the funds into that account rather than with the city treasurer.

Bumgardner said that an examination of deposits in the Dominion Bank account, entered between January 1987 and January 1989, showed that 72 percent of the deposits "represent funds specifically identified as being diverted from the city of Bristol."

"The fact that the diverted funds were deposited to a personal checking account and commingled with legitimate funds is an integral part of the evasion scheme and an attempt to hide the true nature and character of the diverted funds," Bumgardner wrote in the affidavit.

According to federal sources,

Honaker periodically withdrew funds from his private account and deposited them with the city.

City records examined by The Times-Dispatch yesterday show that deposits were made for "contract jail beds," but officials, including City Manager Paul Spangler, said they had no independent knowledge of the number of federal prisoners housed in the jail or of how much money was actually received for housing them.

In recent years, the sheriff frequently proclaimed that his office, because of proceeds derived from the federal contracts, was able to operate at a profit, meaning that city general revenue funds were not expended to operate the jail.

But federal documents allege that actual revenues far exceeded those that city officials were aware of.

Between July 1986 and October 1990, for instance, the District of Columbia and the Marshal Service office in Roanoke paid out $512,820 to the sheriff, according to the affidavit. The federal investigation has shown that only $135,119 in payments were made to the city.

When the Dominion Bank account was seized Friday, it contained only two certificates of deposit valued at $12,347 each, and $6,755 in other money.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Page 1
Richmond Times-Dispatch
Richmond, Va.

Date: 1/19/92
Edition: Morning

Title: MARSHALL E. HONAKER

46A RH-40962
Character: 87E-16495
or
Classification:
Submitting Office: Richmond

Indexing:

Bristol's 'high sheriff' leaves many shaking heads

By Bill McKelway
Staff writer

BRISTOL — The country people still refer to Marshall E. Honaker as Bristol's "high sheriff," a title that harkens back to the dim ages of law enforcement in the Anglo-Saxon world yet manages to capture Honaker's stature here in the Southwest Virginia mountains.

"He was a person of large influence who became very powerful politically because he worked his buns off to get you elected," said one longtime political insider who has watched Honaker's rise to power.

"The 55 people working for him were definitely Marshall's minions and they were all committed to the enhancement and furtherance of Marshall E. Honaker."

But the 55-year-old keeper of Bristol's peace, according to rapidly unfolding details of a federal investigation, now seems to have brought the ancient office to new lows.

"It's a sad, sad situation from what we can see," said Herb Bryant, director of the U.S. Marshals Association, based in Northern Virginia. "Here was a man who rose up the ranks from the very bottom and now seems to have lost it all."

The association was poised to award Honaker its

46A-RH-40962-17
SEARCHED INDEXED
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JAN 2 1991
FBI—RICHMOND
FBI/DO

"It's a sad, sad situation. . . . Here was a man who rose up the ranks . . . and now seems to have lost it all."
— Herb Bryant, U.S. Marshals Association

lawman of the year award next month in Los Angeles, until the early morning hours of Jan. 10.

Plans for the award and perhaps Honaker's 35-year law enforcement career collapsed that day as teams of FBI and Internal Revenue Service agents swarmed over this city of 18,000, seizing Honaker's office files, his $275,000 home, three vehicles and assorted bank accounts.

The agents also confiscated box loads of financial records from city government offices and served some 30 federal grand jury subpoenas on past and present city officials, ranging from City Manager Paul D. Spangler to former City Auditor Hugh Adair to Leigh Anne Arnold, Honaker's jail secretary.

At the heart of the probe, according to a federal IRS affidavit unsealed Thursday, are allegations that since 1986 Honaker has diverted more than $500,000 in payments his office received for housing prisoners from other jurisdictions.

Most of the money originated from the District of Columbia Department of Corrections and, ironically, the U.S. Marshals Service, whose Roanoke office has placed hundreds of prisoners in the Bristol jail, one of

Continued on page 2, col. 3

Once 'high sheriff' leaves many people surprised in Bristol

Associated I

RISE AND FALL — A federal investigation has squelched Br
Sheriff Marshall E. Honaker's political fortunes.

Continued from first page

the largest in Southwest Virginia.

Federal records show that as the investigation of Honaker proceeded, the Marshals Service was increasing its payments to the jail. In 1990, the jail received $51,130; in 1991, $138,000; and, in the first three months of the current fiscal year alone, $56,100.

Trying to account for a sudden unexplained increase in Honaker's personal wealth, IRS Special Agent Jack Bumgardner was able to trace house payments, loan payments and assorted other outlays by Honaker and his wife, Brenda, to checks made out to the Bristol jail, according to the affidavit.

"This [increase in wealth] has been directly attributed to Honaker's diversion to a personal checking account of numerous checks payable to the Bristol Virginia Sheriff's Department," Bumgardner wrote.

The investigation, which sources said goes beyond Honaker and which has been under way since at least May, is examining possible violations of embezzlement, money laundering, federal program fraud and wire fraud statutes.

Honaker, who has not been charged, issued a news release Jan. 10 saying he was giving up day-to-day control of his office. But Chief Deputy Charles Arnold said last week that "Marshall calls a couple of times every day telling us what to do" about keeping jail records intact.

"I'm completely in the dark," Arnold said, when asked about his knowledge of financial operations of the 55-deputy sheriff's department.

Bristol Mayor James F. Rector said yesterday that he will be meeting with other city officials to review "our system of check and balances to see what we can do better. But you're walking a fine line when you're trying to figure what you can do to control a constitutional office

"I want to know why our auditors never picked up on what was happening," he said.

State and private sector auditors last week said the embezzlement scheme outlined in the affidavit would be hard to detect because it allegedly involved federal money that does not flow from the state's Compensation Board, which partially reimburses sheriff's department operations in Virginia.

And because hundreds of thousands of dollars of the federal money never entered city-controlled accounts, the money was not picked up by city or state auditors, Walter Kucharski, state auditor of public accounts, said last week.

The federal investigation has stunned Honaker's many supporters here who said the baby-faced, well-groomed sheriff never seemed to forget his roots as he rose to become president of the 20,000-member National Sheriffs' Association, serve on a variety of state boards, win gubernatorial political appointments and become a linchpin of regional Democratic politics.

"I'll never forget how he demanded that when we put his picture on the cover [of the National Sheriffs' Association magazine] that a scene of Bristol be in the background," said association executive director Charles Meeks.

Honaker resigned as president last week after 20 years with the organization.

The base of Honaker's influence was the jail, which state corrections officials last week described as easily among the best in the state.

Spotlessly clean, the jail features state-of-the art computer equipment, a chapel, and home-grown meat and vegetables raised by inmates on a leased farm in Washington County. Double-bunking and other innovations have nearly doubled the jail's state-designated capacity of 67 prisoners.

Between 1984 and 1991, the average weekly jail population went from 44 to 85 inmates, with as many as 132 on weekends, according to state figures.

In 1990, Honaker asked the state for several new full-time positions "due to the continuing and growing problem of overcrowding with no relief in sight." He failed to mention that much of the overcrowding was due to the presence of federal pris-

Honaker, whose desk drawer produced $63,881 in cash when federal agents searched it 10 days ago, was famous for providing flower arrangements at funerals, paying travel expenses for penniless inmates trying to make their way home and charging his deputies' meal payments.

Sheriff's deputies worked their off hours on election day hauling voters to the polls; Honaker traveled around the country at the expense of the National Sheriffs' Association; and, his jail in recent years never cost the city a dime.

"It's been a gold mine for us," said Spangler, the city manager. "We've been talking about ways to expand it."

While federal documents allege Honaker was pocketing the vast majority of the jail's federal proceeds, he allocated enough of the revenues into city coffers to make the jail profitable.

Once a year, Honaker appeared before City Council and announced that his jail operations were successful enough that they would not cost the city money.

Federal court documents suggest the sheriff was withholding vast other sums for his own use that also should have gone into the city's general fund.

While city officials say they never had reason to suspect Honaker's financial dealings, others, including former Police Chief Thomas W. Stone Jr., said they openly called for investigations more than a year ago.

"Nothing was done," said Stone, who then took his concerns to federal authorities.

"He wasn't any Malcolm Forbes," suggested one Bristol resident, "but you had to wonder about the sheriff's lifestyle. Here he was in one of the city's bigger houses, with three kids and a wife and not making much more than $55,000 or $60,000 a year.

"Questions were being asked."

Described as reserved and calculatingly diplomatic, Honaker surprised some city residents with the April 1989 purchase of his 6,400-square-foot hilltop home.

At a party he threw there, according to one who attended, deputies shuttled visitors up the steep driveway in a limousine.

Even when Honaker was above board, people wondered. The city agreed to pay thousands of dollars, for instance, so Sheriff's Department employees could attend Honaker's induction as president of the sheriffs' association last year in Minnesota. Gov. L. Douglas Wilder also made the trip to swear him in.

And among the last deposits made by Honaker into the city treasury was $6,033.19 for "travel reimbursement, trip to Honolulu."

"It was to pick up a prisoner," City Comptroller Daniel Johnson reassured a reporter, who asked about the Jan. 8 deposit.

"It's all been approved by the state."

Financial matters have also tightened up in the sheriff's office.

"We make a Xerox copy now of every check," said Ms. Arnold, the secretary there.

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/14/92

On the afternoon of this date, [redacted] was contacted at her office. (She was aware of the official identity of contacting Special Agent (SA) [redacted] based on a prior contact on January 10, 1992.)

In response to a [redacted] served on [redacted] to SA [redacted] which consist of the following (based upon a review of these documents by SA [redacted] at the Northern Virginia Metropolitan Resident Agency of the FEDERAL BUREAU OF INVESTIGATION on the late afternoon of January 13, 1992):

1. [redacted]
2. [redacted]
3. [redacted]
4. [redacted]

b3
b7C

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
JAN 18 1992
FBI-RICHMOND

Investigation on 1/13/92 at Washington, D. C. File # WMFO 46A-RH-40962-18

by SA [redacted] TF:smb Date dictated 1/14/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

5. [redacted]

SA [redacted] signed a one page "Document Receipt" at [redacted] office following a non-detailed inventory of these documents by [redacted] and SA [redacted] at that location, and [redacted] was asked to sign this same receipt as being the person submitting the documents. She indicated that she preferred that her [redacted] in this regard. She then left her office, returning shortly thereafter with [redacted] (A copy of the carbon copy of this receipt is being attached to this FD-302. The original of the receipt was left with [redacted]

b3
b7C

[redacted] said that if it is subsequently determined that some requested records are missing from this submission of documents that her office be recontacted and a further search will be conducted in the basement of the DISTRICT OF COLUMBIA DEPARTMENT OF CORRECTIONS.

UNITED STATES ATTORNEY
WESTERN DISTRICT OF VIRGINIA

DOCUMENT RECEIPT

1. I _____ of _____ (Deputy Director) have [redacted] of the documents listed below, wh[redacted] Special Agent District of Columbia Dept. of Corrections voluntarily. [redacted] (FBI-WMFO)

2. The document~~s submitted~~ (per subpoena) are as follows:

[redacted]

b3
b7C

Signature and Title of Persons submitting documents _____

[redacted] 1/13/92

Special Agent, FBI, WMFO (NUMRA) 1/13/92

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/14/92

[redacted] was contacted at his office on this date and advised of the official identity of the contacting Special Agent and of the nature of the contact [redacted]

SERVICE OF SUBPOENA:

In the early stage of this contact, [redacted] b3 b7C

In connection with [redacted]

RESPONSES TO QUESTIONS:

[redacted] the following pertinent information in response to questions posed by the interviewing Special Agent:

1. [redacted]

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
JAN 18 1991
FBI - WMFO

Investigation on 1/10/92 at Washington, D. C. File # WMFO 46A-RH-40962

by SA [redacted] TF:smb Date dictated 1/10/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FB[redacted] b7C loaned to your agency, it and its contents are not to be distributed outside your agency.

(A copy of the aforementioned subpoena (with attachment), Non-Disclosure Order, and AUSA CAMPBELL's undated letter, are being attached to each copy of this FD-302.)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/16/92

TO : SAC, RICHMOND (46A-RH-40962)

FROM : SAC, WMFO (46A-RH-40962) (RUC) (C-2)

SUBJECT : MARSHALL E. HONAKER
SHERIFF
BRISTOL SHERIFF'S OFFICE
BRISTOL, VIRGINIA;
FRAUD AGAINST THE GOVERNMENT
OO: RICHMOND

Re Richmond airtel to WMFO dated 1/7/92, and telephone call of SA [redacted] RH Division, to SA [redacted] WMFO, on 1/14/92.

Enclosed for the Richmond Division are the following:

1. Original of [redacted] on 1/10/92.

2. Original and two (2) copies of an FD-302 regarding [redacted] on 1/10/92.

3. Original and two copies of an FD-302 regarding contact on 1/13/92 with [redacted]

b3
b7C

(3) Richmond (Enc. 9)
1- Package Copy
1- WMFO
TF:smb
(4)

46A-RH-40962-30

Approved: _____ Transmitted _____ (Number) _____ Per _____

b7C

C/A [redacted]

4. Two FD-340b 1A exhibit envelopes containing original notes regarding (2) and (3) above.

Being forwarded via ~~FEDERAL EXPRESS~~ REGISTERED MAIL direct to the Roanoke Resident Agency is one box containing the

[redacted] b3 b7C

(Package copy of FD-192 prepared by WMFO regarding these documents is enclosed with this box.)

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.)
P. 1 & 2A, KINGSPORT TIMES-NEWS
Bristol, TN

ate: 1/11/92
dition: Morning

itle: FBI, IRS PROBING BRISTOL, VA SHERIFF

haracter:
or
lassification: RH 46A RH-40962
Submitting Office: Richmond

Indexing:

(Mount Clipping in Space Below)

FBI, IRS probing Bristol, Va. sheriff

Agents seize records from Honaker

By ALLISON MECHEM
Times-News Staff Writer

BRISTOL, Va. — Sheriff Marshall Honaker's chief deputy said it was the "same old, same old" at the office Friday — after federal agents carted off boxes of records and seized Honaker's house, that is.

The FBI and Internal Revenue Service are investigating Honaker for undisclosed reasons. Agents, accompanied by U.S. Marshals, descended upon the sheriff's department and Honaker's home early Friday, sealing off both locations and carting off boxloads of items.

According to U.S. District Court records, a warrant was issued authorizing federal agents to seize Honaker's home.

A spokesman for the FBI in Richmond said Friday that information about any operations concerning Honaker would not be confirmed or commented upon Friday.

In fact, the only confirmation that an investigation was under way — aside from the transfer of records into rented moving trucks — came from Honaker himself.

HONAKER

In a statement read by Chief Deputy Charles A. Arnold, Honaker confirmed that he is being investigated.

"In connection, the financial records have been seized from the sheriff's office and from Marshall Honaker's home," Arnold read from the statement.

Honaker has taken annual leave from the department, pending the completion of the investigation. In his absence, Arnold is in charge of the department's day-to-day operations.

The sheriff's primary duty is operation of the city's jail. The Bristol, Va., jail is used to house federal prisoners and receives federal funding in exchange.

For most of the day Friday, U.S. Marshals manned the sheriff's department. No one, other than federal

b7C

46A-RH-40962-21

22

FBI—RICHMOND

SA

COPY

INDEX AS NECESSARY

b7C

Times-News photo — Ned Jilton II

Investigating Sheriff Marshall Honaker for undisclosed reasons, federal agents took boxes of records from the sheriff's department and seized the sheriff's house Friday.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Sheriff's files, property seized in federal sweep

Honaker reportedly target of embezzlement probe

MARK HYLER
Staff Writer

Federal agents swooped down Friday on the office and home of Bristol Virginia Sheriff Marshall Honaker, seizing records and personal property from the nationally-prominent lawman as they searched for evidence in a probe the *Herald Courier* has learned involves allegations of major embezzlement.

b7C

(Indicate page, name of newspaper, city and state.)
P. 1 & 12A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/11/92
Edition: MORNING

Title: SHERIFF'S FILES, PROPERTY SEIZED IN FEDERAL SWEEP

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

46A-RH-40962-22

SERIALIZED FILED

SA

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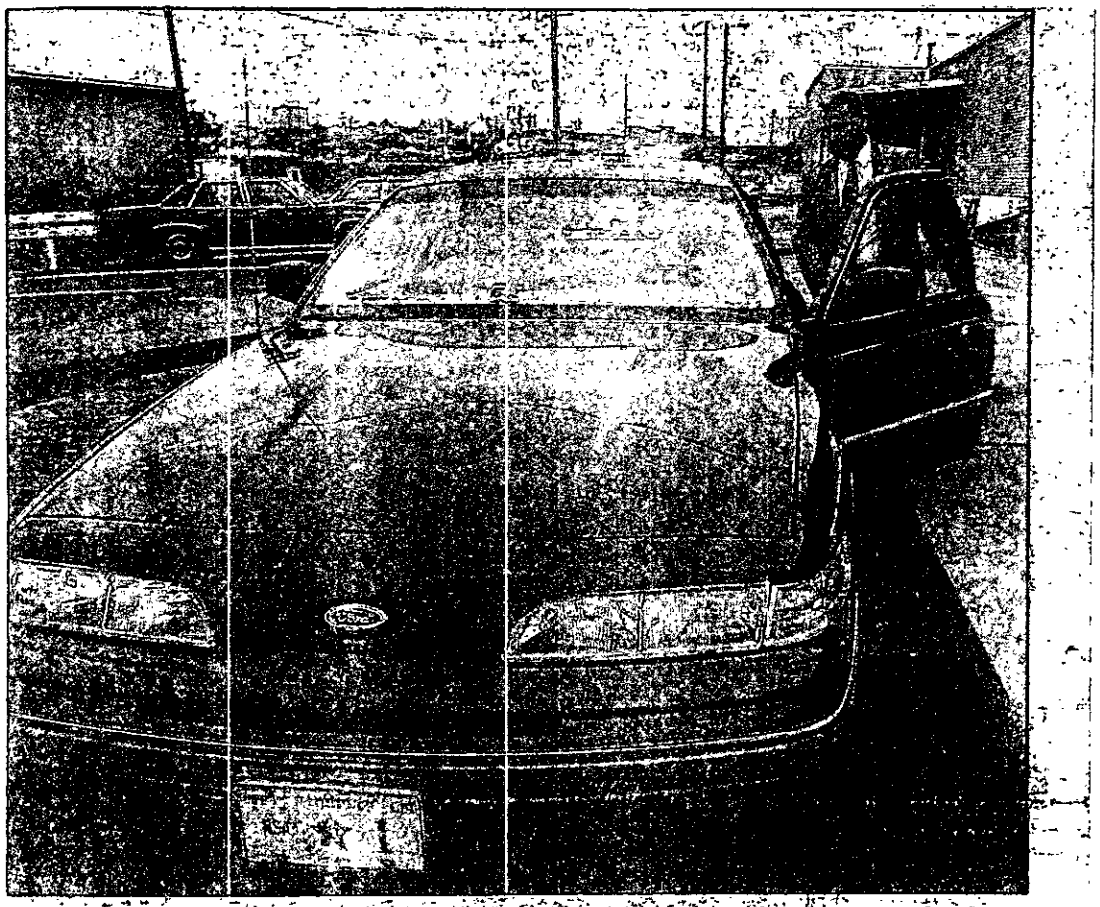
Agents served between 30 and 40 subpoenas on city and sheriff's department employees as a result of the investigation, which reportedly began a year ago under the direction of former Bristol Virginia Police Chief Tom Stone.

Dozens of agents from the FBI and the Internal Revenue Service swarmed the Sheriff's Office and Honaker's Woodland Drive home simultaneously at about 9:30 a.m., serving search and seizure warrants at both sites. Among personal property impounded was Honaker's home, a number of vehicles and bank accounts.

In addition, boxes of documents also were removed from the city's courthouse during the day-long operation against the sheriff, who last year became president of the 30,000-member National Sheriff's Association.

Federal authorities were closemouthed and refused to answer questions about the investigation Friday. The sheriff left his office in the company of a federal agent only minutes after the searches and seizures began, and could not be reached for comment.

No charges have been placed against Honaker, who became president of the NSA in July 1991. However, any evidence gathered as a result of the raid is expected to be presented to a federal grand jury



Herald Courier/Toby Tobler

Bristol Virginia Sheriff Marshall Honaker leaves his office less than an hour after federal agents began seizing records Friday.

in Roanoke on Jan. 21.

In a prepared statement issued later in the day, Honaker said he is voluntarily stepping down from the office temporarily until the investigation is complete.

Chief Deputy Charles Arnold was named by Honaker as interim head of the department's day-to-day operations.

Allegations involving the department reportedly have flourished for a number of years; however, thus far, none have been substantiated.

Former Bristol Virginia City Manager Hugh Cooper, a long-time political rival of Honaker's, publicly called for a full-scale investigation of the sheriff's department last June. He said Friday he believes charges eventually will be filed against the sheriff and possibly other city officials.

"I'm just glad that justice is finally being served," Cooper said. "I think charges should be placed against Marshall Honaker, and I think a court of law should find him guilty. Evidently (federal agents) have some very good information or the investigation would not have reached this point."

Asked if he thought other city or Sheriff's Department employees would be implicated during the investigation, Cooper replied: "That would be pure speculation, but I've got my own suspicions."

Former Bristol Virginia Police Chief Tom Stone, who left the department in October 1991 to take over the position of public safety director in Norristown, Pa., said the investigation originated with his department in 1990.

"We took the information we had gathered and turned it over to federal authorities well in excess of a year ago," Stone said. "But, prior to my leaving Bristol, certain members of my department, including myself, were put under an E6 order not to discuss the specifics of the investigation.

"That is a federal grand jury rule designed for the protection of employees who are still working there," he said. "So it would be ethically and legally wrong for me to go into the actual details of what the investigation involves. I will say that I am extremely pleased with the cooperation the FBI, the U.S. Attorney's Office and the IRS gave us in regards to our request — it is a benchmark among the cooperation of the agencies involved."

And, while investigators would not comment on the exact nature of the investigation, reliable sources who spoke on the condition of anonymity said the probe revolves around an alleged embezzlement in which several hundred thousand dollars were funneled from the sheriff's department.

Current Bristol Virginia Police Chief Oscar Broome, a political ally and personal friend of Honaker's, appeared shocked at the charges, and said he had no previous knowledge of the ongoing investigation.

"I was not aware of the investigation, and the press release issued by Sheriff Honaker indicates more about the situation than I personally knew," Broome said. "Sheriff Honaker and his wife, son and daughter, and other family members are long-time friends of mine. I'm not a fair weather friend and these people are still friends of mine, and shall remain so."

Broome, who served as assistant chief under Stone's tenure at the department, said he was aware that Sgt. Sam McVey, a detective on the BVPD force, had been detached from the department by City Manager Paul Spangler in November 1991 on a special assignment, but did not know what type investigation the officer was working on.

McVey assisted federal authorities in Friday's search and seizures, but also said he could not comment on the probe.

Herald Courier/Chris Taylor

Federal Bureau of Investigation agents drive vehicles seized from Sheriff Honaker's Woodland Drive home Friday, taking them away to be impounded.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

P. 1, 8A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/12/92

Edition: Morning

Title: SHERIFF EXPECTED TO QUIT NSA POST; PROBE MAY STING OTHER CITY OFFICIALS

Character:

or

Classification: 46A RH-40962

Submitting Office: RICHMOND

Indexing:

Sheriff expected to quit NSA post; probe may sting other city officials

[redacted]

46A-RH-40962-23

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SA [redacted] COPY

INDEX AS NECESSARY

MARK HYLER
Staff Writer

A spokesman for the National Sheriffs' Association said Saturday that the organization's president, Bristol Virginia Sheriff Marshall Honaker, is expected to submit his resignation from the educational and lobbying group sometime this week as a result of a federal investigation of the nationally-prominent lawman.

Additionally, reliable sources who spoke on the condition of anonymity have told the *Bristol Herald Courier* that other key city officials are being targeted in the investigation of alleged major embezzlement activity involving the sheriff's department.

Bristol Virginia Sheriff Marshall Honaker has reportedly also canceled several out-of-town appearances at law enforcement groups' functions.

Charles "Bud" Meeks, executive director of the Alexandria, Va.-based NSA, said he spoke briefly with Honaker Friday night after dozens of agents from the FBI and Internal Revenue Service had stormed the Bristol Virginia Sheriff's Department and the sheriff's Woodland Drive home, seizing numerous boxes of documents as well as Honaker's home.

"He indicated to me that he does plan to resign" from the NSA, Meeks said. "But, according to our constitutional bylaws, for a president to resign his position he must put his intentions in writing, and we are currently waiting for his letter of resignation to arrive."

He said the first vice president, Sheriff Frank Policaro of Beaver, Pa., will take the helm as president of the NSA effective immediately upon the arrival of Honaker's resignation.

In addition, Meeks said Honaker, 55, also has canceled appearances at the Florida Sheriffs' Association this weekend and at the Mississippi Sheriffs' Association next week, as well as an appearance at a U.S. Marshals' Association banquet in Los Angeles next month, where he was to have been honored as law enforcement officer of the year.

Honaker issued a statement following Friday's searches and seizures, saying he was taking a leave of absence until the investigation is completed, and adding that he has assigned Chief Deputy Charles Arnold temporarily to take over the day-to-day operations at the sheriff's department.

Efforts to reach Honaker for comment about the NSA resignation or the investigation have been unsuccessful.

Julie Campbell of the U.S. Attorney's Office in Abingdon said Saturday that federal agencies have no intention of releasing any information before Monday regarding the investigation of Honaker, which was reportedly launched in 1990 by former Bristol Virginia Police Chief Tom Stone. Asked if that meant a statement might be forthcoming prior to evidence in the case being presented to a federal grand jury in Roanoke on Jan. 21, Campbell replied: "No comment."

Stone left the Bristol force in October 1991 to take a position as director of the Norristown, Pa., Department of Public Safety, and was replaced as chief by Honaker ally Oscar Broome. Broome, who served as assistant chief under Stone's tenure, has said he had no prior knowledge of the investigation before Friday's federal raid.

In a Friday telephone interview, Stone said his former department turned over evidence they had gathered in the case to federal authorities "well in excess of a year ago," and added that some members of the current Bristol police force, including himself, have been ordered by a federal grand jury not to discuss details of the investigation.

However, reliable sources who spoke on the condition of anonymity told the *Herald Courier* the probe centers around a major embezzlement, in which several hundred thousand dollars were channeled out of the sheriff's department. Those allegations, according to the sources, also involve investigations of at least one other prominent city official and other members of the sheriff's department, but the names of those officials are not yet being made public.

Honaker, who has served as the city's sheriff for the past 18 years, has not been charged with any wrongdoing at this time, but federal agents have seized his home, three personal vehicles and private bank accounts, in addition to numerous boxes of files from both the sheriff's department and the Bristol Virginia Courthouse.

About 40 individuals have been or are expected to be subpoenaed in connection with the query, and FBI and IRS agents are expected to remain in the city throughout the week to continue questioning potential witnesses in the case.

Meeks said the NSA headquarters in Alexandria, Va., have been receiving numerous phone calls from across the country to find out the status of Honaker and the organization, whose stated purpose is to foster professionalism in law enforcement and offer training and informational services to members, as well as lobbying on behalf of law enforcement legislation.

He said he anticipates Honaker's resignation will have little effect on the NSA, and said Honaker could retain membership in the organization. However, a standards and ethics committee might be required to make a final decision on that possibility if the sheriff eventually is charged with any criminal activity.

)-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P. 1 & 8A, BRISTOL HERALD COURIER, BRISTOL, VA - TN
Date: 1/14/92
Edition: MORNING

Title: HONAKER FINANCIAL PROBE TARGETS '86 - '91

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

Honaker financial probe targets '86-'91

MARK HYLER
Staff Writer

A federal probe of Bristol Virginia Sheriff Marshall Honaker is reportedly focusing on financial files spanning a five-year period between 1986 and 1991.

While federal officials continued their refusal Monday to discuss details of their ongoing investigation of the nationally-prominent lawman, reliable sources who spoke to the *Bristol Herald Courier* on the condition of anonymity said Monday that agents are concentrating their attention on financial documents dated between January 1986 and December 1991. The documents were seized from the sheriff's department and city courthouse last week.

The sources have said the investigation revolves around allegations of the embezzlement of several hundred thousand dollars funneled through the sheriff's department during that time period.

In addition to Honaker, at least one other key city official and additional members of the sheriff's department also are targets of the probe, according to the sources. However the names of those individuals are not

46A-RH-40962-24

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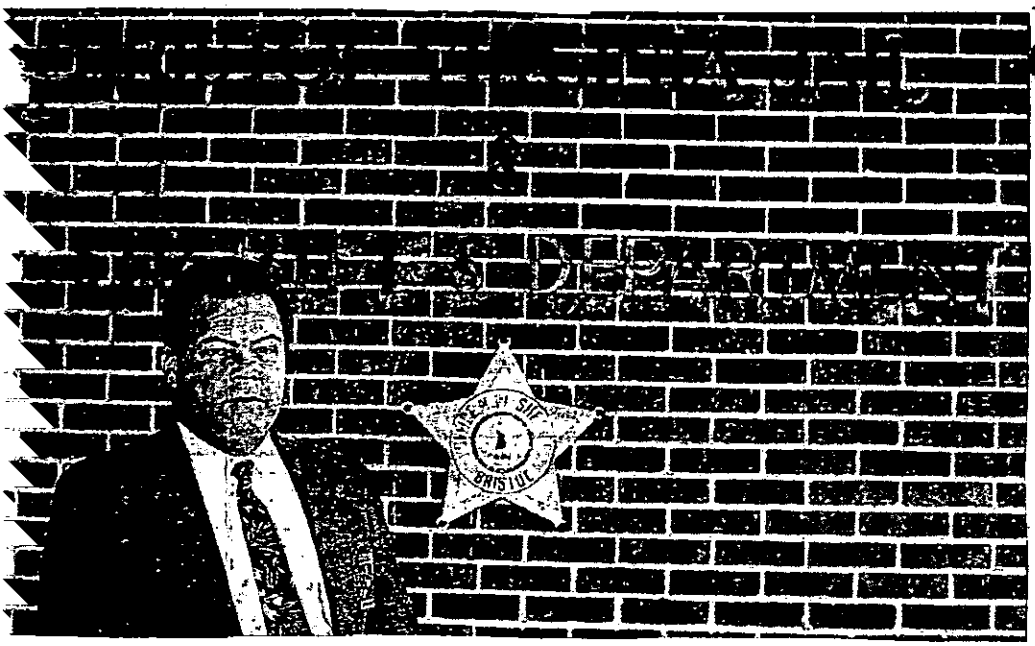
INDEX AS NECESSARY FBI/DOJ



Herald Courier/ Bill McKee

Chief Deputy Charlie Arnold (above) is running the Bristol Virginia Sheriff's Department in the absence of Sheriff Marshall Honaker.

being made public at this time.

The *Richmond Times-Dispatch* reports that Bristol Virginia Treasurer Emma Muller told that paper that tens of thousands of dollars in payments eventually destined for deposit in the city's general fund were routinely first deposited into bank accounts controlled exclusively by Honaker.

Muller, who has reportedly been subpoenaed to testify in the case, could not be reached for comment Monday evening.

Dozens of FBI and Internal Revenue Service agents converged on the sheriff's department, City Hall and Honaker's home Friday, seizing the sheriff's residence, three private vehicles and bank accounts, along with numerous boxes of financial records from the sheriff's department and several city offices including those of the treasurer, and clerk and comptroller.

Honaker, 55, is expected to relinquish his position as president of the National Sheriff's Association as a result of the probe, but officials at the NSA's Alexandria, Va., headquarters said they had not received a written resignation as of Monday night.

Efforts to interview Honaker about the investigation or his reported intentions to resign the NSA post have been unsuccessful. A relative of Honaker's answered the door at the sheriff's Woodland Drive home Monday, but said he was not in.

Honaker and his family are reportedly being allowed to stay at the residence -- valued at $245,000, according to city tax records — pending the outcome of the investigation.

Should the sheriff eventually be charged and convicted in connection with the investigation, his personal property would be auctioned off by the IRS, according to confidential sources.

Charles "Bud" Meeks, executive director of the NSA, said Monday his office expects an official letter of resignation from Honaker as president of the organization this week.

"We're still awaiting something in writing to confirm what he has already told me verbally — that he is going to resign," Meeks said.

According to the bylaws of the organization, the resignation cannot become official until it is received in writing. Current first vice president of the NSA, Sheriff Frank Policaro of Beaver, Pa., will take over the presidency effective immediately upon receipt of Honaker's resignation, he said.

The investigation was reportedly initiated by former Bristol Virginia Police Chief Tom Stone, who left the department in October 1991 to take a job as director of public safety in Norristown, Pa. Stone said findings from his department were turned over to federal authorities "well in excess of a year ago."

About 40 people have been or are expected to be subpoenaed to testify in the case at a federal grand jury in Roanoke beginning Jan. 21.

Agents in charge at the Richmond and Bristol offices of the FBI and IRS refused to comment about the case Monday, as did Assistant U.S. Attorney Morgan Scott.

State Attorney General Mary Sue Terry, whom Honaker has campaigned for in the past, said Monday in Richmond she has little personal knowledge of the investigation.

"I don't know anything apart from what I've read in the paper," Terry said. "It's always unfortunate when a situation like this develops, and I just think it would be inappropriate and untimely for me to comment."

Honaker has taken a leave of absence from the department until the investigation is completed, and has named Chief Deputy Charles Arnold as interim head of the department's day to day operations.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P. 1 & 8A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/15/92
Edition: MORNING

Title: EMBATTLED SHERIFF GETS TO SEE AFFIDAVIT

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

Embattled sheriff gets to see affidavit

MARK HYLER
Staff Writer

Few new details came to light Tuesday regarding the mystery-shrouded investigation of Bristol Virginia Sheriff and political mogul Marshall Honaker, whose home and financial records were seized last week by federal agents in a probe reportedly centering on allegations of major embezzlement.

According to reliable sources who spoke to the *Bristol Herald Courier* on the condition of anonymity, an affidavit filed by the Internal Revenue Service and the FBI showing probable cause for the federal agencies to search and seize the property was opened for the first time Tuesday to Honaker and his attorney Jim Bowie. According to sources, that affidavit is expected to become public record by next week.

Dozens of agents from the FBI and Internal Revenue Service raided the nationally-prominent Bristol Virginia sheriff's office and home Friday, as well as a number of offices in the city Courthouse. The agents seized numerous boxes of financial records from the offices, as well as the sheriff's Woodland Drive home, three personal vehicles and bank accounts.

The sources have told the *Herald Courier* the probe revolves around allegations of the embezzlement of several hundred thousand dollars, funneled through the sheriff's department between 1986 and 1991. The sources also have said the investigation targets other members of Honaker's department and at least one other key city official.

Officials at the Alexandria, Va.,

46A-RH-40962-25

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INDEX AS NECESSARY

FBI/DOJ

headquarters of the National Sheriff's Association said Tuesday they were still awaiting a letter of resignation from Honaker, the educational and lobbying organization's president.

NSA Executive Director Charles "Bud" Meeks has said he has been assured by Honaker that he plans to step down from the post this week.

About 40 individuals are expected to testify in connection with the case at a federal grand jury in Roanoke beginning Jan. 21. Federal agents continued Tuesday to question potential witnesses in the case, and serve subpoenas.

The investigation reportedly was launched by former Bristol Virginia Police Chief Tom Stone, who has said evidence his department gathered in an initial probe was turned over to federal authorities "well in excess of a year ago."

Stone, who left the Bristol force in October to take a position as public safety director in Norristown, Pa., said he and various members of the BVPD were put under a court order not to discuss the specifics of the investigation prior to his leaving the department.

Current Bristol Virginia Police Chief Oscar Broome, a longtime friend of Honaker who served under Stone as assistant chief, said Friday he had no prior knowledge of the investigation before agents converged on Honaker's home and offices. But he acknowledged he was aware that Detective Sgt. Sam McVey was detached from the police department by City Manager Paul Spangler on Nov. 1 to work on special assignment with the FBI. However, Broome said he did not know the nature of the investigation McVey was working on.

Asked Tuesday why Broome was not informed of the investigation when it began to unfold, Stone said: "There were only a select group of people who had knowledge of what was going on. Only the people who had a need to know were informed, and I didn't feel he needed to know.

"The Bristol Police Department had to maintain the integrity of the investigation," he added.

Agents in charge of FBI and IRS offices in Richmond continued Tuesday their refusal to comment on the investigation, as did a spokeswoman for the U.S. Attorney's Office. Efforts to interview Honaker have been unsuccessful. However, a report airing on WCYB-TV Tuesday night stated the sheriff said over the telephone that on the advice of his attorney he would not comment on the case.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Sheriff's desk held $63,000

By The Associated Press

BRISTOL — Bristol Sheriff Marshall E. Honaker had more than $63,000 in his desk when federal agents searched the office, court documents indicate.

The search warrant and a list of items seized at his home and office were unsealed yesterday by U.S. District Judge Samuel Wilson.

The warrant said agents who conducted last Friday's search were looking for items that would "tend to show fraudulent intent and or knowledge . . . of tax evasion, money laundering, federal program fraud and mail fraud."

The list of 57 items seized in his office included $63,281 in "various denominations" in the middle desk drawer, six $100 bills in a box under his desk, bank statements, prisoner records, campaign records, jewelry, coin collections, a diamond ring and airline tickets.

FBI and Internal Revenue Service agents also seized his home, three vehicles and private bank accounts, in addition to numerous boxes of files from the sheriff's department and the Bristol Courthouse.

The dozens of items found in the home included tax and financial documents and records.

Honaker, 55, has not been charged.

The sheriff gave up day-to-day control of his office last week when the investigation became public, and he has been unavailable for comment since he began a leave of absence.

Honaker resigned yesterday as president of the National Sheriff's Association. He informed the group of his decision in a one-sentence letter, a spokesman for the association said.

A spokesman for Gov. L. Douglas Wilder said Honaker also has stated his intention to resign from two state groups, the Governor's Advisory Commission on the Dillon Rule and Local Government and the Council on Alcohol and Drug Abuse Problems.

(Indicate page, name of newspaper, city and state.) Page 12 "Richmond News Leader," Richmond, Va.

Date: 1/16/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character: 46A RH-40962
or
Classification:
Submitting Office: Richmond

Indexing:

46A-RH-40962-26

[redacted]

b7C

[redacted]

(OPY

FBI/DOJ

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Page 8 "Richmond News Leader," Richmond, Va.

Date: 1/17/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character: 46A RH-40962
or
Classification:
Submitting Office: Richmond

Indexing:

Sheriff's wealth tied to jail payments

His new home prompted Internal Revenue investigation

By David Heed
The Associated Press

ROANOKE — Court documents outlining how Bristol Sheriff Marshall Honaker allegedly skimmed $377,700 in public funds from a highly profitable city jail say the investigation began shortly after he bought a house worth six times his annual salary.

"Honaker came to the attention of law enforcement officers due to a recent material increase in personal wealth that was not explained by known legal sources of income," Jack Bumgardner, an Internal Revenue Service special agent, said in an affidavit unsealed yesterday.

"Through the analysis of financial records, this wealth increase has been directly attributed to Honaker's diversion to a personal checking account of numerous checks payable to the Bristol, Virginia, Sheriff's Department," Bumgardner said.

The payments to the city jail were for holding prisoners for the federal government and the District of Columbia, according to the documents.

The documents unsealed by U.S. District Judge Samuel Wilson were used to justify a raid on the veteran sheriff's home and office last Friday. Agents seized his $245,000 home, truck and car and found $63,281 in cash in his office desk, according to the documents.

Bumgardner's statement said he believes there is probable cause to charge Honaker with tax evasion, money laundering, federal program fraud and mail fraud.

Honaker, who has not been charged with a crime, resigned this week as president of the National Sheriff's Association and is taking a leave of absence until the investigation is completed.

Federal agents have been interviewing potential witnesses this week in Bristol and a grand jury is expected to begin hearing evidence against Honaker on Tuesday in Roanoke.

Honaker has said in a statement that he will not comment on the investigation. The U.S. attorney's office is remaining silent as well.

The sheriff and his wife, Brenda, reported an average annual taxable income of $44,100 during the period from 1987 through 1990 when the money allegedly was diverted.

A former employee of the sheriff's department advised the local police that double sets of books were being maintained by Honaker's department, which Bumgardner said were needed "in order to perfect the diversion scheme."

The sheriff's department controls the operation of the Bristol City Jail, one of the largest federally accredited prisoner holding facilities in Southwest Virginia.

The District of Columbia pays the Bristol Sheriff's Department $55 per prisoner per day while it costs the department only about $6 per prisoner per day to care for them, Bumgardner said.

From July 1986 through October 1990, the sheriff's department received $512,820.60 from the District of Columbia and the U.S. Marshal's office and paid $135,119.75 of that amount to the city, the affidavit said.

The remaining $377,700.85, or more than 70 percent of the total, was put in Honaker's personal checking account at Dominion Bank, Bumgardner said.

46-RH-40962-27

b7C

b7C

FBI/DOJ

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] AIRTEL

PRECEDENCE:
- [X] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date 1/22/92

FM FBI RICHMOND (46A RH-40962) (P)

TO DIRECTOR FBI ()/IMMEDIATE/

BT

UNCLAS

CITE: //3710//

PASS: ASSISTANT DIRECTOR OF TRAINING DIVISION,; b7C

[redacted] WHITE COLLAR CRIMES SECTION,;

GOVERNMENTAL FRAUD UNIT; WHITE COLLAR CRIMES SECTION,;

PUBLIC CORRUPTION UNIT.

SUBJECT: MARSHALL E HONAKER, SHERIFF, BRISTOL SHERIFF'S; OFFICE, BRISTOL, VIRGINIA; FRAUD AGAINST THE GOVERNMENT;

OO: RICHMOND.

RE RICHMOND TELETYPE TO THE BUREAU DATED DECEMBER 20, 1991; AND RICHMOND AIRTEL (FD-761) TO THE BUREAU DATED JANUARY 21, 1992.

46A-RH-40962-28

1 - Richmond
NCH/jzg
(1)

RDE

FILES

Approved: RMS/RDB Original filename: ~~JZG00810.022~~

Time Received: Telprep filename: JZG00850.022

MRI/JULIAN DATE: 1391.022 ISN: 10

FOX DATE & TIME OF ACCEPTANCE: 1717 b7C

CC TO [redacted]

b7C

ON JANUARY 22, 1992, MARSHALL E. HONAKER AND HIS [redacted] WERE TO COME TO ROANOKE, VIRGINIA, TO ENTER INTO A PLEA AGREEMENT WITH THE GOVERNMENT CONCERNING THE CHARGES PENDING AGAINST HONAKER. IN THE EARLY MORNING HOURS OF JANUARY 22, 1992, HONAKER COMMITTED SUICIDE IN HIS OFFICE OF THE BRISTOL CITY SHERIFF'S OFFICE IN BRISTOL, VIRGINIA. space HE WAS PRONOUNCED "DEAD ON ARRIVAL" AT THE HOSPITAL IN BRISTOL, VIRGINIA.

INVESTIGATION CONTINUING IN THE RICHMOND DIVISION.

BT

Memorandum

To : SAC, RICHMOND (46A RH-40962) (P) Date 1/21/92

From : SA [redacted] b7C

Subject: MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VA., SHERIFF'S OFFICE;
FAG
(OO: RH)

On 1/10/92, Agents from the FBI and IRS served search warrants on Sheriff HONAKER at the SHERIFF'S OFFICE in Bristol, Va., and on his wife at #7 Woodland Way, his personal residence. These two locations were searched and numerous boxes of records along with over $63,000 in cash and several coin collections were taken as evidence. Because this is a joint FBI/IRS investigation and the IRS had filed the affidavit, it was decided that all evidence with the exception of the cash and other valuables would be handled under the IRS Computerized Inventory System. The valuables were stored in the safe in the Roanoke RA from 1/10/92 until 1/14/92, when they were transported to the FBI office in Richmond. The documentary evidence is being stored in the UNITED STATES ATTORNEY'S office, Western District of Virginia, in Roanoke.

In addition to the search warrants, seizure warrants for a 1991 Ford Explorer, a 1989 Toyota Celica Supra, and a 1987 Chevrolet pickup and the residence at #7 Woodland Way were executed. The three vehicles were taken and driven for storage to Roanoke, Va. A lien was placed against the property to prevent any financial encumbrances being placed against it. The

[redacted] b3

An agreement has been reached between the FBI and IRS that all monetary assets seized will be divided 50/50 between the two agencies and the vehicles will be divided with the Explorer going to IRS and the Toyota Supra and the 1987 Chevrolet pickup going to the FBI. The FBI will file a DAG-71 to insure this agreement is carried out.

(2) - Richmond
NCH/leh
(2)

46A RH-40962-29
SEARCHED INDEXED
SERIALIZED FILED
1992
FBI
b7C
C/A [redacted]

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Post Office Box 28060
Richmond, Virginia 23228

January 21, 1992

MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VIRGINIA,
SHERIFF'S OFFICE;
FRAUD AGAINST THE GOVERNMENT

On January 10, 1992, fourteen FEDERAL BUREAU OF INVESTIGATION and seventeen INTERNAL REVENUE SERVICE Special Agents served search warrants at the SHERIFF'S OFFICE and the Sheriff's house in Bristol, Virginia. Seizures warrants were also served for the Sheriff's house, three vehicles, and a bank account. As a result, a lien was placed against the Sheriff's house to prevent his encumbrancing it financially. A 1991 Ford Explorer, a 1989 Toyota Celica Supra, and a 1987 Chevrolet pickup were seized. A bank account with approximately $6,000 in cash and two $12,000 Certificates of Deposit were also seized. While searching the SHERIFF'S OFFICE approximately $63,000 in cash and several coin collections were taken as evidence.

Investigation is continuing to determine the involvement of other subjects in the Sheriff's illegal activities and to determine the source of the $64,000 found in the Sheriff's private office.

b7C

C/A
AGENT INSTRUCTED
ON WORK

-30

4 - Bureau
(2) - Richmond (46A RH-40962) (P)
NCH/leh
(6)

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ NCLAS E F T O
- ☐ UNCLAS

Date 1/21/92

To : Director, FBI (Attention: Criminal Investigative Division)
From : SAC, RICHMOND (46A RH-40962) (P) Resident Agency ROANOKE *(if applicable)*
Subject : Public Corruption Data Transmittal Form

1. **Title :** *(use additional page if necessary)*
   MARSHALL E. HONAKER,
   SHERIFF, BRISTOL, VA., SHERIFF'S OFFICE;
   FAG
   (OO: RH)
   Re: Richmond teletype to the Bureau dated 1/13/92.

2. ☒ **Enclosed are the original and three copies of a LHM for dissemination purposes.** *(check if appropriate)*

3. **Office of Origin File No.** 46A - RH - 40962 *(include alpha)*

4. ☒ **Initial submission** ☐ **Supplemental submission** ☐ **Final submission** *(check one)*

5. **Date opened upon SAC authority** _____

6. **Level of subject public official(s)** *(See codes on reverse. Use additional pages, as necessary, for additional subjects.) (all inclusive)*

   Level M12 Number of subject (s) 1
   Level _____ Number of subject (s) _____
   Level _____ Number of subject (s) _____

7. **Indicate which of the following investigative techniques have been utilized to date.** *(check all appropriate boxes) (all inclusive)*

Code Number / Description	Code Number / Description

b7E

31

(2) - Field Office
3 - FBIHQ (Enc. 4)
(1 - White-Collar Crimes Section; Public Corruption Unit)

AGENT INSTRUCTED TO INDEX ON WORK

NCH/leh
(5)

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI/DOJ

Codes for Levels of Officials

Federal

K01	President
K02	Vice-President
K03	Cabinet Level
K04	U.S. Senator
K05	U.S. Representative
K06	Judge
K07	Prosecutor
K08	Law Enforcement Official
K09	Federal Employee, GS-13 and above
K10	Federal Employee, GS-12 and below
K11	Military Personnel, commissioned
K12	Military Personnel, non-commissioned

State

L01	Governor
L02	Lt. Governor
L03	Cabinet Level
L04	Senator
L05	Representative
L06	Judge
L07	Prosecutor
L08	Law Enforcement Officer
L09	State Employee, managerial or above
L10	State Employee, less than managerial

Local

M01	Mayor - Field Office or SSRA city
M02	Mayor - Non-Field Office or SSRA city
M03	Legislator (Commissioner, Councilman,etc.) Field Office or SSRA city
M04	Legislator (Commissioner, Councilman,etc.) Non-Field Office or SSRA city
M05	Judge - Field Office or SSRA city
M06	Judge - Non-Field Office of SSRA city
M07	Prosecutor - Field Office or SSRA city
M08	Prosecutor - Non-Field Office or SSRA city
M09	Chief of Police - Field Office or SSRA city
M10	Chief of Police - Non-Field Office or SSRA city
M11	Sheriff - Field Office or SSRA city
M12	Sheriff - Non-Field Office or SSRA city

Local (Continued)

M13	Law Enforcement Officer - command position Field Office or SSRA city
M14	Law Enforcement Officer - command position Non-Field Office or SSRA city
M15	Law Enforcement Officer - ranking officer Field Office or SSRA city
M16	Law Enforcement Officer - ranking officer Non-Field Office or SSRA city
M17	Other Elected Officials - Field Office or SSRA city
M18	Other Elected Officials - Non-Field Office or SSRA city
M19	Public Employee (appointed) - Field Office or SSRA city, managerial level or above
M20	Public Employee (appointed) - Non-Field Office or SSRA city, managerial level or above
M21	Public Employee (appointed) - Field Office or SSRA city, less than managerial
M22	Public Employee (appointed) - Non-Field Office or SSRA city, less than managerial

Territorial

N01	Governor
N02	Lt. Governor
N03	Cabinet Level
N04	Senator
N05	Representative
N06	Judge
N07	Prosecutor
N08	Law Enforcement Officer
N09	Territorial Employee, managerial or above
N10	Territorial Employee, less than managerial

8. **Type of Corruption Investigated** *(check all appropriate boxes)*

Code Number/Description		Code Number/Description		Code Number/Description	
(A)	Judicial Corruption	(D)	Regulatory Corruption	(G)	Election Law Matters
A1	☐ Federal	D1	☐ Federal	G1	☐ Vote Buying
A2	☐ State	D2	☐ State	G2	☐ Alien Voting
A3	☐ Local	D3	☐ Local	G3	☐ Ballot Box Stuffing
A4	☐ Territorial	D4	☐ Territorial	G4	☐ Fraudulent Registrations
				G5	☐ Tampering with Voting Equipment
(B)	Legislative Corruption	(E)	Law Enforcement Corruption	G6	☐ Campaign Financing
B1	☐ Federal	E1	☐ Federal	G7	☐ Intimidation
B2	☐ State	E2	☐ State	G8	☐ All Others
B3	☐ Local	E3	☒ Local		
B4	☐ Territorial	E4	☐ Territorial		
(C)	Contract Corruption	(F)			
C1	☐ Federal	F1	☐ Abuse of Office		
C2	☐ State		*Not Involved*		
C3	☐ Local				
C4	☐ Territorial				

9. **Does corruption involve drug related activity?** *(check one)* ☐ *Yes* ☒ *No*

10. **Statistical Accomplishments** *(cumulative total)*

A. Complaints	_____	F. Acquittal	_____
B. Informations	_____	G. Recoveries	_____
C. Indictments	_____	H. Restitutions	_____
D. Convictions	_____	I. Potential Economic Loss Prevented	_____
E. Pre-trial Diversions	_____		

11. **Forfeiture Provisions Utilized** *(check one)* ☒ *Yes* ☐ *No*

12. **Status of Case** *(check one)*

☐ Pending Preliminary Inquiry *(Limited to 90 days)*
☒ Pending Full Investigation
☐ Closed

13. **Basis for Closing**	**Level of Official**	**Number of Subjects (All inclusive)**
☐ U.S. Attorney Declination	_____	_____
☐ Dismissal	_____	_____
☐ Acquittal	_____	_____
☐ Conviction	_____	_____
☐ Administrative by SAC	_____	_____

Additional Administrative Data *(if needed):*

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/21/92

Pursuant to Federal seizure warrants issued to Special Agent [redacted] INTERNAL REVENUE SERVICE (IRS), the following vehicles were seized from the residence of Sheriff MARSHALL E. HONAKER at approximately 10:00 a.m. on the morning of January 10, 1992:

1989 Toyota two-door sedan - Vehicle Identification Number (VIN) JT2MA70L3K0120050;

1987 Chevrolet pickup truck - VIN 1GCCT14R8H2157925;

1991 Ford Explorer - VIN 1FMDU34X0MUB49713.

Copies of the above seizure warrants were provided to HONAKER'S personal [redacted] who was present at HONAKER'S residence at the time that the seizure warrants were served. The seizure warrants were served in conjunction with a Federal search warrant and seizure warrant of Sheriff HONAKER'S residence which also occurred on January 10, 1992.

At the conclusion of the search, the above-listed vehicles were cleared of any personal belongings and thereafter transported to the Roanoke Resident Agency of the FEDERAL BUREAU OF INVESTIGATION (FBI) for storage. The Toyota was driven by SA [redacted] FBI, the Chevrolet pickup truck was driven by [redacted] FBI, and the Ford Explorer was driven by SA [redacted] IRS. The vehicles were parked in the secure parking space underneath the Poff Federal Building in Roanoke for temporary storage until final storage space could be obtained from the UNITED STATES MARSHAL'S SERVICE.

b7C

Investigation on 1/10/92 at Bristol, Virginia File # 46A RH-40962 -32

by SA [redacted] leh Date dictated 1/16/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

D-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Pgs. A1, A7, Richmond Times-Dispatch, Richmond, Va.

Date: 1/17/92
Edition: Morning

Title: MARSHALL E. HONAKER

Character: FAG
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

(Mount Clipping in Space Below)

IRS agent says sheriff diverted funds

By Bill McKelway
Staff writer

BRISTOL — Federal documents unsealed yesterday allege that Bristol Sheriff Marshall E. Honaker diverted hundreds of thousands of dollars in city jail proceeds into a personally controlled bank account that he used for his own benefit.

In a 20-page affidavit, a special agent with the Internal Revenue Service traced bank transactions during a four-year period in which Honaker accumulated about $512,000 and then parceled out checks to the city treasurer for $135,119.

In essence, the documents suggest, the jail became a private source of money for the 55-year-old sheriff, whose salary is about $60,000 a year.

The affidavit offers the clearest insight yet into details of a wide-ranging federal investigation focusing on Honaker and unidentified officials that became public last Friday when teams of FBI and IRS agents seized the suspect bank account, Honaker's personal records, the longtime sheriff's $275,000 home and three vehicles.

Boxloads of financial documents also were taken from the city's comptroller's office and treasurer's office.

Federal agents said they established that proceeds generated by the jail were used by Honaker to pay off loans he used to purchase his home in April 1989 and the seized vehicles.

In addition, agents recovered $63,881 in cash from the sheriff's office in the jail and a list of political contributions, according to search warrants.

"Honaker came to the attention of law enforcement officers due to a material increase in personal wealth that was not explained by known legal sources of income," special agent Jack Bumgardner said in the affidavit.

Honaker has not been charged in the ongoing federal investigation, which Bumgardner said began in May.

Appointed to office in 1973, Honaker is perhaps Virginia's best-known sheriff. He was president of the 20,000-member National Sheriffs' Association until he resigned Wednesday.

46A-RH-40962-33

b7C

FBI/DOJ

IRS agent says Bristol sheriff diverted jail funds

AP

Marshall E. Honaker
Personal wealth not explained

Honaker, who addressed newly elected sheriffs last month in Williamsburg, has been unavailable for comment and his lawyer, James Bowie, declined to comment when asked if the sheriff plans to resign.

The investigation of money-laundering and embezzlement allegations, as outlined in the affidavit, centers on Honaker's alleged diversion of hundreds of thousands of dollars that was paid to the jail for housing federal prisoners, primarily those under the custody of the U.S. Marshal Service and the District of Columbia Department of Corrections.

A spokesman in Washington told The Times-Dispatch earlier this week that the District of Columbia housed hundreds of misdemeanants in the Bristol Jail from July 1986 through March 1991 at a cost of $55 per day per inmate.

Hundreds more inmates under federal custody also have been housed in the 67-person jail over a similar time and rate, almost 10 times more than the average daily cost of housing

prisoners, according to the affidavit.

Honaker, according to state corrections officials, operated one of the state's premier jails and was able to increase prisoner loads exponentially as prison overcrowding became the norm across the country.

While state prisoners made up the largest contingent of felons in the jail, Honaker negotiated contracts with federal officials that were outside the purview of state and city auditors, state and local officials interviewed this week said.

The federal agencies were billed by the sheriff for their prisoners and payments were subsequently made by checks that were typically made payable to the jail or to Honaker himself, according to state, city and federal documents.

According to the affidavit, Honaker established a personal checking account at a local bank and deposited the funds into that account rather than with the city treasurer.

Bumgardner said that an examination of deposits in the Dominion Bank account, entered between January 1987 and January 1989, showed that 72 percent of the deposits "represent funds specifically identified as being diverted from the city of Bristol."

"The fact that the diverted funds were deposited to a personal checking account and commingled with legitimate funds is an integral part of the evasion scheme and an attempt to hide the true nature and character of the diverted funds," Bumgardner wrote in the affidavit.

According to federal sources, Honaker periodically withdrew funds from his private account and deposited them with the city.

City records examined by The Times-Dispatch yesterday show that deposits were made for "contract jail beds," but officials, including City Manager Paul Spangler, said they had no independent knowledge of the number of federal prisoners housed in the jail or of how much money was actually received for housing them.

In recent years, the sheriff frequently proclaimed that his office, because of proceeds derived from the federal contracts, was able to operate at a profit, meaning that city general revenue funds were not expended to operate the jail.

But federal documents allege that actual revenues far exceeded those that city officials were aware of.

Between July 1986 and October 1990, for instance, the District of Columbia and the Marshal Service office in Roanoke paid out $512,820 to the sheriff, according to the affidavit. The federal investigation has shown that only $135,119 in payments were made to the city.

When the Dominion Bank account was seized Friday, it contained only two certificates of deposit valued at $12,347 each, and $6,755 in other money.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page C2 The Free Lance Star

Date: 1/20/92
Edition: Daily

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

(Mount Clipping in Space Below)

Some in Bristol say sheriff deserved probe

By LESLIE LLOYD
Associated Press Writer

BRISTOL (AP)—Two former city officials say they aren't surprised the popular Bristol Sheriff Marshall Honaker is being investigated for embezzling more than $377,000.

Former police chief Tom Stone tipped federal officials about Honaker's alleged wrongdoing 14 months ago.

"He was popular and powerful," Stone says.

Honaker, who has been sheriff since 1973, has not been charged. A federal grand jury in Roanoke is scheduled to hear the case on Tuesday.

Honaker resigned as president of the National Sheriffs Association. He is taking a leave of absence from the sheriff's department until the investigation is complete.

Federal investigators say that Honaker embezzled funds the city received for housing prisoners from the District of Columbia at the city jail.

The jail is one of the largest federally accredited prisoner holding facilities in southwest Virginia.

"The department kept receiving information and it was obvious on the surface there might be something to it," says Stone, who left in November to become public safety director in Norristown, Pa.

Hugh Cooper, Bristol's city manager from 1968 to 1989, says he asked the City Council last year to investigate Honaker, but the council was "indifferent."

"This is something that's been going on a long time," Cooper says. "I think most people are highly surprised. I think most people don't like what's been uncovered."

Cooper and Stone both say they didn't get along with Honaker.

City employees are keeping quiet about the situation, but Clerk Daniel Johnson says most are in "kind of a state of shock."

"I know Marshall and I would never have thought something like that," Johnson said.

On Jan. 10, federal officials raided Honaker's home and office. They seized his $245,000 home, truck and car and found more than $63,000 cash stashed in his office desk, according to federal documents unsealed in Roanoke.

The jail was housing prisoners from the District of Columbia at $55 per day per prisoner. The daily expense of keeping each prisoner was $6.

Jack Bumgardner, an Internal Revenue Service special agent, said in an affadavit that the investigation began shortly after Honaker purchased a house worth more than five times his annual taxable income of $44,100.

Bumgardner also says Honaker used the money to buy $10,000 certificates of deposit for each of his two children.

Bumgardner says he believes 72 percent, or $377,700, of the $512,821 the sheriff's department received from keeping the prisoners from July 1986 through October 1990 was put into Honaker's personal checking account.

Bumgardner said in his statement he believes Honaker could be charged with tax evasion, money laundering, federal program fraud and mail fraud.

Honaker has said in a statement he will not comment on the investigation.

Charles Arnold, chief deputy of the sheriff's department, is managing the day-to-day operations of the sheriff's department in Honaker's absence.

"The day-to-day operation has been going smoothly," Arnold said. "I'd say probably the whole staff was surprised. The morale is excellent for something as shocking as this has been."

Marshall Honaker

46A-RH-40962-34

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FBI — RICHMOND

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(Mount Clipping in Space Below)

Honaker talking plea deal

Testimony begins in sheriff hearing

By DAVID REED
ASSOCIATED PRESS

ROANOKE — The lawyer for Sheriff Marshall Honaker said the sheriff is talking with authorities about a plea bargain. A federal grand jury is currently investigating fraud and embezzlement allegations against Honaker.

"I can confirm we're going to be talking about the mechanics of a plea agreement," James Bowie, a Bristol lawyer, told the Richmond Times-Dispatch.

Honaker

The grand jury began hearing testimony Tuesday against Honaker, who allegedly took $377,700 in jail revenue and used some of money to buy a house, two vehicles and other property.

City Manager Paul Spangler said after testifying for 45 minutes that he still finds it hard to believe the magnitude of the allegations and how such a diversion could escape notice for four years.

City Treasurer Emma Muller, who also testified Tuesday, said, "I couldn't believe it. It sort of staggers the mind."

An Internal Revenue Service agent said in a U.S. District Court affidavit that Honaker diverted the money from payments to the jail for holding prisoners for the federal government and District of Columbia.

The Sheriff's Department controls the operation of the jail, one of the largest federally accredited prisoner-holding facilities in Southwest Virginia.

Honaker, who has not been charged with a crime, resigned last week as president of the National Sheriff's Association and is taking a leave of absence until the investigation is completed. The sheriff has said he will not comment.

In a raid Jan. 10, agents seized Honaker's $245,000 home and other property and found $63,281 in cash in his office desk.

IRS agent Jack Bumgardner said in the affidavit that he believes there is probable cause to charge Honaker with tax evasion, money laundering, federal program fraud and mail fraud.

Spangler added that Bristol officials were unsure whether the city or the state "should have caught that" and may need to fix its accounting procedures. Bristol Mayor James Rector made a similar comment last week, noting that nearly all of the Sheriff's Department's $2.4 million budget is state funded.

Walter Kucharski, state auditor of public accounts, said his department only occasionally audits the state's constitutional officers — sheriffs, treasurers, revenue commissioners, finance directors, court clerks and commonwealth's attorneys — and then only on request.

Kucharski said Friday that the city council was ultimately responsible for overseeing the Sheriff's Department and should have supervised the jail accounts, including the prisoner reimbursements.

b7C

(Indicate page, name of newspaper, city and state.)

P.B1, Roanoke Times and World News, Roanoke, Va.

Date 1/22/92

Edition.

Title Honaker talking plea deal

Character:
or
Classification: 46A RH-40962
Submitting Office:

Indexing:

46A RH-40962-35

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1 Copy Sent

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page C1 The Free Lance-Star

Date: 11/23/92
Edition: Daily

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

(Mount Clipping in Space Below)

Community dealing with sheriff's suicide

Reportedly left note admitting charges

By LESLIE LLOYD
Associated Press Writer

BRISTOL, Va. (AP)—City employees are working through grief and astonishment the day after Sheriff Marshall E. Honaker fatally shot himself in his office during a federal grand jury investigation.

Honaker

The grand jury in Roanoke had been investigating allegations that Honaker embezzled more than $370,000 the city was to have received for housing out-of-town prisoners. He died Wednesday.

"We're here and everybody's doing their job the best they can," said Pejie B. Maine, voter registrar. "There's just a great sadness."

"I don't think anybody knew what was going on," Maine said Wednesday. "I think it's just been a very sad 12 days for the city."

Honaker, 55, had been on a leave of absence since Jan. 10, when federal agents seized his $245,000 home and other property and, during an office raid, found $63,281 in cash in the middle drawer of his office desk.

Chief Deputy Charles Arnold said Honaker went to the office early Wednesday for the first time since his leave of absence. Arnold has been running the department since Jan. 11.

Honaker shot himself in the chest with a 12-gauge shotgun about 8:40 a.m., City Manager Paul Spangler said Wednesday at a news conference.

Honaker was pronounced dead upon arrival at Bristol Regional Medical Center in Tennessee at 9:05 a.m.

Sources have told the Bristol Herald-Courier that shortly before he shot himself, Honaker wrote a note confessing to federal allegations of embezzlement.

In the note, Honaker also reportedly apologized for the alleged crimes, the sources said.

City Manager Paul Spangler and Police Chief Oscar Broome declined to comment on

46A-RH-40962-36

b7C

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page C1+C8 The Free Lance-Star

(Mount Clipping in Space Below)

Date: 1/23/92
Edition: Daily

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

the reports, saying an investigation of the sheriff's death is continuing.

"I'm not going to comment on anything until the investigation is complete," said Broome, a friend of Honaker's.

Internal Revenue Service Agent Jack Bumgardner said in a court affidavit he believes there was probable cause to charge Honaker with tax evasion, money laundering, federal program fraud and mail fraud.

Honaker's attorney, James D. Bowie of Bristol, had said Tuesday that the sheriff had been talking with authorities about a plea bargain.

The affidavit accused Honaker of diverting more than 70 percent of the $512,820 the city received for housing prisoners for the federal government and District of Columbia from July 1986 through October 1990.

The Sheriff's Department controls the operation of the jail, one of the largest federally accredited jails in southwest Virginia.

Bumgardner said a former sheriff's department employee told Bristol police that Honaker's department was keeping a double set of books.

City Treasurer Emma Muller was among witnesses before the grand jury meeting in Roanoke on Tuesday.

"I'm just sorry it all happened. He was a friend," she said Wednesday.

Arnold said Honaker had kept in contact with the department.

"The sheriff would call every day," Arnold said.

Honaker resigned last week as president of the National Sheriff's Association, a post he had held since June 1991. He had been a sheriff for 18 years.

Assistant U.S. Attorney Julie Campbell in Roanoke said the grand jury investigation was put off indefinitely.

"We are distressed to learn of Sheriff Honaker's death," she said. "Everyone is upset here."

*Please see **Sheriff**, page C8*

Sheriff

from page C1

Deputies were especially saddened by news of Honaker's death.

"The deputies are hurting," Arnold said. "I don't know what words to use."

Debra Love-Bryant, chief of staff for state Attorney General Mary Sue Terry, said, under state law, an election of a new sheriff must be held during the next general election, set for Nov. 3. Honaker would not have been up for re-election until November 1993.

In the meantime, it will be up to Circuit Court Judge Charles Flannagan to appoint a successor to Honaker. Chief Deputy Charlie Arnold has been running the department since news of the federal investigation became public.

Spangler said Arnold would continue to run the department for the time being.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page C8 The Free Lance Star

Date: 1/23/92

Edition: Daily

Title:

Character:
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Classification:
Submitting Office:

Indexing:

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ricksburg, Virginia, *Thursday, January 23, 1992*

An investigation in Sheriff Marshall Honaker's misuse of funds indicated that diverted money helped him buy this home in Bristol valued at more than $250,000.

ASSOCIATED PRESS *Photo*

FD-350 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state.) Page B-4
Richmond Times-Dispatch
Richmond, Va.
Date: 1/25/92
Edition: Morning

Title: MARSHALL E. HONAKER

Character: 46A RH-40962
or
Classification:
Submitting Office: Richmond

Indexing:

Investigation not in suicide note

By Susan Winiecki
State staff

BRISTOL — A brief suicide note left by Bristol Sheriff Marshall E. Honaker made no mention of a federal embezzlement investigation directed at him, but said his "last thoughts are of my wonderful family and friends."

A transcript of the note was released yesterday by city officials who said Honaker's family wanted to dispel rumors.

Honaker, sheriff in Bristol since 1973, died Wednesday morning after locking himself in his office and firing both barrels of a 12-gauge shotgun into his chest.

The 55-year-old sheriff placed the weapon directly over his heart, a spokesman in the Roanoke office of the state medical examiner said.

Federal authorities made a year-old embezzlement investigation of Honaker public Jan. 10, when they seized financial records from city offices, including Honaker's, and seized Honaker's home and automobiles.

Authorities also recovered more than $63,280 in cash from Honaker's desk drawer.

On the day of his death, he was expected to begin negotiating a plea agreement with federal prosecutors. A federal grand jury, also, was set to begin a second day of deliberations on the case against the sheriff.

"My last thoughts are of my wonderful family and friends — I love you all very much," wrote Honaker, who is survived by his wife and two children.

"God has forgiven me, I hope you all will. Love forever, Marshall. I am truly sorry to cause you all so much pain."

Documents released by the government last week alleged the sheriff had embezzled nearly $378,000 in jail proceeds that should have gone to the city treasury.

Thousands of people are expected to attend the 2 p.m. funeral service today for the well-known, politically powerful sheriff. One sheriff's deputy estimated that as many as 3,000 officers from around the country would attend.

There was a steady stream of mourners yesterday afternoon at Bristol's State Street United Methodist Church, where Honaker's body was on view.

At a nearby Holiday Inn, front desk clerk Mitchell Watson said yesterday evening he expected more of his rooms to be filled.

"They [the crowds] are not here," Watson said. "We were expecting the governor to call [for a reservation] but he hasn't."

Neither Gov. L. Douglas Wilder, Lt. Gov. Donald Beyer, nor Attorney General Mary Sue Terry, each of whom Honaker supported, planned to attend the funeral, spokesmen in each office said yesterday.

Watson said he was excited when he had a room reservation for a Chuck Robb, but Robb didn't turn out to be the Virginia senator.

At the church yesterday, guests entered through a side door of the main sanctuary and the narthex was filled with arrangements, friends and an honor guard of deputies.

Staff Writer Bill McKelway contributed to this report.

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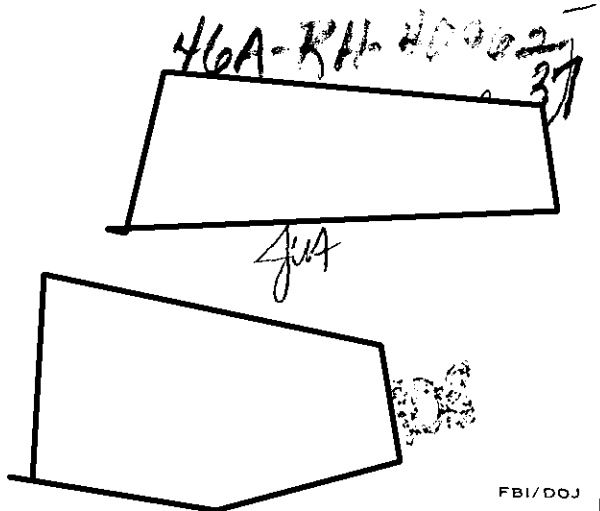

FD-350 (Rev. 5-8-81)

Page 1

(Indicate page, name of newspaper, city and state.)
Richmond Times-Dispatch
Richmond, VA

Date: 1/26/92
Edition: Sunday

Title: Marshall E. Honaker

Character: 46A-RH-40962
or
Classification:
Submitting Office:

Indexing:

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Allegations didn't keep crowd away

By Susan Winiecki
State staff

BRISTOL — Nothing was black and white about the events leading up to Sheriff Marshall E. Honaker's funeral yesterday afternoon.

Even the sky over State Street United Methodist Church was an appropriate gray as rows of sheriff and police cars began filling the parking lot at noon for the 2 p.m. service that drew more than 1,000 mourners.

The largest funeral in Bristol's history was standing-room only and took on the air of a solemn parade, with residents lining up along East Valley Drive to get a glimpse of the hearse on its way to Mountain View Cemetery. Some even toted video cameras to record the procession.

They came despite recent embezzlement allegations against the 17-year sheriff, who also served as the president of the National Sheriff's Association.

They came despite his suicide Wednesday.

They came even though unanswered questions and rationalizations are still swirling around this southwestern Virginia town of 18,000 on the Tennessee line.

Fifteen-year-old Jerry Tuell watched with two of his friends from behind police barricades. "Just because he done wrong and killed himself doesn't mean they shouldn't show up at his funeral," Tuell said.

"A lot of people are coming to see what the deal is," Sam Countiss said earlier as he finished his morning coffee and glazed doughnut at a doughnut shop. "But a lot of people are coming who knew him for what he was."

The only thing clear was that Honaker was a friend to many in the community and to law enforcement officials statewide. The leaden skies turned eerily sunny just as his oak casket was being brought down the church steps.

Honaker "enriched the lives of many people. . . . Nothing that has happened heretofore or anything that can happen hereafter can erase that," said Commonwealth's Attorney George M. Warren Jr.

"As far as I'm concerned, Mar-

Continued on page 2, col. 3

"I hope people remember him for the good things, but that's not human nature, I guess."

— Lt. George Keyes,
Montgomery County

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46A-RH-40962-38
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FBI/DOJ

Staff photo by Stuart T. Wagner

FINAL SALUTE — Law enforcement officers saluted as pallbearers carried the casket of Bristol Sheriff Marshall E. Honaker. His friends hoped that Honaker would be remembered for his good deeds instead of embezzlement allegations.

Allegations didn't keep crowd away

Continued from first page

shall never met a stranger," said Lt. George Keyes of the Montgomery County Sheriff's Department.

Keyes was standing across the street from the church with other officers, who kept asking "Where are you-all from?" as more arrived for the funeral.

"If you ever knew Marshall, he was your friend — police officer or bum off the street," Keyes said.

About 1,200 filled the church for the funeral, with many more standing outside. Honaker was eulogized as a thoughtful person who gave generously of his time, speaking to church youth groups, helping victims of personal tragedy and even attending pauper's funerals.

Describing Honaker as "the sheriff with the bright tie," jail chaplain Tom Bradley told the congregation, "I remember him saying, 'Tom, we got to go to this funeral. If you're not there to read God's word, nobody would.' "

Honaker was buried 15 days after federal agents seized financial records from his office as well as his $275,000 home, three vehicles and various bank accounts.

The focus of an investigation involving fraud and embezzlement, Honaker killed himself in his locked office Wednesday with a double-barreled, 12-gauge shotgun. A federal grand jury in Roanoke was about to begin its second day of deliberations about the sheriff and his profitable jail. The day before, Honaker's lawyer said he was working on a possible plea agreement.

Federal documents accused Honaker of diverting $512,000 from money paid for temporarily housing prisoners from such jurisdictions as the District of Columbia over a five-year period and paying only $135,119 to the city treasurer. Investigators also said Honaker's personal wealth couldn't be explained by his $60,000 salary and legal sources of income.

"Someone else must have known about it. Everything could not have gone just through one person," said Remonia Hatcher, who works at Miller's Florist, the shop the Honaker family and sheriff's department used regularly.

"I don't think anyone is thinking of the black cloud over his head, they're just thinking of the good things he's done for the community and the tragedy for his family."

Ms. Hatcher said jail inmates thought enough of Honaker to send a house plant in a brass container to the family's home. The sheriff ran a jail praised as one of the top five in the state for amenities ranging from a GED program and full-time chaplain to a farm where inmates raised food.

Resigning two weeks ago as the president of the 20,000-member national association, Honaker, 55, was to have been honored next month as lawman of the year by the U.S. Marshals Association.

A friend of Honaker's for 30 years, Radford Sheriff Bobby Farmer, said Honaker should be honored despite the allegations and his suicide.

"The Lord has forgiven him of his mistake — that's if he made a mistake. I'm sure the people could, too," Farmer said. "Nobody knows what was on his mind. He may have knew something more than we did."

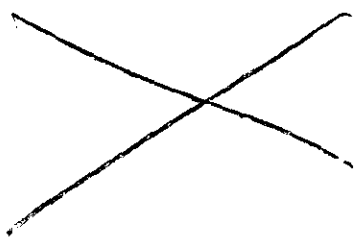
Keyes added, "I hate it that this [the suicide] is what he's going to be remembered for instead of 30 years of work.

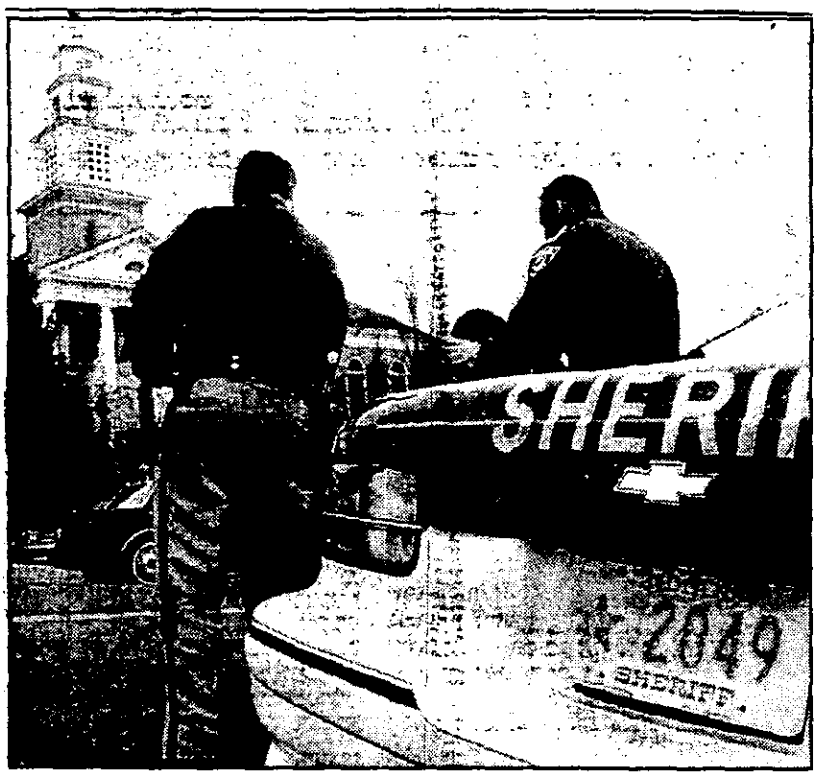
"It's a terrible situation that a man with such a career would have to go out like this. . . . I hope people remember him for the good things, but that's not human nature, I guess."

A former president of the Virginia Sheriff's Association, Honaker began his law enforcement career in 1957 as a deputy in Washington County.

Rising to become a powerful Democratic political force in Southwest Virginia, he served on several state boards and won a number of gubernatorial appointments. Gov. L. Douglas Wilder flew to Minnesota last year to swear Honaker in as president of the National Sheriff's Association.

Speculation over Honaker's final words, a pencil-written suicide note, led the family to release its contents





Staff photo by Stuart T. Wagner

SHERIFF MOURNED — Among the more than 1,000 people attending the funeral of Bristol Sheriff Marshall E. Honaker was a law enforcement officer who drove eight hours from Indianapolis.

Friday. It said:

"My last thoughts are of my wonderful family and friends — I love you all very much. God has forgiven me, I hope you all will. Love forever, Marshall. I am truly sorry to cause you all so much pain."

Speculation about Honaker continued, though, at such locations as the State Street Barbershop and Mother's Restaurant on Euclid Avenue.

Barber Sam Wyatt and regular customer Raymond Bays agreed that Honaker remains technically innocent because he was never formally charged — and never had a day in court. But in the next breath, the two tried to rationalize his alleged misdeeds.

"Sometimes power drives you mad," Wyatt said.

"No ifs and buts about it," Bays added. "He did a great job. Maybe he just thought in his mind, he was due this [money]."

Honaker and Bristol Police Chief Oscar Broome ate occasionally at Mother's Restaurant, said owner Glen Keesee.

"I still don't believe it [the allegations]," Keesee said. "It's hard to believe a man who did that much for the community would be up to something like that.

"Even if he did, it's not going to change my view of him as a person. I'd go the funeral if I didn't have to work."

Keesee thought it strange that Honaker was accused of taking money in the last four years, when he had access to it all the time, and added that perhaps there weren't any laws "to specify how to handle that money, so he put it in a separate account."

Keesee admitted, however, that he wouldn't want to be a politician. "Money can make a crook out of a lot of politicians."

Bob Cowan, a Masonic lodge brother of Honaker's and a Mother's regular, regretted Honaker's suicide.

"At most, he would have spent a few years, but not at hard labor or at a maximum-security place."

Cowan said he doesn't believe anyone can figure out why "this has all happened," but he knows one thing for sure.

"The old boy's going to be missed by a lot of people."

FD-523 (Rev. 8-23-84)

ROUTE TO PHOTO TECHNICIAN UPON RECEIPT

From: Director, FBI
(Attn: Photographic Processing [illegible]t, Rm. 1B903 TL151)

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To: RMS/RLB
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Date: 1/13/92

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☐ Unclassified ☐ Confidential ☐ Secret

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ENCLOSURES:

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Film	35mm	color	2 rolls
Negatives			
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Other (specify)			

(color and black & white work will not be accepted on same request)

CONTACT FOR INFORMATION:

FTS- 923-2000

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JUSTIFICATION: EVIDENCE

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PHOTO TECHNICIAN (Intl.)

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The above is ☐ attached
☐ being sent under separate cover, via ☐ registered mail
☐ air freight

Enclosure

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
p. A3, Roanoke Times and World News, Roanoke, Va.

Date 1-25-92
Edition

Title Sheriff apologized for pain

Character:
or
Classification: 46A RH-40962
Submitting Office:

Indexing:

Sheriff apologized for pain

Honaker, in suicide note, asked friends and family to forgive

Associated Press

BRISTOL — The city sheriff who killed himself amid an investigation of his alleged skimming of jail money apologized in a suicide note for causing "so much pain."

"My last thoughts are of my wonderful family and friends," wrote Marshall Honaker, who is survived by his wife and two children. "I love you all very much. God has forgiven me. I hope you all will. Love forever, Marshall."

City Manager Paul Spangler read the note Friday at a news conference at the request of Honaker's family. The sheriff's relatives wanted to end rumors and suspicions about the note's content, Spangler said.

A postscript said: "I am truly sorry to cause you all so much pain."

Spangler wouldn't answer questions.

Honaker, 55, placed the note on his office desk Wednesday before pointing a 12-gauge shotgun at his chest and pulling the trigger, officials said.

The sheriff had come into his office at the city jail for the first time since taking a leave of absence Jan. 10, the day federal agents raided his home and office.

Honaker, Bristol's sheriff for 18 years, resigned last week as president of the National Sheriff's Association.

Federal officials suspected him of taking $377,700, money that was paid to the department for keeping prisoners for the District of Columbia and the federal government.

The suicide came the day after a federal grand jury began an investigation.

46A RH-40962 -40

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INDEX AS RECORDED

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
Pg 1A &10A "Bristol Herald Courier," Bristol, Va.-Tenn.
Date: 1/21/92
Edition:

Title: MARSHALL E. HONAKER

Character:
or
Classification: 46A RH-40962
Submitting Office: Richmond

Indexing:

Federal grand jury to convene today in Honaker probe

MARK HYLER
Staff Writer

A federal grand jury will convene today in Roanoke to begin hearing evidence from the investigation of Bristol Virginia Sheriff Marshall Honaker, who is accused by federal agents of diverting more than $377,000 in sheriff's department funds into a personal bank account.

About 40 individuals are expected to testify during the hearing, which will determine whether there is enough evidence to indict the former president of the National Sheriff's Association on charges of fraudulent intent, tax evasion, money laundering, federal program fraud and mail fraud.

Honaker, who relinquished the NSA post last week as a result of the probe, has declined to comment on the investigation or the resignation. The sheriff has also taken a leave of absence from the sheriff's department pending the outcome of the inquiry.

According to an affidavit filed in federal court last week by Internal Revenue Service Special Agent Jack Bumgardner, Honaker is alleged to have deposited money paid to the sheriff's department to house federal prisoners at the Bristol Virginia Jail between Jan. 1, 1987, and Dec. 31, 1989, into a personal checking account at Dominion Bank.

During that time period the sheriff reportedly received checks from the government of the District of Columbia and the U.S. Marshal's Service totaling $512,820 for taking care of the prisoners, but only $135,-199 of those funds were turned

Please see HONAKER, Page 10A

HONAKER

From Page 1A

over to the city's general fund. Bumgardner alleges that the remaining $377,700 was deposited directly into the personal account, and then used to purchase Honaker's $245,000 Woodland Drive home, three personal vehicles and two $10,-000 certificates of deposit for his children.

Dozens of agents from the IRS and FBI simultaneously raided the sheriff's office and home Jan. 10, seizing his house and three personal vehicles, along with numerous boxes of records from the sheriff's department and Bristol Virginia City Hall. In addition, agents confiscated coin and jewelry collections, and more than $63,000 in cash from Honaker's office.

The investigation was reportedly initiated by former Bristol Virginia Police Chief Tom Stone more than a year ago, and evidence gathered by his department was then turned over to federal authorities.

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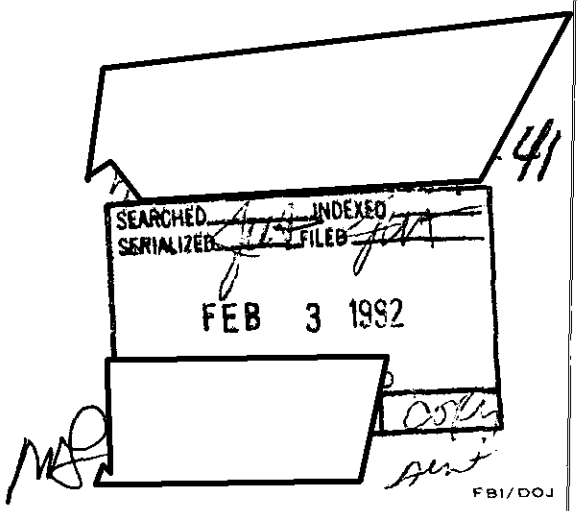

FD-350 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state.)
Pg 1, "Richmond News Leader" Richmond, Va.
Date: 1/23/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character: or
Classification: 46A RH-40962
Submitting Office: Richmond

Indexing:

Questions remain after sheriff's death

By Rex Springston
Staff writer

BRISTOL — For many people in this mountain city, the suicide of Sheriff Marshall E. Honaker solved a mystery.

For others, it means the riddle may never be answered.

The question is: Was Honaker guilty of wrongdoing, and if so, to what extent?

"Nobody will ever know the whole story," said Lisa D. Campbell, a hotel manager and friend of Honaker's.

Honaker was never proved a criminal, she said. "He was never arrested, indicted or anything like that."

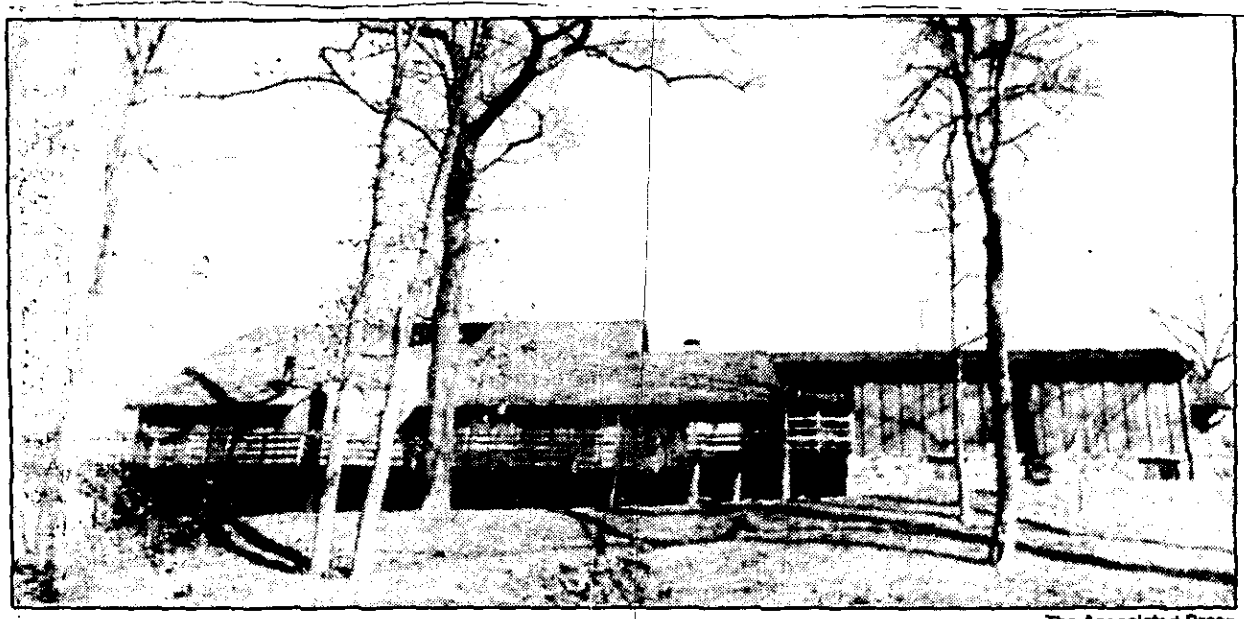
But some residents say Honaker's suicide proved he was guilty.

"I think it's what happens when you take money and get caught," said Rick Martin, a service station manager. "A man wouldn't kill himself if he didn't take the money."

Honaker, 55, Bristol's sheriff since 1973, died yesterday of a self-inflicted shotgun blast to the chest, officials said.

The popular and powerful Hon-

☐ See Mystery, Page 7



The Associated Press

This is the $245,000 home of Sheriff Marshall E. Honaker in Bristol.

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FBI/DOJ

Mystery continues after death

☐ Continued from Page 1

aker killed himself with a 12-gauge shotgun in his office about 8:40 a.m., officials said.

He was pronounced dead on arrival at Bristol Regional Medical Center at 9:05 a.m.

Honaker left behind a note confessing to embezzlement and apologizing for his acts, according to the Bristol Herald Courier.

However Honaker's attorney, J.D. Bowie, today said, "That's not true. ... There was a note, but it didn't address guilt or innocence," Bowie said. "It was a personal note to the family."

Julie N. Campbell, an assistant U.S. Attorney, said federal prosecutors were "distressed" to hear of Honaker's death but would have no comment on the investigation.

Bowie said he had been exploring the possibility of Honaker cooperating in a plea bargain.

The attorney would not say whether Honaker had admitted wrongdoing to him.

Honaker's death came a day after a federal grand jury in Roanoke began hearing testimony to determine whether Honaker should be charged for allegedly taking $377,700 in jail revenue. That investigation has been suspended indefinitely.

Federal authorities said Honaker used some of the money to buy a house, two vehicles and other property.

The authorities alleged Honaker took money from payments to the jail for holding prisoners for the federal government and Washington.

The money was diverted into a private bank account controlled by Honaker and his wife, Brenda, according to the authorities.

The sheriff's department runs the jail.

Bristol Mayor James F. Rector said today that an audit of city accounts last fall failed to show any problems in the sheriff's office.

Honaker controlled a fund fed by fees for housing outside inmates and which the auditor didn't look into, he said.

"For whatever reason, this fund was not audited," Rector said. "I'm not sure they (the auditors) were aware of it."

Even if Honaker were embezzling money, "he was returning more than was being budgeted in local money" to operate the department, he said.

Each year Honaker would turn over a surplus of as much as $300,000 to the city, Rector said.

The sheriff's department budget totals about $2.5 million, he said.

Rector described Honaker as a Democrat who, through his popularity, wielded political influence far beyond Bristol. "He was respected by law enforcement authorities across the state."

On Jan. 10, Federal agents seized Honaker's $245,000 house and other property and found $63,281 in cash in the middle drawer of his office desk.

Flags have been flying at half-staff in Bristol, a far Southwest Virginia city of 17,700 on the Tennessee border, about 325 miles from Richmond.

For residents, the initial accusations, and now Honaker's death, packed a double jolt.

"The reaction down here is shock and surprise, and regret for his family," said Lt. Jim Nunez of the sheriff's department.

"The whole city's had a great loss. He was just a great person. ... It's like a member of your own family dying. ... People are crying."

Also noting that Honaker was never charged, Lt. Nunez said he wasn't shocked by the money found in the sheriff's desk.

"We've dealt in those amounts of money before. ... He could have been looking for a farm, for all I know."

Lt. Nunez said he wanted the investigation to continue, and any wrongdoers punished, to clear a cloud hanging over the department.

Perhaps 2,000 law officers "from all over the U.S. and Canada" will come for Honaker's Saturday afternoon funeral, Lt. Nunez said.

Jack Weaver, a convenience store manager here, called Honaker a "political heavyweight in Virginia" who inspired fierce loyalty in some people and rubbed others the wrong way.

"You've got a very, very popular man who no one ever suspected of doing this," Weaver said.

If Honaker was skimming money, what's to prevent other sheriffs from doing the same thing, Weaver asked. "Where's the accountability?"

Ms. Campbell, the friend of Honaker's, said, "We are quite devastated and very upset."

She called Honaker a respected man who, among his accomplishments, made high-school-equivalent education available to inmates. He also started a farm where inmates grew food they ate.

In addition to his wife, Honaker is survived by two children.

He had been on a leave of absence since Jan. 11.

Because of the accusations, Honaker resigned recently as president of the National Sheriff's Association.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

SHERIFF DEATH: Sheriff Marshall Honaker of Bristol County, Va., who quit last week as National Sheriff's Association president amid an embezzlement scandal, was found dead of a self-inflicted shotgun wound, officials said. Missing: $370,000 in jail payments, authorities said.

(Indicate page, name of newspaper, city and state.) Pg. 3A, USA Today

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INDEX AS NECESSARY

FBI/DOJ

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Even his former prisoners mourn the loss of a friend

Sheriff Marshall Honaker

By PAUL DELLINGER
SOUTHWEST BUREAU

BRISTOL — A lieutenant in the Bristol City Sheriff's Department turned to jail Chaplain Tom Bradley Wednesday and handed him a telephone receiver.

"Here. I can't handle this. You take it," the veteran law enforcement officer said.

The caller was a former prisoner at the jail. It was obvious from his voice that he was in tears.

"Chaplain Bradley, I just had to call and say I loved the sheriff, and I love you all, and I'm just heartbroken," the caller sobbed.

Ex-prisoners joined police chiefs and county sheriffs from Virginia and Tennessee in phoning the office Wednesday to express sympathy, after learning about Sheriff Marshall E. Honaker's apparent suicide.

Honaker used to chuckle about how his title and first name would occasionally confuse callers who did not know him about what office he held.

Wednesday, yellow ribbons usually used at crime scenes elsewhere to keep the public out were securing Honaker's own office. Outside, the flag between the jail and city hall flew at half-staff.

Federal authorities had suspected Honaker, 55,

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FBI/DOJ

Mourn

FROM PAGE A1

of diverting $378,000 in government money between 1987 and 1989 to his own use. Authorities claimed that the money, about 70 percent of what the government paid to house federal prisoners at the Bristol jail, went into his and his wife's private checking account.

After federal agents seized records at the jail and his home Jan. 10, Honaker took a leave of absence from the office he had held for the past 18 years.

Five days later, he stepped down as the 50th president of the National Sheriffs' Association, an organization to which he had belonged since 1957 when he got his first law enforcement job as a deputy in Washington County. He was also a past president of the Virginia Sheriffs' Association.

But as a lawman, he defied stereotyping. Friends, upon hearing of his death, talked not about his recent troubles but about his generosity and kindnesses.

One said the sheriff even had bought shoes for prisoners who had none when they finished their time behind his jail's bars.

He returned to his office Wednesday morning for the first time since the federal investigation began. At 8:40 a.m., he apparently fired a shotgun into his chest. He was pronounced dead on arrival at a Bristol, Tenn., hospital.

Police Chief Oscar Broome, whose department is investigating Honaker's death, would not say whether Honaker left a note and would not disclose other details late Wednesday.

Circuit Court Clerk Edwina Mull said people in city hall had been devastated over what had been coming to light in the federal probe.

The news of Honaker's death, which spreads rapidly through city hall and the rest of Bristol Wednesday morning, triggered even more emotional outpouring.

"We are all experiencing a lot of grief," Mull said.

"He did a lot for our community and he did a lot for people in general. . . . He has always been willing to help anyone who needed him," she said. "In spite of all that's happened, we're going to miss him."

Maj. Eddie Barnes of the city Sheriff's Department said the 48 people working there, already stunned by the accusations against the sheriff, were handling his death as best they could.

"Everybody's hanging in here. We got a pretty good bunch of people. . . . It's tough. But we're hanging," he said. "I just can't stress to you how many friends Marshall Honaker had. . . . He just had an enormous amount."

Some members of the department had been meeting with Chaplain Bradley, not just Wednesday but as the federal case went to a grand jury this week. Bradley said Honaker had asked him if he was going to be in the office this week because Honaker was concerned about how the publicity would affect the employees.

The jail ministry was always open to counsel Honaker's deputies and other employees as well as inmates, and Bradley said Honaker would never ask him what employees might discuss. "He didn't want to know. He gave them that outlet."

Bradley is with the Arlington-based Good News Jail & Prison Ministries, which Honaker approached in 1981 about setting up a ministry in the Bristol jail. There is now a full program including Bible teaching, drug and alcohol and one-on-one counseling handled by an average of 20 volunteers each week.

Through the program, prisoners have gone to area churches to talk to young people about the hazards of drugs. Teachers have brought troubled students to the jail to talk to inmates about straightening themselves out while there is time. It also led to the jail's current GED program to further prisoners' educations.

"He had a positive impact, even on the inmates," said Bradley, who has been involved in the jail ministry since 1981. "I've seen guys come in here in the summer and get out in the winter with no shoes, and he'd buy shoes for 'em."

Honaker was innovative, Bradley said, in seeking ways to improve law enforcement. "That was sort of the way Marshall looked at everything: If it helps one person, let's do it," Bradley said. "And he was a good man. Good men make mistakes just like bad men make mistakes."

Under Honaker, the Bristol jail gained recognition as one of the best in the state.

One of his most visible jail programs involved the city leasing farm property and letting trusties work it. Proceeds were divided 50-50 between the city and owner, with produce and livestock from the farm acreage being used for jail meals and reducing food costs.

> "I just can't stress to you how many friends Marshall Honaker had. . . . He just had an enormous amount."
>
> **Maj. Eddie Barnes**
> Bristol Sheriff's Department

Honaker started a drug education program in city schools and the first victim-witness assistance office in Bristol.

"He started to build a library here," Maj. Barnes said. "We have every intention of keeping his programs going, full strip."

Honaker was from a family of hard-working people, acquaintances said.

Honaker was only a boy when he got a job at Blevins Funeral Home, the one now handling his funeral arrangements.

One of the biggest influences on him when he was young seemed to be an uncle, Joe Honaker, a retired police captain. Perhaps it was his uncle's influence that led him to his first deputy's job with the Washington County Sheriff's Department in 1957.

He later worked as an examiner for the Division of Motor Vehicles. After a stint in the U.S. Army, he became a deputy with what was then called the City Sergeant's office in Bristol, now the city Sheriff's Department.

He became acting sheriff in 1973, completing the unexpired term of Sheriff J.N. Ingoldsby. Honaker was elected to his first full term in 1974 and had been sheriff since.

It was in 1977 that he got a spot on the National Sheriffs' Association board of directors. He later served as its sergeant-at-arms and in various vice presidential capacities, working his way to the top. He was sworn in last year in Minneapolis by Gov. Douglas Wilder. An active Democrat, he had campaigned a lot for both Wilder and Attorney General Mary Sue Terry.

Wilder named Honaker to the Virginia Drug Council in 1990. Honaker was also a member of the Virginia Attorney General's Task Force on Domestic Violence.

Honaker took some classes at Southwest Virginia Community College near Richlands, and was on the board of its Law Enforcement Academy.

"He was instrumental in upgrading the status of sheriffs throughout the commonwealth and was widely respected throughout the state," said George M. Warren Jr., a former state senator who is city commonwealth's attorney. Members of the General Assembly sought his advice on bills affecting sheriffs' offices, Warren said.

Honaker also served on a number of state commissions that helped upgrade standards for sheriffs' departments, including those for uniforms, cars, equipment and continuing law enforcement education.

Warren said Honaker provided various kinds of help to many people, but was particularly active in finding ways to aid senior citizens.

"He was just good to people and, believe me, despite all that has happened, Marshall Honaker has a lot of friends in this town who are still his friends," Warren said. "If you weigh all of the good that he did against this thing that has come out, the good will far outweigh the bad."

David Farmer and Bert Stanley contributed to this report.

FD-350 (Rev. 5-8-81)

T.D. 1/23 Pg

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
Pg 1, "Richmond Times-Dispatch"
Richmond, Va.
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Submitting Office: Richmond

Indexing:

Bristol's sheriff takes own life in his office

City shocked; probe on hold

By Bill McKelway
Staff writer

Bristol Sheriff Marshall E. Honaker, under a federal investigation involving fraud and embezzlement, killed himself yesterday morning with a 12-gauge shotgun, city officials said.

The longtime sheriff, 55, was found in his locked office adjoining the city jail about 8:40 a.m., according to a terse statement from City Manager Paul Spangler, who ordered investigators not to comment.

"We're in a state of shock. It's a tragedy," he said.

Honaker was rushed to the Bristol Regional Medical Center in Bristol, Tenn., where he was pronounced dead at 9 a.m., according to a hospital spokesperson.

He died from a massive chest wound, Sonya Slaughter said.

Honaker's death temporarily curtailed a federal grand jury proceeding in Roanoke that was poised to begin its second day of deliberations, U.S. Attorney E. Montgomery Tucker said.

"We are distressed to learn of Sheriff Honaker's death," he said in a prepared statement.

According to Honaker's lawyer, James D. Bowie, the sheriff was preparing to negotiate a plea agreement with the federal government over allegations that he diverted $377,700 in jail proceeds for his own use.

File photo

Marshall E. Honaker
Sheriff for 17 years

The allegations were made public in an Internal Revenue Service affidavit that spelled out how the 17-year sheriff diverted hundreds of thousands of dollars in jail proceeds into a private bank account controlled by him and his wife, Brenda.

The money, according to the affidavit, was generated over the past five years through contracts for housing federal prisoners and inmates from the District of Columbia Department of Corrections.

The affidavit said that Honaker came to the attention of law enforcement officers "due to a recent material increase in personal wealth" that could not be explained by the sheriff's estimated $60,000 salary or other "known legal sources of income."

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Authorities declined to say whether Honaker confided in anyone or left a suicide note before entering his office for the first time since federal agents seized his records and $275,000 home Jan. 10.

"He seemed his usual, happy self. There was no indication anything was going to happen," said one source.

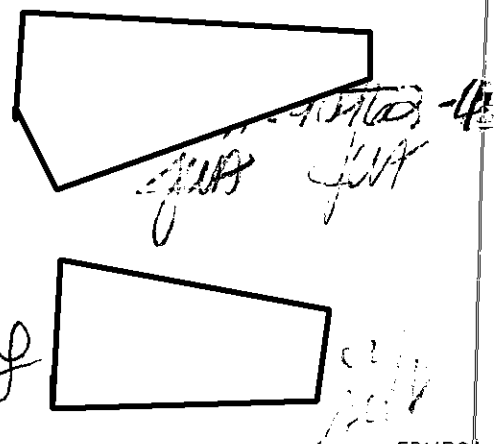
But close friends described Honaker as deeply despondent.

"He sounded like a whipped boy," said longtime friend and businessman H.M. Trayer, who spoke with Honaker several days ago.

"No matter what he may have done, he gained a lot of friends here and he was a good public servant."

Another acquaintance said officers who served under Honaker, concerned about his well-being, re-

Continued on page 8, col. 6



FBI/DOJ

Honaker kills himself in his office

Continued from first page

moved weapons from his home earlier this month.

It could not be learned yesterday where he obtained the double-barreled, 12-gauge shotgun.

Honaker, who resigned last week as president of the 20,000-member National Sheriffs' Association, became the second high-ranking official in that organization to die at his own hand.

Last April, Upson County, Ga., Sheriff Merrill Greathouse was found dead in his home from a gunshot wound to the chest. Greathouse was slated to succeed Honaker as president of the association.

Officers with the association could not be reached yesterday, but issued a statement extending "our thoughts and prayers to the family of Sheriff Honaker."

In addition to his wife, Honaker is survived by a son and a daughter.

A law enforcement officer for more than 35 years, Honaker began his career as a dispatcher in the Washington County Sheriff's Department. He rose to become a powerful political force in Southwest Virginia.

He was a past president of the Virginia State Sheriff's Association, which issued a statement saying its members are "shocked and saddened by the chain of events."

Gov. L. Douglas Wilder, who swore in Honaker as president of the National Sheriffs' Association last year, had no immediate comment, his office said.

In recent days Honaker had resigned from two gubernatorial study commissions, the Council on Alcohol and Drug Abuse Problems and another body dealing with the so-called Dillon rule involving the powers of local governments.

City operations in Bristol came to a virtual standstill as news of Honaker's death became public.

"It comes as a big shock to everyone," City Treasurer Emma Muller, who appeared before the grand jury Tuesday, Told the Associated Press.

State officials have credited Honaker with operating one of the state's finest jails, which housed prisoners from across Virginia as overcrowded conditions in other jurisdictions became commonplace.

While federal agents allege Honaker misappropriated the bulk of the proceeds from outside sources, he also operated the jail at a profit and provided unusual amenities for prisoners.

City records show that the Sheriff's Department earned thousands of dollars from prisoner-grown tobacco crops and from serving as many as 5,000 civil papers a year.

"There's been three letters in the paper this week from inmates supporting the sheriff," said the Rev. Tom Bradley, minister at the Bristol jail for 11 years.

"And I just got a call today from a former inmate who was sobbing that the sheriff and me were his only friends. That's the kind of feeling there was."

Honaker had a chapel built for inmates several years ago but it was taken over by expanded kitchen facilities.

"We hold services now in the hallways," said Mr. Bradley. "We all worried about how the pressure was affecting him but I can't say anybody really thought it would come to this."

One close friend of the family said Bristol "is in a state of shock."

"I think he was deeply concerned about the impact of a public trial on his family and he saw this as the way to end it all," the friend said.

A funeral is scheduled for 2 p.m. Saturday at State Street United Methodist Church with burial in Mountain View Cemetery.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Va. Sheriff, Target of Probe, Commits Suicide

By Robert O'Harrow Jr.
Washington Post Staff Writer

BRISTOL, Va., Jan. 22—The powerful sheriff in this mountain town on the Tennessee border, once the head of the National Sheriffs' Association, walked into his office this morning and shot himself dead, a day after a grand jury began investigating whether he embezzled $377,000.

Sheriff Marshall Honaker had used the money, much of it from the District of Columbia, which had housed prisoners in the Bristol jail, to buy several vehicles, certificates of deposit for his children and a huge house on a hill overlooking the city, according to court records.

When federal investigators began looking into Honaker's activities, they found more than $63,000 in a desk drawer.

Honaker, 55, who resigned Jan. 14 as president of the 23,000-member Sheriffs' Association, had close ties to the state Democratic Party and was considered a political boss in this Southwest Virginia city of 18,000, nearly 300 miles southwest of Richmond.

His death, which came one day after a federal grand jury convened in Roanoke to investigate embezzlement allegations against him, shocked his home town.

"Lots of people are saying, well, how could this happen in a place like Bristol. A basic small town with basic small-town people," said Cheryl Holdway, a clerk in a bagel shop. "When you have a hometown person in political office you don't expect them to turn on you."

"Everybody's in shock. Marshall was a highly respected public official who ran a tight political ship and a hell of a jail," said Herbert Peters, a lawyer, a former City Council member and a frequent critic of Honaker.

Honaker had been under fire since Jan. 10, when FBI and IRS agents seized his house, several cars, records and cash from his desk.

In an affidavit, federal officials accused him of diverting more than $500,000 of jail funds to a private account and repaying less than $136,000.

Honaker, whose job paid about $54,000 a year, used the remaining $377,000 to buy the 6,500-square-foot house with swimming pool and other things for his family.

Honaker was not charged before his death, but in the affidavit federal officials allege he was responsible for tax evasion, money-laundering and mail fraud.

Federal officials also allege Honaker kept two sets of books in the jail to elude detection.

According to the affidavit, Honaker received money to house prisoners from overcrowded facilities in other jurisdictions in the county jail.

Two of the best customers were the U.S. Marshals Service, which has jurisdiction for federal prisoners all over the state, and the District of Columbia, the document said.

(Indicate page, name of newspaper, city and state.) Pgs. B1, B6, The Washington Post, Washington, D.C.

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ASSOCIATED PRESS

Sheriff Marshall Honaker was being probed in the embezzlement of $377,000.

Va. Sheriff Under Probe Kills Himself

SHERIFF, From B1

In many cases, the District and other jurisdictions paid $55 or more a day for what cost Bristol about $6 a day to provide, the affidavit said.

Costs are low at the jail because it grows its own food, with inmate labor, on a jail-run farm, according to jail officials.

The District spent nearly $2 million over four years to house misdemeanor offenders at the Bristol jail, said Pat Wheeler, spokeswoman for the D.C. Department of Corrections.

The city contract allowed it to house a maximum of 45 offenders, paying $55 a day for each inmate. The District ended the contract last year because it did not need the additional space, she said.

In March 1989, after Honaker added the name of his wife to the secret checking account, the couple retired the mortgage on their house using two payments from the District to Bristol, the affidavit said. In all, federal officials estimate some $438,000 paid by the District to Bristol was diverted, the affidavit said.

Honaker was found about 8:40 a.m. yesterday in his office. He had apparently shot himself in the chest with a 12-gauge shotgun, said City Manager Paul Spangler.

Friends of Honaker, who took over as sheriff in 1973, said he built the Bristol sheriff's office from a six-deputy operation to one with 55 deputies and a $2.4 million budget.

At the jail today, Honaker's deputies mourned.

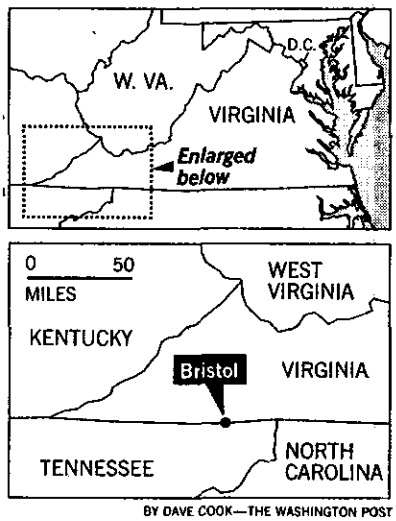
"They know this is the thing that everybody's going to remember, but they know the good," said Tom Bradley, the jail chaplain.

"He was like a daddy to them."

Others said Honaker used the jail as a powerful political base. He was courted for years by state Democrats seeking support in Southwest Virginia. And in 1981, in a sign of his importance to then Gov.-elect Charles S. Robb, he was named to serve on Robb's transition committee.

In 1990 Honaker was named by Attorney General Mary Sue Terry to serve on the 25-member task force to study domestic violence.

Staff writer Nell Henderson contributed to this report.



BY DAVE COOK—THE WASHINGTON POST

"They [deputies] know this is the thing that everybody's going to remember, but they know the good."

— jail chaplain Tom Bradley

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Career in ruins, sheriff ends life

'He had assured me he would do no such thing'

By VICTORIA RATCLIFF
STAFF WRITER

When Bristol Sheriff Marshall Honaker put a shotgun to his chest and pulled the trigger Wednesday, he put a sudden end to a once-bright career that had taken a fatal blow less than two weeks ago.

Honaker, who resigned last week as president of the National Sheriffs' Association, was under investigation by a federal grand jury on suspicion of embezzling hundreds of thousands of dollars he was paid to house federal prisoners in his jail.

Honaker shot himself in the chest with a 12-gauge shotgun about 8:40 a.m. while in his office at the jail, according to City Manager Paul Spangler.

It was the first time Honaker had returned to his office since federal agents raided it and his home Jan. 10. He had said he would take a leave of absence until the investigation was complete.

Investigators seized numerous documents and files, along with his $265,000 home, two automobiles and $63,281 in cash.

Honaker, who controlled the operation of one of the largest federally accredited prisoner-holding facilities in Southwest Virginia, was

PLEASE SEE **RUINS**/A6

(Indicate page, name of newspaper, city and state.) Pgs. A1,A6, Roanoke Times & World-News, Roanoke, Va.

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Ruins

FROM PAGE A1

pronounced dead on arrival at the Bristol Regional Medical Center at 9:05 a.m. Wednesday.

An autopsy is scheduled today, according to Dr. David Oxley, deputy chief medical examiner for Western Virginia.

Honaker's death came a day after a federal grand jury in Roanoke began hearing testimony about allegations that he diverted for his own use $378,000 he was paid by the District of Columbia and the U.S. Marshal's Service to house prisoners.

In an affidavit filed with the search warrant in U.S. District Court in Roanoke, IRS agent Jack Bumgardner stated that there was cause to believe Honaker was guilty of tax evasion, money laundering, defrauding a federal program and mail fraud.

Although Honaker's wife, Brenda, also was listed on the personal checking account in which the federal funds were deposited, federal authorities said Wednesday that she is not a subject of the investigation. "We had nothing to indicate she was involved in these mail frauds," a federal source said.

The affidavit stated that since January 1987, Honaker used more than 70 percent of the federal money he received to buy a house, cars, furniture and certificates of deposit for his children, and to pay for personal loans and insurance policies.

The grand jury was discharged Wednesday after federal authorities learned of Honaker's death.

Although Honaker had not been charged with a crime, his attorney, James Bowie, said Tuesday that he was scheduled to meet with federal prosecutors in Roanoke Wednesday and discuss the possibility of a plea agreement.

Bowie, who had planned to bring Honaker with him to the meeting, said Wednesday that the sheriff's death shocked him.

"You always worry about that in a situation like this when somebody falls from grace," Bowie said. "But he had assured me he would do no such thing."

Bowie said that Honaker had "an awful lot of friends . . . notwithstanding the mistake he made." The sheriff was "the most accommodating person in the world. He did more favors for more people."

Bedford County Sheriff Carl Wells, who worked with Honaker on state and national sheriffs' association matters, said Wednesday that the recent allegations against Honaker were completely out of character for the man he thought he knew.

"I thought he was the exact opposite of apparently what was there," Wells said. "I read him as a very conscientious individual. He was dedicated to the law enforcement profession. He was always an advocate and promoted the image of the sheriff's office."

Allegations of criminal activity by one of their own, especially one of such national prominence, is "a slam in the face" to everyone in law enforcement, Wells said.

Law enforcement officers around the state now must make certain their departments are not open to similar thefts, Wells said. "We've got to pick up the pieces. We've got to do something in the accounting system to make sure something like that cannot happen" in any other department.

Honaker, 55, was a past president of the Virginia Sheriffs' Association and was named president of the National Sheriffs' Association in June 1990 at the group's annual meeting in Minneapolis. His term was to expire this June at a meeting in San Diego.

A funeral will be held 2 p.m. Saturday at State Street United Methodist Church in Bristol. Arrangements are by Blevins Funeral Home.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Oversight of Honaker's checking account is debated

By Rex Springston
Staff writer

BRISTOL — City and state officials disagree about who should have kept an eye on a fund Sheriff Marshall E. Honaker allegedly set up to hold embezzled money.

They also disagree on whether a sheriff can set up such an account legally.

Federal authorities say Honaker, who committed suicide Wednesday, skimmed nearly $380,000 from payments for holding federal prisoners. Honaker put pilfered money into a checking account, authorities say.

Bristol City Attorney G. Walter Bressler said yesterday that sheriffs can put certain public funds in bank accounts under state law.

A crime occurs, he said, if the sheriff puts the money in a personal account, mixes the money with personal money, or draws the money out for personal use, Bressler said.

Bressler said his research indicates such accounts should be audited by the state's auditor of public accounts.

The state auditor, Walter J. Kucharski, said yesterday that localities are responsible for auditing sheriffs' funds.

"There's a hell of a hole in the thing," said Bressler. City officials may need to ask legislators to make clear who checks the funds, he said.

Bressler, who is researching the issue at the request of Bristol City Council, said sheriffs across the state may have unaudited bank accounts.

"It may not be getting done (the audits) in any jurisdiction in the state," Bressler said.

Bristol Mayor James F. Rector said yesterday that Honaker routinely turned over surplus money to city coffers — money apparently made by housing outside inmates.

Kucharski, the state auditer, said city officials in Bristol should have checked the sources of the surplus money.

"If Ed Murray (the state prisons director) said that (he had a surplus), you know the General Assembly would want to know how he got the money and is there any more to get," Kucharski said.

If Bristol officials knew they were getting money from the sheriff, "why didn't (they) ask where the money is coming from?" Kucharski asked.

Kucharski said his office would audit sheriffs' accounts if asked but, generally, that task falls to localities.

Kurcharski also said any revenues should go to the local treasurer. "He (the sheriff) shouldn't have these accounts to begin with," Kucharski said.

John W. Jones, executive director of the Virginia State Sheriffs Association, said today he doubted sheriffs across Virginia had such bank accounts.

"I think the practice with most sheriffs is to turn the money immediately over to the county or city treasurer," Jones said. "If there are exceptions to that, I'm not sure."

Rector said auditors checking city accounts last fall detected nothing amiss in the sheriff's department. "For whatever reason, this fund was not audited. I'm not sure they (the auditors) were aware of it," he said.

Rector and attorney Bressler said city officials planned to find out how the apparent secret fund operated.

The city will "determine the extent to which money was diverted and how, independent of the federal investigation," Bressler said.

A spokesman for Brown, Edwards Co., which performed the audit, could not be reached for comment.

Federal authorities say the popular and powerful Honaker, Bristol's sheriff since 1973, skimmed $377,700 in jail revenue.

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(Indicate page, name of newspaper, city and state.) Pg. 6, The Richmond News Leader, Richmond, Va.

Date: 1/24/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character: FAG
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

46A-RH-40962-48
SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
JAN 31 1992
FBI—RICHMOND

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FBI/DOJ

'My last thoughts are of my wonderful family and friends'

By The Associated Press

BRISTOL — Bristol Sheriff Marshall Honaker, who killed himself Wednesday as he was being investigated for embezzlement, left a note in which he apologized for causing "so much pain" and asked for forgiveness.

City Manager Paul Spangler read the note to reporters today at a news conference.

Honaker wrote: "My last thoughts are of my wonderful family and friends. I love you all very much. God has forgiven me. I hope you all will. Love forever, Marshall."

The postscript said, "I am truly sorry to cause you all so much pain."

Spangler said Honaker's family asked that the note be made public to end rumors and suspicions about its contents. Spangler would not answer questions.

Honaker, 55, placed the note on his office desk before pointing a 12-gauge shotgun at his chest and pulling the trigger, officials said.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Pgs. B1, B4, Richmond Times-Dispatch, Richmond, Va.

Date: 1/24/92
Edition: Morning

Title: MARSHALL E. HONAKER

Character: FAG
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

Controversy halted as Bristol prepares for sheriff's funeral

By Bill McKelway
Staff writer

Bristol residents were preparing yesterday for what is shaping up as the largest funeral in the city's history, but it could be months before officials can begin efforts to recover financial losses allegedly engineered by the deceased.

"We'll be more than glad to go in [for an audit], but at this point there's nothing to audit. The federal government has everything impounded," said Walter Kucharski, state auditor of public accounts.

At issue is $377,700 in jail proceeds that federal documents allege was embezzled by 17-year Sheriff Marshall E. Honaker over the last several years.

Honaker, 55, fatally shot himself in his office Wednesday, 12 days after teams of federal agents raided his office and home.

The death temporarily shut down a federal grand jury investigation of Honaker and has put the city's request for the state audit on hold.

Turning its back for the time being on Honaker's alleged misdeeds, Bristol is diverting its attention to a funeral tomorrow that, in the words of Sheriff's Department Lt. Jim Nunez, "will probably be the biggest funeral that's ever been held in these parts."

A Teletype went out from Bristol authorities notifying law enforcement agencies across the country of Honaker's death. "We're preparing for 1,500 officers showing up and expecting 3,000," said Nunez. "It's definitely going to be a very big deal."

Honaker, who is survived by his wife and two children and dozens of other relatives, was president of the National Sheriffs' Association until he resigned in the midst of the federal probe.

The sheriff had been preparing to negotiate a plea agreement with federal prosecutors, his lawyer said.

Residents, confronted with a federal affidavit spelling out Honaker's alleged pilfering of city funds but cognizant of a lifetime of good

Continued on page 4, col. 1

[redacted]

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SA [redacted]

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FBI/DOJ

Bristol braces for influx

Controversy halted for sheriff's funeral

Continued from first page

deeds, are trying as best they can to reconcile the clashing images.

"People here just think Marshall made an error in judgment," Anna Adkins, 61, a former neighbor of the sheriff, said yesterday in a telephone interview. "He will be missed."

As she prepared arrangements for the funeral in Bristol's oldest flower shop, Mrs. Adkins recalled how Honaker toted food to shut-ins, bought flowers for funerals and watched her children when she traveled.

"He was a blessed man," she said, who was loved by his deputies and never forgot his local friends. The embezzlement allegations "are not what's important now."

While some people considered Honaker's $275,000, 6,500-square-foot home a showplace that raised questions in light of the sheriff's $60,000 salary, Mrs. Adkins differed.

"That house wouldn't amount to anything more than a guest house compared to what some of the coal operators live in," she said.

The 2 p.m. funeral at State Street United Methodist Church, one of Bristol's largest, was causing headaches for Blevins Funeral Home workers.

The church seats only about 1,000 and there are plans to shift some of the crowd across the street to Virginia High School. Some people are even suggesting that the service should be moved to 7,000-seat Viking Hall, which is in Bristol, Tenn.

"He must have felt like he let everybody down," said Mrs. Adkins, trying to rationalize Honaker's death.

"But he has too many friends here not to have been able to find a place in the community once he'd served his sentence. If God can forgive, so can we."

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Officials seek end of probe, contend sheriff acted alone

By Rex Springston
Staff writer

Saying Sheriff Marshall E. Honaker acted alone in an alleged embezzlement scheme, Bristol city officials are asking federal authorities to finish their investigation and tell the public the results.

"There is absolutely no indication of any kind of conspiracy, or involvement of any other entity or individual at all," City Attorney G. Walter Bressler said yesterday.

City Council members "want that fact made public," Bressler said.

Honaker, a popular and powerful sheriff in the Southwest Virginia city of 17,700, killed himself with a shotgun a week ago. He was under investigation by a federal grand jury for allegedly skimming more than $377,000 paid to the city jail for housing federal prisoners.

A federal search-warrant affidavit that has revealed most of what is known about the case doesn't indicate Honaker had accomplices, Bressler said. However, scattered news reports have said the investigation may have more than one target.

Bressler said he is seeking a meeting with Julie Campbell, an assistant U.S. attorney involved in the investigation, to ask her to continue the probe or explain why it is being dropped.

Ms. Campbell could not be reached for comment. She said last week that, because of Honaker's suicide, the grand jury taking evidence in the case would be sent home indefinitely.

Ken Sorenson, another assistant U.S. attorney handling the case, said federal authorities may pursue the case as a civil matter by taking over various properties of Honaker's through forfeiture proceedings.

Asked whether the criminal investigation would continue, Sorenson said it would be hard to go after a dead man. When asked whether that meant Honaker had no accomplices, Sorenson declined to comment.

Bressler said the city hopes to benefit from forfeiture proceedings, through which properties would be sold to repay those who lost money in the alleged scheme.

Although much of the money allegedly skimmed by Honaker came from the federal government, it represented legitimate payments for housing prisoners and therefore became city money, Bressler said. Unpaid income taxes would represent the main loss to the federal government, Bressler said.

In a Jan. 10 raid, federal agents seized Honaker's $245,000 home and other property and found $63,281 in cash in his office desk.

The authorities say Honaker skimmed prisoner-payment money, put it into a bank account and used some of it to buy the house, vehicles and other property.

Bressler says state law allows sheriffs to establish such bank accounts as long as the money is not used for personal purposes.

Bressler, who said last week that sheriffs across the state may have similar, unaudited accounts, backed off from that claim yesterday. He said he had heard of such accounts but knew of none personally.

Nevertheless, the Bristol case has put public officials on the lookout for accounts that may not be properly scrutinized, said Walter J. Kucharski, the state auditor of public accounts.

"If anything positive has come out of this terrible situation, it is that it has heightened the awareness of the need for accountability," Kucharski said.

Bristol is asking Kucharski's office to audit the sheriff's department to determine what, if any, city money was taken, Bressler said.

Meanwhile, Bristol's two Circuit Court judges yesterday named Howard Edward Barnes sheriff until a sheriff can be elected Nov. 3.

Barnes, 41, an eight-year veteran of the 48-member department, held the rank of major before his appointment.

Barnes said today he considered Honaker a friend who died without being proven guilty.

Barnes said he felt no one but the sheriff could have been involved in the alleged scheme.

Col. Charles Arnold, acting sheriff for a week, said he was satisfied with his role as chief deputy and declined to be considered for the sheriff's post, a spokeswomen for the judges said.

(Indicate page, name of newspaper, city and state.) Pg. 24, Richmond News Leader, Richmond, Va.

Date: 1/29/92
Edition: Evening

Title: MARSHALL E. HONAKER

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46A-RH-40962-50

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JAN 31 1992

FBI—RICHMOND

SA [redacted] Copy sent

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FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Bristol asks for audit of sheriff's agency

BRISTOL (AP) — The City Council has voted to request a state audit of the Sheriff's Department to determine whether any funds have been diverted.

Council, which agreed to pursue recovery of any missing monies if necessary, also voted Tuesday night to ask federal investigators to complete their probe of the department.

Finishing the investigation will help take the city "out from any cloud of wrongdoing," said Councilman Jerry Wolfe.

Federal authorities are looking into allegations that Sheriff Marshall E. Honaker diverted nearly $380,000 in city funds into a personal checking account. The money, according to investigators, allegedly was obtained from lucrative contracts to house federal and Washington prisoners in the city jail.

Honaker committed suicide last week at his office. He was never charged with a crime.

City Attorney Walter Bressler has sought a meeting with assistant U.S. Attorney Julie Campbell to discuss the investigation, which she is overseeing.

"There is absolutely no indication of any kind of conspiracy or involvement of any other entity or individual at all," Bressler said.

In a letter explaining the request for a state audit, Bressler said Council may want to hire independent auditors to work with the state auditor.

"I believe that the above motion will give enough authority to the city management to pursue the appropriate recovery of city funds," Bressler wrote.

In a related matter, Council voted to petition the Circuit Court to authorize a special election for sheriff Nov. 3. The winner will serve one year because Honaker was up for reelection in November 1993.

On Tuesday, Circuit Judges Charles B. Flannagan II and Charles H. Smith Jr. appointed Maj. Eddie Barnes to serve as interim sheriff.

(Indicate page, name of newspaper, city and state.) Pg. B6, Richmond Times-Dispatch, Richmond, Va.

Date: 1/30/92
Edition: Morning

Title: MARSHALL E. HONAKER

Character: FAG
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46A-RH-40962-51

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FBI/DOJ

Memorandum

To : SAC, RICHMOND (194D RH-39874) (P) Date 12/6/91

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From : SA [redacted]

Subject: MARSHALL E. HONAKER

On 1/10/92, approximately 30 Special Agents of the FBI and IRS will assist in this joint investigation by participating in the simulanteous execution of multiple search/seizure warrants. At the same time search/seizure warrants will be served on the Sheriff for his personal residence, [redacted] b3 and for three personal vehicles. Numerous Grand Jury subpoenas will also be served on various businesses, city officials, and individuals in and around Bristol, Va.

Sheriff HONAKER is presently the President of the National Sheriff's Association and is very highly connected within the Democratic Party in the state of Virginia. For these reasons and to prevent any potential compromise of this investigation, it is imperative that this document be provided appropriate security. It is also imperative that no local, county, or state police agencies be contacted or advised of any of the following information prior to 9:30 a.m., 1/10/92.

On the day of the searches and seizures all radio communications will be over FBI radios [redacted] b2 b7E All locations and persons will be referred to on the air by their [redacted]

It is anticipated that press coverage, to include t.v. cameras and crews, will be immediate and constant during the searches, interviews, and seizures. All press inquiries will be politely referred to SAC ROBERT M. SATKOWSKI of the FBI and/or IRS [redacted] Absolutely no information will be given to the press by investigative personnel because the affidavit supporting the search and seizure warrants will be sealed at least until until the Special Grand Jury meets in Roanoke during the last week of January, 1992. Any release of information could cause a loss of evidence and have a detrimental effect on the successful prosecution in this matter.

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CIA [redacted]

SYNOPSIS OF CRIME

Sheriff HONAKER has been Sheriff in Bristol, Va., for over fifteen years and during that time period has established a power base that reportedly heavily influences the political structure in the Bristol city government. He has allegedly accomplished this by influence peddling and more heavy handed tactics. He runs the SHERIFF'S OFFICE as an autonomous entity in Bristol, Va., and because of his power base he is able to do as he pleases. There is reportedly no external audits done of the SHERIFF'S OFFICE operations and because he allegedly controls the City Council in Bristol, Va., he is given a free hand. In the late 1980s, Sheriff HONAKER began displaying an inordinate amount of wealth for a man whose salary is approximately $50,000 per year. For instance, he purchased a home in Bristol, Va., for $260,000. He reportedly paid cash for this home.

As a result, an investigation was begun by the IRS in October, 1990, and the FBI began participation in the investigation in February, 1991, because of this inordinate increase in wealth by allegations, that two to three deputy sheriffs of the Bristol, Va., SHERIFF'S OFFICE were selling illegal narcotics in the Bristol, Va., area and because of allegations of public corruption. IRS was interested in the Sheriff because when his tax returns were pulled they did not shaw any increase in income that would explain his ability to allegedly pay cash for his present home which is valued in excess of $300,000.

Because the narcotics portion of the investigation, although developing evidence that two of the deputies were selling illegal narcotics, had failed to develop any flow of monies that would answer the questions concerning the Sheriff's increased wealth his

b3

As a result of a Federal Grand Jury which will be meeting in the first two months of 1992, it is anticipated that a multi count indictment will be returned charging MARSHALL E. HONAKER with violation of Title 18, U.S.C., Section 666, Title 18, U.S.C., Section 1341, Title 18, U.S.C., Section 1957, Title 26, U.S.C., Section 7206(1).

Based on an affidavit filed by SA of the IRS, search and seizure warrants have been obtained for two

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locations, one bank account, two CDs, and three vehicles. Numerous subpoenas have also been obtained.

To have the most impact and to prevent compromise it was decided that all warrants and subpoenas would be served at the same time and date. The following will spell out assignments, etc., for personnel involved in this operation on 1/10/92:

OPERATION DOWNFALL

Date: 1/10/92
Time: 9:30 a.m.
Place: Bristol, Va.
Specific Locations: [redacted] b3

SCENARIO

At 9:30 a.m., Sheriff HONAKER will be advised that search warrants, seizure warrants, and numerous subpoenas have been issued for [redacted] b3 Simultaneous with the notification the Chiefs of Police in Bristol, Va., and Bristol, Tenn., will be notified as to the operations as a courtesy. The City Manager will be notified also at the same time.

All activities will be coordinated so that searches, etc., occur simultaneously to prevent potential loss of evidence.

ASSIGNMENTS

Location 1: Bristol, Va., CITY SHERIFF'S OFFICE
Personnel:

* FBI SAC + 6 Agents
* IRS Chief + 4 Agents + 2 Clerks

* FBI and IRS hierarchy accompanied by three Agents will advise the Sheriff of what is to happen. The three Agents will provide security at the entrances to the Sheriff's administrative and private office.

A. IRS Agent will be the team leader at SHERIFF'S OFFICE;

B. Three IRS and three FBI Agents will conduct physical search;

C. IRS clerical personnel will handle computerized inventory of documents;

D. [redacted] Each of these persons will be interviewed by Agents at the SHERIFF'S OFFICE when the search is complete.

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E. IRS SA [redacted] will be located at the SHERIFF'S OFFICE as will FBI [redacted] to assist in interviews and to make assignments, etc.

Location 2: Sheriff HONAKER'S residence

Personnel:

FBI 6 Agents
IRS 4 Agents

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A. Agents will stage in the State Street United Methodist Church parking lot located at the intersection of West Valley Drive and Long Crescent Drive until contacted by SA [redacted] to proceed to residence.

B. FBI SA will act as team leader at HONAKER'S residence.

C. One IRS and two FBI Agents will provide security at the two driveways and front entrance of the residence to prevent public and press interference with searching Agents.

D. The three remaining IRS and three FBI Agents will comprise the search team.

Location 3: Bristol City Hall

No seizure nor search warrants will be issued for City Hall but the following [redacted]

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Personnel:
FBI 1 Agent
IRS 1 Agent

A. Contact with [redacted] will be initiated at 9:30 a.m., to coincide with contact with Sheriff HONAKER

B. Contact with remaining persons should proceed immediately after contact with [redacted]

C. When service complete contact SA [redacted] or [redacted] for additional subpoenas to be served, etc.

Location 4: [redacted]

Personnel: FBI 1 Agent
IRS 1 Agent

A. At 9:30 a.m., seizure warrants will be served on appropriate personnel at [redacted] for MARSHALL HONAKER'S [redacted] b3 b7C

B. When seizure is complete contact SA [redacted] or SA [redacted] for additional assignments.

Location 5: Four separate car companies:
1. [redacted]
2.
3.
4.

Personnel: FBI 3 Agents

A. [redacted]

B. Service is to be done at 9:30 a.m.

C. Attempts to obtain records on 1/10/92 should be done.

D. When service complete contact SA [redacted] or SA [redacted] at the SHERIFF'S OFFICE.

E. It should be noted that the Sheriff is quite likely friends with the owners and or sales personnel at these companies and they may not be cooperative.

Location 6: Tax Return Preparer

Personnel:
IRS 2 Agents

A. Two IRS Agents will interview tax return preparer.

B. Interview will take place at 9:30 a.m.

C. When interview complete contact SA [redacted] or SA [redacted] at the SHERIFF'S OFFICE for additional assignments.

Location 7: Bristol, Va., POLICE DEPARTMENT

Personnel:
FBI SSA 1

A. At 9:30 a.m., the [redacted] will be notified by an FBI SSA of operation.

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B. It [redacted] cooperative.

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[redacted]

Location 8: Bristol, Tenn., POLICE DEPARTMENT

Personnel:
FBI 1 Agent (Knoxville Agent)

A. At 9:30 a.m., Chief of Police, Bristol, Tenn., will be notified of operation by FBI Agent.

LOGISTICS

THURSDAY, 1/9/92

A. Planning meeting will be held in Wytheville, Va., at the HOLIDAY INN at 3:00 p.m.

B. Lodging for night of 1/9 and 10/92 will be at the HOLIDAY INN, Wytheville, Va.

FRIDAY, 1/10/92

A. Staging Time: 9:15 a.m.
B. Staging Area:

1. Locations 1,3,4,5,6,7
(city parking lot across from SHERIFF'S OFFICE)
2. Location 2
(church parking lot located at the intersection of West Valley Drive and Long Crescent Drive)

C. [redacted] b2 b7E
D. Transport of Documents:
Rental truck will be available
E. Storage of Documents:
IRS storage facility, Abingdon
F. Locksmith: on standby
G. Wrecker: called as needed
H. Impound location:
I. Command Post:

EQUIPMENT

Radios: Each FBI Agent should bring a hand held portable.

Attire: Agents at the SHERIFF'S OFFICE should wear normal business attire. Agents at residence should wear soft clothes and raid jackets.

Vehicles: Each Agent should bring his or her own vehicle.

Rental Truck: At Resident Agency
Handcart: At Resident Agency
Search Packets: Will be provided (to include rubber gloves)

46A RH-40962
TRS/jll

On January 10, 1992, the following investigation was conducted by SA [redacted] in Bristol, Virginia:

The following individual was verbally notified and [redacted]

The following individuals representing the listed businesses were verbally notified and given copies of subpoenas requiring specific documents of their respective businesses. The documents required in the subpoenas are to be returned to the Federal Grand Jury in Roanoke, Virginia, on January 21, 1992:

[redacted]

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to the serving Agent:

[redacted]

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[redacted] to the serving Agent:

[redacted]

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.)

P. 7A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/11/92
Edition: MORNING

Title: JAIL OPERATIONS EXPECTED TO CONTINUE AS USUAL DESPITE ABSENCE OF HONAKER

Character:
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Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

(Mount Clipping in Space Below)

Jail operations expected to continue as usual despite absence of Honaker

MARK HYLER
and DAVID WICKERT
Staff Writers

The Bristol Virginia jail will continue to operate as usual in the absence of Sheriff Marshall Honaker, according to one deputy.

Major Eddie Barnes said Friday he does not expect significant changes at the sheriff's department, although Honaker announced he is taking a leave of absence pending a federal investigation.

The FBI and the Internal Revenue Service seized Honaker's home and bank account and impounded sheriff's department records Friday as part of a continuing investigation into

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FBI/DOJ

charges Honaker embezzled public money, sources say.

Honaker issued a statement acknowledging the investigation and announcing his leave of absence while the investigation continues.

"Pending the completion of the investigation, Sheriff Honaker is taking annual leave to remove himself from direct supervision of the sheriff's office," the statement read. "In the sheriff's absence, Chief Deputy Charles A. Arnold will be in charge of the day-to-day operation of the sheriff's department."

Arnold could not be reached Friday for comment. And, outside of that brief statement, sheriff's department employees had little say about Friday's events.

Barnes told reporters he does not expect changes in department operations, despite the fact federal agents may be a fixture at the jail until their investigation is complete. "We're just trying to work around the agents until they get through with whatever it is they're doing," Barnes said.

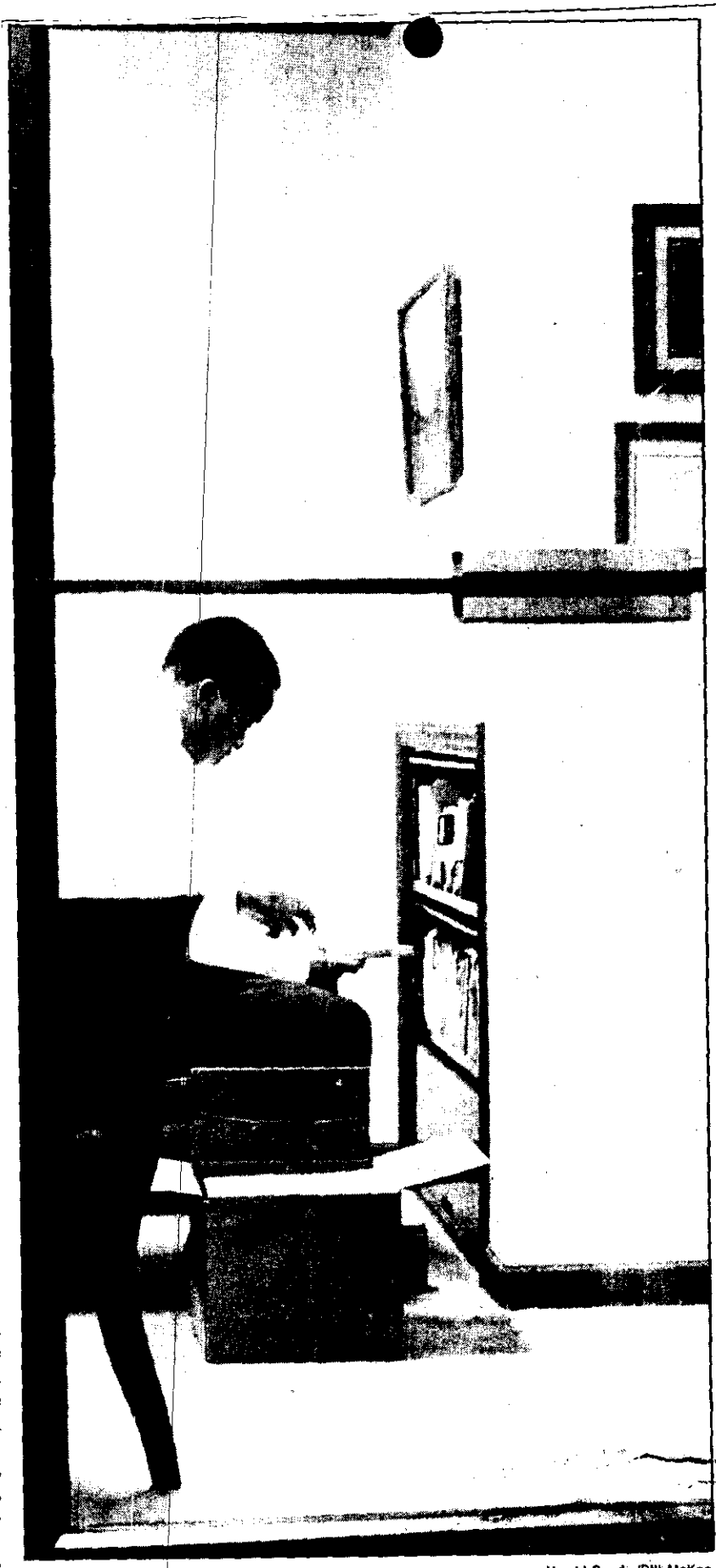
The sheriff's department's 55 employees oversee the city jail, provide court security and serve warrants.

Barnes noted that Honaker has not stepped down and that he is still the city's sheriff.

But if Honaker is charged and convicted of embezzlement, he could be removed from office, according to Debra Love-Bryant, chief of staff for Virginia Attorney General Mary Sue Terry. She emphasized that a conviction is required to remove an elected public official from office.

If Honaker is convicted, it would be up to Circuit Court Judge Charles Flannagan to appoint a temporary successor.

Love-Bryant said the attorney general's office was unaware of the federal investigation of Honaker.



Herald Courier/Bill McKee

Another federal agent goes through the sheriff's files in his office Friday morning.

Herald Courier/Bill McKee

A federal agent spreads some of Bristol Virginia Sheriff Marshall Honaker's records on a sheriff's department floor to read them.

Herald Courier/Bill McKee

After initial inspections by the federal officers, the sheriff's records were impounded, boxed up and carried away from his department ...

Herald Courier/Bill McKee

... as were city hall records seized elsewhere in the courthouse Friday.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Investigation region's most recent

BONNY MILLARD
Staff Writer

The federal investigation of Bristol Virginia Sheriff Marshall Honaker is the most recent example of legal troubles faced by top law enforcement officials in the Mountain Empire area over the past few years.

The investigation of the sheriff brings to mind the ouster of former Sullivan County Sheriff Mike Gardner and former Bristol Tennessee Police Chief Tom Brockman. The Washington County, Va., Sheriff's Department has been the subject of a federal investigation since last July.

Federal authorities converged on Bristol Friday to seize Honaker's house, personal property and numerous records at the sheriff's department. The Federal Bureau of Investigation and the U.S. Attorney's office refuse to explain what the investigation pertains to, and the case is expected to go before a federal grand jury in Roanoke.

Gardner's case was laid to rest finally in November when he paid restitution in the amount of $15,048.18 for money that was misappropriated from the county. Gardner was convicted April 1, 1989, on 10 counts of illegal use of public funds and immediately removed from office.

Gardner appealed his case to the Tennessee Supreme Court, which upheld the lower court's ruling and refused to hear the case. His only other recourse was to appeal to the United States Supreme Court, but he declined to do that.

A sheriff for 13 years, Gardner used on-duty deputies to build his house in 1985 and then pour a driveway in 1988. The week-long trial involved the testimony of numerous deputies, some of whom testified happily, others reluctantly.

One of the counts was for a pleasure trip Gardner took to Florida with a female companion under the guise of business. Gardner said he went to check out some specialized equipment but never did. He charged the county $1,500 for his portion of the trip.

Gardner was placed on three years unsupervised probation, which will end this spring.

The year 1989 also saw the downfall of Brockman, Bristol Tennessee's police chief for less than a year. Brockman, who was from Ohio, was hired to fill the vacancy left by the retirement of Police Chief Bob Adams.

Brockman's troubles stemmed

(Indicate page, name of newspaper, city and state.)
P. 6A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/11/92
Edition: MORNING

Title: INVESTIGATION REGION'S MOST RECENT

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Submitting Office: RICHMOND

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46A RH-40962 - 55
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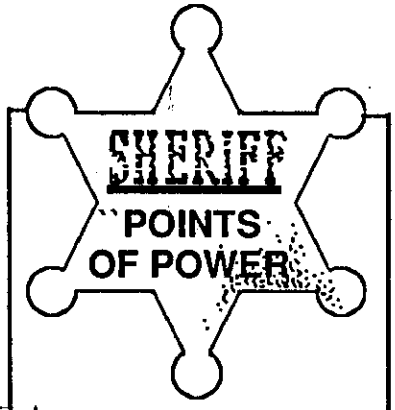
FBI/DOJ

from a pending divorce in 1987 while he was still in Ohio. He pleaded guilty in January 1990 to the theft charges of falsification and unauthorized use of property, both misdemeanors. Brockman was fined $300 and received a suspended sentence of 40 days.

Brockman, who was fired in August 1989 after his indictment, stole a $900 pearl necklace that belong to his then-wife, from whom he was getting a divorce. The necklace was reported stolen to the Loveland Police Department, where Brockman was chief at the time.

The necklace surfaced in Bristol at a downtown jewelry store after Brockman moved to town, which initiated the investigation. During a divorce proceeding, Brockman lied under oath that he did not have the necklace.

The federal investigation of the Washington County Sheriff's department probably was started as a result of a lawsuit filed by a former inmate against the department, former Sheriff John McCall and former chief correctional officer, Lt. Robert Clendenen Jr., according to McCall, who retired and did not seek re-election. No federal indictments have been issued as a result of the investigation.



★ TERM: Four years. Next election will be in 1993.

★ DUTIES: Supervises court security, serves civil papers, runs jail, maintains some city property, operates city schools' drug education program. Can make arrests.

★ SALARY: (As of 1991) $44,710 from state plus $10,000 annual city pay supplement for supervising maintainance of city buildings and property.

★ STAFF: A total of 55 deputies and employees as of June, 1991. *(Compared with 59 officers, employees of Bristol Virginia Police as of 1990.)*

★ BUDGET: (1991) $2.4 million. Total salary base, $1.28 million. *(Compared to Bristol City Police of $1.7 million and a salary base of $1.09 million.)*

Herald Courier

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Reaction to probe is stifled

DAVID WICKERT
Staff Writer

Reaction to the investigation of Bristol Virginia Sheriff Marshall Honaker was stifled Friday by federal subpoenas, which required those served to keep silent about the probe.

But former City Manager Hugh Cooper, a long-time critic of the sheriff who said he was interviewed by federal investigators, was quick to claim Friday that "justice finally has been served."

The quick action of FBI and Internal Revenue Service agents, who swarmed the sheriff's department and Honaker's Woodland Circle home Friday morning, took city officials by surprise. Mayor James Rector said he first heard news of the investigation on an afternoon radio report.

The mayor, a long-time Honaker associate, said he knew only that the agents had seized city financial records, and added that the recently completed city audit for 1991 showed no discrepencies. Rector said he could not comment further without additional information.

City Manager Paul Spangler, one of several city employees served with subpoenas, said he could not comment on the investigation. And City Councilman Larry Kirksey said he would respect the wishes of investigators and decline to comment.

Police Chief Oscar Broome, a personal friend of Honaker's, said he was unaware of the investigation. But Broome pledged his support for the sheriff and his family: "I'm not a fair-weather friend and these people are still friends of mine, and shall remain so."

Cooper, who called for an investigation of the department last June, said he was only generally familiar with the direction of the federal probe. However, the former city manager said he was questioned recently by the investigators, and that he disclosed his own concerns about the sheriff's department's operations.

Among those concerns, he said, is the existence of a fund to which deputies pay a monthly fee to eat at the jail cafeteria. The use of that money, he claimed, is at the sole discretion of Honaker. In addition, Cooper said he passed along reports of inmates working on private property, including a day last April when inmates tore down a barn at the Scott County farm of Culpeper County Sheriff Robert Peters.

Cooper, who has dogged Honaker in recent months, said he feels vindicated and believes "justice has been served."

"I'm just thankful that it's finally come to an end," Cooper added.

(Indicate page, name of newspaper, city and state.)
P. 6A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/11/92
Edition: MORNING

Title: REACTION TO PROBE IS STIFLED

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

46A RH-40962-56

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SERIALIZED SEB FILED

FBI - RICHMOND

CIA copy sent

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FBI/DOJ

Visiting the scene

Herald Courier/Chris Taylor

Bristol Virginia Police Chief Oscar Broome talks to an FBI agent at the roadblock below Honaker's home on Woodland Circle.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

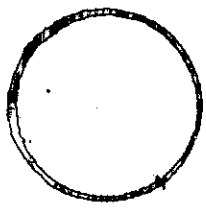
Honaker not first NSA head to face legal investigation

(Indicate page, name of newspaper, city and state.)
P. 6A, BRISTOL HERALD COURIER, BRISTOL, VA - TN
Date: 1/11/92
Edition: MORNING

Title: HONAKER NOT FIRST NSA HEAD TO FACE LEGAL INVESTIGATION

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:



DAVID WICKERT
Staff Writer

Several leaders of the National Sheriff's Association recently have come under legal scrutiny similar to that now being directed at NSA President Marshall Honaker.

In the past year members of the organization's executive committee have been investigated on charges ranging from misappropriation of funds to bank fraud. But the NSA's executive director said the probes have not affected the association's operations or tarnished its image. What's more, the director spoke up for Bristol Virginia Sheriff Honaker Friday, calling him a pillar of the organization who strives to follow the letter of the law.

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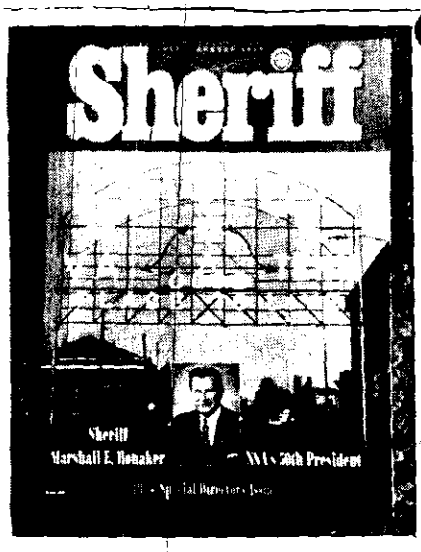
FBI/DOJ



Honaker's rise to head of the NSA made national news in July.

Honaker is the subject of a federal investigation, and agents of the FBI and Internal Revenue Service seized records at his office and home. Honaker's house and bank accounts also were taken into the possession of federal authorities. Sources say the investigation centers on charges the sheriff embezzled several hundred thousand dollars worth of public funds.

Honaker has been sheriff here since 1973, and has been a member of the NSA for 35 years. Last June he was elected president of an organization that has seen its share of controversy in the last year.

In April 1991, Upson County, Ga., Sheriff Merrill Greathouse, who was to succeed Honaker as president of the organization, died of an apparently self-inflicted gunshot wound. Greathouse's failing health may have led to the shooting, but the sheriff also was under scrutiny for allegedly arranging to have two men in possession of enough cocaine to convict them of a federal offense.

In August 1991, the *Burlington* (Vt.) *Free Press* ran a four-part series detailing alleged misuse of money by Orleans County Sheriff Jim Murphy, third vice president of the NSA. The newspaper reported that Murphy had used public funds to take his wife on a trip to Hawaii, for games of golf and for tickets to Montreal Expos baseball games. That series led to a state investigation of the charges and the proposal of legislation mandating annual audits of Vermont sheriff's departments.

In 1990 the NSA was embroiled in a lawsuit over the administration of its insurance program. Honaker and 34 other officers were named as defendants, and were accused of illegally diverting $1.2 million from the NSA members' insurance program. That lawsuit was settled in 1991.

Despite these controversies, NSA Executive Director Charles "Bud" Meeks said the organization has not suffered. He said the NSA consists of 3,095 sheriffs and some 20,000 members and said, "These things happen."

Meeks said he was surprised by news of the investigation of its president, but said the NSA, an educational and lobbying group, would conduct business as usual. "This is a shock and it saddens me," he said, but added, "I hope that whoever initiated this has the facts."

HOW HONAKER WON TOP BADGE

Bristol Virginia Sheriff Marshall Honaker, the target of a federal investigation, is president of the National Sheriff's Association. Here's his path to that office:

■ 1957: Marshall Honaker, a Washington County deputy joins National Sheriff's Association.*

■ 1973: Honaker appointed acting sheriff of Bristol Virginia to fill unexpired term of J. N. Ingoldsby.

■ 1974: Honaker sworn in for his first full term as sheriff, a position he has now held 18 years.

■ 1977: Honaker becomes member of National Sheriff's Association Board of Directors. He later becomes sergeant-at-arms and serves seven successive terms in NSA vice presidential roles.

■ 1991: Honaker, 54, is sworn in as president of NSA by Virginia Gov. Doug Wilder. Among those at the ceremony are other elected officials from congress, the state and city. A contingent of 19 members of Honaker's Bristol department also attends the Minneapolis ceremony.

**(The National Sheriff's Association, based in Alexandria, Va., currently claims 30,000 members from sheriffs' departments throughtout the nation. The organization's stated main goals are to foster professionalism in law enforcement, offer a variety of training and informational services and to lobby on behalf of law enforcement legislation.)*

Herald Courier

Herald Courier/Chris Taylo

Bristol Virginia Sheriff Marshall Honaker (in dark car at right) is greeted by a federal official as he arrives at his home Friday morning. Federal agents descended upon both Honaker's home and the Bristol Virginia Sheriff's Department.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P. 1 & 12A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/11/92
Edition: MORNING

Title: EX-POLICE CHIEF REQUESTED PROBE OF LONGTIME RIVAL

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

Ex-police chief requested probe of longtime rival

DAVID WICKERT
Staff Writer

Stone

The year-long investigation that culminated Friday in the seizure of Sheriff Marshall Honaker's home and financial records is the latest in a series of confrontations between Honaker and several long-time critics, including former Bristol Virginia Police Chief Tom Stone.

Stone, now the director of public safety in Norristown, Pa., admitted Friday that he requested the federal investigation before his tenure in Bristol ended Oct. 31. That investigation was acknowledged Friday, but Honaker has been the victim of accusations and hearsay for years.

The public friction between Honaker and Stone dates to at least 1987, when the sheriff

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endorsed a proposal to consolidate the police and sheriff's departments. Proponents said the move would save the city money, but critics claimed it was an attempt to eliminate the police department — and, thus, Stone's job — and turn all law enforcement authority over to the sheriff.

In July 1988, Stone survived what may have been another attempt to take his job. Sources told the *Herald Courier* that three City Council members — Mayor James Rector, Councilman Kevin France and then-Councilman Don Ashley — were prepared to dismiss then-City Manager Hugh Cooper unless Cooper agreed to fire Stone. Under the city charter, only the city manager has the right to hire and fire department heads.

Sources told the newspaper they believed Honaker was behind the move, which failed. The council voted 2-0 — with Rector, France and Ashley abstaining — to rehire Cooper. However, Cooper later resigned for health reasons, citing stress brought on by the incident as a contributing factor.

Most recently it has been Cooper, in a return to the public eye, who has been burning a fire under Honaker's feet. At a City Council meeting last June he called for an investigation into the department and called for $116,000 in cuts to the sheriff's budget.

Honaker responded at the next meeting with a stinging attack on Cooper, whom he accused of waging an ongong campaign of "innuendo, half-truths and, yes, even deliberate lies."

Another longtime antagonist of the sheriff is Carolyn Stevens, who in 1988 claimed that on-duty deputies transported voters to the polls during city elections. Stevens' husband, Ken Stevens, was an incumbent councilman who was defeated during that election.

In addition to those accusations, Honaker's department underwent scrutiny in April 1991 when Bristol Virginia inmates disassembled a barn at a Scott County farm belonging to Culpeper County Sheriff Robert Peters. State law prohibits the use of inmate labor for the gain or convenience of any citizen, but Honaker claimed Peters offered him the barn for use at a farm operated by the Bristol Virginia Sheriff's Department.

46A RH-40962
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On January 12, 1992, the following investigation was conducted by SA [redacted] in Bristol, Virginia:

The following individual was verbally notified and [redacted]

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FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P. 1 & 3A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/12/92
Edition: MORNING

Title: HONAKER: A POPULAR, POWERFUL FIGURE

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

Honaker: A popular, powerful figure

SUSAN C. BOLLING
City Editor

AN ANALYSIS

Bristol Virginia Sheriff Marshall Honaker has often been the subject of controversy, but until federal agents descended upon his office and home Friday he was unquestionably one of the most popular and powerful elected officials in this region.

Honaker, the subject of an investigation by the FBI and Internal Revenue Service, has been elected five times to the office. The sheriff faced no opposition in 1989, but captured 71 percent of the vote during his last contested election in 1985.

Honaker's popularity and prestige culminated in June 1991, when he became the 50th president of the National Sheriff's Association, a position he acquired after rising through the ranks of the organization over a period of more than 30 years.

As he was being sworn in to the position, Honaker promised his new status would benefit his hometown, saying "Everywhere I go, I'll be representing and selling Bristol."

He has also been a key player in the local and state Democratic party for many years, often campaigning for state officials including Gov. Douglas Wilder and Attorney General Mary Sue Terry, both of whom he calls friends.

But Honaker's legendary power and political influence have been hard to pin down over the years. His local influence has been the subject of rumor and controversy, particularly his apparent influence over some members of City

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46A RH-40962 - 60
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Council and his feuds with others.

Whether deserved or not, the sheriff has received credit for a number of political moves around the courthouse, from the election of some local leaders to the demise of others, including former City Manager Hugh Cooper, with whom he had a public tiff last year that included Cooper's call for a complete investigation of the sheriff's operations.

But Honaker's most public battle was with Tom Stone, the city's former police chief of 11 years, who left last fall to take a position in Norristown, Pa. Neither Honaker nor Stone hid his resentment, and Honaker is said to have been the force behind several unsuccessful attempts to get rid of the police chief. Ironically, Stone now takes credit for initiating the investigation that may result in Honaker's downfall.

Although Honaker has enemies, he is also popular with a number of local residents, particularly elderly citizens. He has become a community leader who is called on for favors and advice as often as his professional services are requested. Helping a citizen who has locked his or her keys in the car or making a phone call to help an elderly friend get a missing Social Security check are often a part of the sheriff's day — a political patronage that obviously has translated into votes at election time.

For several years, Honaker has been able to boast that the jail has operated at no expense to the city. Although the city is required to pay a share of the department's expenses, the department earns enough money from the housing of state and federal prisoners to return the city's money. Critics of Honaker, however, say the city comes out ahead at the expense of the rest of Virginia's taxpayers.

Honaker has also been the architect of several successful programs that have served as models for other jails and sheriff's departments. During the mid-1980s, Bristol's jail was recognized as one of the top five in the state.

The jail farm has been the most visible of these programs, providing the bulk of the vegetables and meat needed to feed inmates, who provide the labor under the supervision of deputies.

The department's employees also eat one meal a day at the jail and pay for it by contributing to a separate fund Honaker said is used to provide other services, including flowers for funerals and food for needy families.

Through a community service program, inmates also do much of the maintenance of city property, picking up litter and providing the labor for several city projects, including a jail addition. Honaker's supporters, including Mayor James Rector, have often credited the sheriff with saving the city precious money through these initiatives.

The department carries out a Drug Abuse Resistance Education (DARE) program and a GED program for inmates interested in furthering their educations. And Honaker added a full-time chaplain from the Good News Jail and Prison Ministries and founded a victim/witness program.

Honaker got his start in law enforcement in 1957, when he joined the Washington County Sheriff's Department. He also served as an examiner for the Division of Motor Vehicles, served in the U.S. Army and was appointed a deputy sergeant in Bristol Virginia when he was released from the Army.

He has been the city's sheriff since 1973, when he was appointed to fill out the unexpired term of J.N. Ingoldsby. He was elected a month later.

Honaker has maintained a number of associations with state and national organizations, including the Virginia Sheriff's Association, Virginia Elected Local Constitutional Officers' Association and the American Correctional Association.

He has also served on the board of directors of Southwest Virginia Law Enforcement Academy and the Police Science/Public Service Advisory Committee. In 1990, he was appointed by Wilder to the Virginia Drug Council and he is a member of the Virginia Attorney General's Task Force on Domestic Violence.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P. 1 & 8A, BRISTOL HERALD COURIER, BRISTOL, VA - TN

Date: 1/14/92
Edition: MORNING

Title: CITY JAIL "RUNNING SMOOTHLY"

Character:
or
Classification: 46A RH-40962
Submitting Office: RICHMOND

Indexing:

City jail 'running smoothly'

DAVID WICKERT
Staff Writer

The Bristol Virginia Sheriff's Department continues to run smoothly in the absence of Sheriff Marshall Honaker, according to the deputy now running the department.

Chief Deputy Charlie Arnold said the staff will maintain a busy schedule, and he anticipates no problems to result from the sheriff's absence. "It's always busy," he said, but added, "It's nothing more unusual than it always is."

Honaker chose Arnold to run the department while he takes annual leave. Honaker elected to take the leave while agents of the FBI and Internal Revenue Service continue their investigation of the sheriff's department.

Federal agents took possession of department records and the sheriff's home and bank accounts Friday. So far, no official word has been issued by authorities about the nature of their investigation.

But sources have told the *Bristol Herald Courier* that the investigation centers on charges that Honaker embezzled several hundred thousand dollars from the department. No charges have been brought against the sheriff. A federal grand jury in Roanoke is expected to hear evidence Jan. 21.

In the meantime, the department's 55 employees will continue their work, much as they have done throughout the year. Honaker, who was elected president of the National Sheriff's Association in June, was often away on NSA business, and repeatedly expressed confidence in his staff to carry on in his absence.

Arnold said he has been in contact with Honaker during his leave. At a staff meeting over the weekend, Arnold said he read deputies the prepared statement Honaker issued to the press before he left. In that statement, Honaker acknowledged the federal investigation and named Arnold to be in charge.

Arnold said he assured the sheriff that the department would run smoothly in his absence.

Arnold, 44, has served the sheriff's department since 1980. He came to Bristol Virginia after working as a Sullivan County sheriff's deputy.

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FD-515 (Rev. 7-19-91)

Accomplishment Report

(Submit within 30 days from date of accomplishment)

TO: Director, FBI

FROM: SAC, Richmond (P)

SUBJECT:

MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VA., SHERIFF'S
OFFICE
FRAUD AGAINST THE
GOVERNMENT - DEPARTMENT OF
JUSTICE
(OO: RH)

b7C

Bureau File Number
46A RH-40962
Field Office File Number
5116
Squad or RA Number
[redacted]
Agent's Social Security No.

Date 1/17/92

☒ X if a joint operation with: *See below (identity of other agency)

☐ X if case involves corruption of a public official (Federal, State or Local).

Investigative Assistance or Technique Used

Rate each Investigative Assistance or Technique used in connection with the accomplishment being claimed.

1 = Used, but did not help 3 = Helped, substantially
2 = Helped, but only minimally 4 = Absolutely essential

1. Acctg Tech Assistance Rating	8. Eng. Sect. Tape Exams Rating	15. Photographic Coverage Rating	22. Telephone Toll Recs Rating
2. Aircraft Assistance	9. Hypnosis Assistance	16. Polygraph Assistance	23. UCO Group I
3. Computer Assistance	10. Ident Div Assistance	17. Search Warrants Executed	24. UCO Group II
4. Consensual Monitoring	11. Informant Information	18. Show Money Usage	25. UCO Other
5. ELSUR FISC	12. Lab Div Exams	19. Surveil Sqd (SOG) Asst	26. NCAVC/ VI-CAP
6. ELSUR Title III	13. Lab Div Field Support	20. SWAT Team Action	27. Visual Invest - Analysis (VIA)
7. Eng. Sect. Field Support	14. Pen Registers	21. Tech. Agt. or Tech Equip	

A. Preliminary Judicial Process (Number of subjects)

Complaints	Informations	Indictments

B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subjects)

Subject Priority*	A	B	C
FBI Arrests -			
FBI Locates -			
Local Arrests -			

FBI Subj. Resisted_____; Armed_____

Subpoenas Served 2

Criminal Summons_____

Local Crim. Summons_____

C. Release of Hostages or Children Located: (Number of Hostages or Children Located)

Hostages Held By Terrorists:_____ All Other Hostage Situations:_____

Missing or Kidnaped Children Located:_____

D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)

Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
	$	$		$
	$	$		$
	$	$		$

E. Civil Matters

		Government Defendant	Government Plaintiff
RICO -Civil Convictions	Civil Suits Amount of Suit	$	$
No. of Subj.	Settlement of Award	$	$ Enter AFA Payment Here

F. Administrative Sanctions

Subject 1 Subject Description Code* -

☐ Suspension ☐ Debarment Time Frame - Years: Months: ☐ Permanent

G. Final Judicial Process: Judicial District / District State / Conviction or Pretrial Div. Date / Sentence Date / No. of Subjects / Acquitted / Dismissed

Subject 1 Subject Description Code* -	Conviction			Combined Sentence					
	Title	Section	Counts	In-Jail Yrs.	In-Jail Mos.	Suspended Yrs.	Suspended Mos.	Probation Yrs.	Probation Mos.
☐ Felony / ☐ Misdemeanor									
☐ Parole Revocation									
☐ Probation Revocation				Total Fines $					
☐ Plea / ☐ Trial				Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.					
☐ Pretrial Diversion									

Subject 2 Subject Description Code* -	Conviction			Combined Sentence					
	Title	Section	Counts	In-Jail Yrs.	In-Jail Mos.	Suspended Yrs.	Suspended Mos.	Probation Yrs.	Probation Mos.
☐ Felony / ☐ Misdemeanor									
☐ Parole Revocation									
☐ Probation Revocation				Total Fines $					
☐ Plea / ☐ Trial				Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.					
☐ Pretrial Diversion									

Attach additional forms if reporting final judicial process on more than two subjects, and submit a final disposition form (R-84) for each subject.

H. Identifying Data: For every subject reported in Sections A, B, E, F, or G above, provide the following: *Attach additional forms for more than four subjects.*

Name	Date of Birth	Race*	Sex	Place of birth (if available)	Social Security Number (if available)
[redacted]					

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INDEXED
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Explanation of accomplishment claimed:

*This is a joint investigation with the INTERNAL REVENUE SERVICE, Bristol, Va.

On 1/10/92, [redacted] Sheriff HONAKER's [redacted] by Sheriff HONAKER.

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C/A

INDEX AS NECESSARY

2 - Bureau
(4) Field Office (2-46A RH-40962) (1-OSM [redacted] (1-Supv. [redacted]) LKB/srj (6)

* See codes on reverse side.

Memorandum

To : SAC, RICHMOND (46A RH-40962) (P) Date 1/24/92

From : SA [redacted]

Subject: MARSHAL E. HONAKER
BRISTOL, VA., CITY SHERIFF'S DEPARTMENT
FAG - DOJ
(OO: RH)

Re investigative insert of IA [redacted] dated 1/14/92.

As a result of a court order installed pen registers on the home telephone of captioned subject, investigation was conducted to identify subscribers to long-distance telephone numbers called by subject through 1/11/92. The results of long-distance telephone calls made to the 804 area code are set forth in the investigative insert of IA [redacted]

On 1/14/92, SA [redacted] Greenville, S.C., Resident Agency, Columbia Division, was telephonically contacted and determined the following subscriber information regarding the below-listed telephone numbers: b7C

Telephone number 803/288-1200, subscribed to by the HAMPTON INN, Greenville, S.C.

Telephone number 803/232-4747, subscribed to by the HILTON HOTEL, Greenville, S.C.

Telephone number 803/235-1234, subscribed to by the HYATT HOTELS, Greenville, S.C.

Telephone number 803/676-9090, subscribed to by the EMBASSY SUITES.

Telephone number [redacted] an unlisted number; however, SA [redacted]

Above for information of the file.

46A-RH-40962-63

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JAN 24 1992

FBI - RICHMOND

[redacted] copy sent

(2) Richmond
DPT/srj
(2)

1*

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FD-515 (Rev. 7-19-91)

Accomplishment Report

(Submit within 30 days from date of accomplishment)

TO: Director, FBI

FROM: SAC, Richmond

SUBJECT:

MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VA., SHERIFF'S
OFFICE
FAG - DOJ
(OO: RH)

Bureau File Number
46A RH-40962
Field Office File Number
5116
Squad or RA Number
Agent's Social Security No.

Date 1/31/92

☐ X if a joint operation with: (Identity of other agency)

☐ X if case involves corruption of a public official (Federal, State or Local).

Investigative Assistance or Technique Used

Rate each Investigative Assistance or Technique used in connection with the accomplishment being claimed.

1 = Used, but did not help 3 = Helped, substantially
2 = Helped, but only minimally 4 = Absolutely essential

1. Acctg Tech Assistance	Rating	8. Eng. Sect. Tape Exams	Rating	15. Photographic Coverage	Rating	22. Telephone Toll Recs	Rating
2. Aircraft Assistance		9. Hypnosis Assistance		16. Polygraph Assistance		23. UCO Group I	
3. Computer Assistance		10. Ident Div Assistance		17. Search Warrants Executed		24. UCO Group II	
4. Consensual Monitoring		11. Informant Information		18. Show Money Usage		25. UCO Other	
5. ELSUR FISC		12. Lab Div Exams		19. Surveil Sqd (SOG) Asst		26. NCAVC/ VI-CAP	
6. ELSUR Title III		13. Lab Div Field Support		20. SWAT Team Action		27. Visual Invest - Analysis (VIA)	
7. Eng. Sect Field Support		14. Pen Registers		21. Tech. Agt. or Tech Equip			

A. Preliminary Judicial Process (Number of subjects)

Complaints	Informations	Indictments

B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subjects)

	Subject Priority* A	B	C
FBI Arrests -			
FBI Locates -			
Local Arrests -			

FBI Subj. Resisted_____ ; Armed_____

Subpoenas Served 6

Criminal Summons_____

Local Crim. Summons_____

C. Release of Hostages or Children Located: (Number of Hostages or Children Located)

Hostages Held By Terrorists:_____ All Other Hostage Situations:_____

Missing or Kidnaped Children Located:_____

D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)

Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
	$	$		$
	$	$		$
	$	$		$

E. Civil Matters

		Government Defendant	Government Plaintiff
RICO -Civil Convictions	Civil Suits Amount of Suit	$	$
No. of Subj.	Settlement of Award	$	$ Enter AFA Payment Here

F. Administrative Sanctions

Subject 1 Subject Description Code* -

☐ Suspension ☐ Debarment Time Frame - Years: Months: ☐ Permanent

G. Final Judicial Process: Judicial District / District State / Conviction or Pretrial Div. Date / Sentence Date / No. of Subjects / Acquitted / Dismissed

Subject 1 Subject Description Code* -								Subject 2 Subject Description Code* -							
☐ Felony ☐ Misdemeanor ☐ Parole Revocation ☐ Probation Revocation ☐ Plea ☐ Trial ☐ Pretrial Diversion	Conviction Title	Section	Counts	Combined Sentence In-Jail Yrs. Mos.	Suspended Yrs. Mos.	Probation Yrs. Mos.	Total Fines $	☐ Felony ☐ Misdemeanor ☐ Parole Revocation ☐ Probation Revocation ☐ Plea ☐ Trial ☐ Pretrial Diversion	Conviction Title	Section	Counts	Combined Sentence In-Jail Yrs. Mos.	Suspended Yrs. Mos.	Probation Yrs. Mos.	Total Fines $
							Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.								Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.

Attach additional forms if reporting final judicial process on more than two subjects, and submit a final disposition form (R-84) for each subject.

H. Identifying Data: For every subject reported in Sections A, B, E, F, or G above, provide the following: *Attach additional forms for more than four subjects.*

Name	Date of Birth	Race*	Sex	Place of birth (if available)	Social Security Number (if available)

Explanation of accomplishment claimed:

On 1/10, 13, and 14/92,

46A-RH-40962 - 64

SEARCHED SEB

INDEXED

FILED SEB

INDEX AS NECESSARY

b7C

b3
b7C

2 - Bureau
4 Field Office (2-46A RH-40962) (1-OSM) (1-SUPV.) DPT/srj (6)

* See codes on reverse side.

FD-515 (Rev. 7-19-91)

Accomplishment Report

(Submit within 30 days from date of accomplishment)

TO: Director, FBI

FROM: SAC, Richmond

SUBJECT:

Bureau File Number
46A RH-40962
Field Office File Number
Squad or RA Number
Agent's Social Security No.

Date 1/31/92

☐ X if a joint operation with: _____ (identity of other agency)

☐ X if case involves corruption of a public official (Federal, State or Local).

Investigative Assistance or Technique Used

Rate each Investigative Assistance or Technique used in connection with the accomplishment being claimed.

1 = Used, but did not help 3 = Helped, substantially
2 = Helped, but only minimally 4 = Absolutely essential

1 Acctg Tech Assistance Rating	8. Eng. Sect. Tape Exams Rating	15. Photographic Coverage Rating	22 Telephone Toll Recs Rating
2. Aircraft Assistance	9. Hypnosis Assistance	16. Polygraph Assistance	23. UCO Group I
3. Computer Assistance	10. Ident Div Assistance	17. Search Warrants Executed	24. UCO Group II
4. Consensual Monitoring	11. Informant Information	18. Show Money Usage	25. UCO Other
5. ELSUR FISC	12. Lab Div Exams	19. Surveil Sqd (SOG) Asst	26. NCAVC/ VI-CAP
6. ELSUR Title III	13. Lab Div Field Support	20. SWAT Team Action	27. Visual Invest - Analysis (VIA)
7. Eng. Sect. Field Support	14. Pen Registers	21. Tech. Agt. or Tech Equip	

A. Preliminary Judicial Process (Number of subjects)

Complaints	Informations	Indictments

B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subjects)

	Subject Priority* A	B	C
FBI Arrests -			
FBI Locates -			
Local Arrests -			

FBI Subj. Resisted_____ ; Armed_____

Subpoenas Served_____

Criminal Summons_____

Local Crim. Summons_____

C. Release of Hostages or Children Located: (Number of Hostages or Children Located)

Hostages Held By Terrorists:_____ All Other Hostage Situations:_____

Missing or Kidnaped Children Located:_____

D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)

Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
	$	$		$
	$	$		$
	$	$		$

E. Civil Matters

RICO -Civil Convictions

No. of Subj.

Civil Suits Amount of Suit

Settlement of Award

Government Defendant	Government Plaintiff
$	$
$	$ Enter AFA Payment Here

F. Administrative Sanctions

Subject 1 Subject Description Code* -

☐ Suspension ☐ Debarment Time Frame - Years: Months: ☐ Permanent

G. Final Judicial Process: Judicial District _____ District State _____ Conviction or Pretrial Div. Date _____ Sentence Date No. of Subjects _____ Acquitted _____ Dismissed

Subject 1 Subject Description Code* -	Conviction			Combined Sentence						Subject 2 Subject Description Code* -	Conviction			Combined Sentence					
☐ Felony ☐ Misdemeanor ☐ Parole Revocation ☐ Probation Revocation	Title	Section	Counts	In-Jail Yrs.	Mos.	Suspended Yrs.	Mos.	Probation Yrs.	Mos.	☐ Felony ☐ Misdemeanor ☐ Parole Revocation ☐ Probation Revocation	Title	Section	Counts	In-Jail Yrs.	Mos.	Suspended Yrs.	Mos.	Probation Yrs.	Mos.
				Total Fines $										Total Fines $					
☐ Plea ☐ Trial				Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.						☐ Plea ☐ Trial				Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.					
☐ Pretrial Diversion										☐ Pretrial Diversion									

Attach additional forms if reporting final judicial process on more than two subjects, and submit a final disposition form (R-84) for each subject.

H. Identifying Data: For every subject reported in Sections A, B, E, F, or G above, provide the following: *Attach additional forms for more than four subjects.*

Name	Date of Birth	Race*	Sex	Place of birth (if available)	Social Security Number (if available)

Explanation of accomplishment claimed:

b3
b7C

2 - Bureau
2 - Field Office
* See codes on reverse side.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Page C-3 The Free Lance Star

Date: 2/3/92
Edition: Daily

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

Honaker left a challenge

BRISTOL (AP)—City officials are running into legal and jurisdictional thorns in their bid to recover money that allegedly was embezzled by Sheriff Marshall Honaker.

Two key gray issues have emerged in the aftermath of Honaker's Jan. 22 suicide: the questions of who will audit the sheriff's department and how the city would recover any funds determined to have been illegally diverted.

City Council last week directed City Manager Paul Spangler to request a state audit of the department to determine if any public funds were diverted into the sheriff's private account. No official response has been offered by the state auditor of public accounts office.

Spangler and the city's attorneys are examining Virginia law to determine whether a state agency or the city government is ultimately responsible for financial oversight of the sheriff's department. Spangler said he can find no evidence so far that the state has ever audited the department, though the auditor of public accounts regularly reviews the books of other constitutional officers in the city.

Regardless of who performs an audit, it likely will be some time before a review can be completed. Federal authorities are holding most of the department's pertinent financial records and they have not indicated the records soon will be returned.

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SEARCHED ... INDEXED ...
SERIALIZED ... FILED ...

FBI — RICHMOND

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FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Additional funds thought diverted by sheriff

By The Associated Press

BRISTOL — A city attorney says Bristol may have been bilked for substantially more than the $377,700 in federal funds the Internal Revenue Service alleges the late Sheriff Marshall Honaker diverted from the sheriff's department for personal gain.

Attorney Walt Bressler said yesterday he suspects payments received by the sheriff's department to house prisoners from at least nine other localities with crowded jails were also used by Honaker to buy personal property.

An affidavit filed by IRS Special Agent Jack Bumgardner alleged that the largest payments for housing prisoners at the Bristol Jail were from the government of the District of Columbia and the U.S. Marshal's Service in Roanoke.

"Just looking at the affidavit, there appears to be probable cause to believe that other monies were diverted into a personal account, but I have no idea how much money we're talking about at this point," Bressler said.

The affidavit states that recurring deposits were made into Honaker's account from the governments of Scott, Buchanan, Dickenson, Wise, Prince George, Pulaski and Orange counties, as well as the cities of Martinsville, and Bristol, Tenn.

Honaker committed suicide at his office Jan. 22, as a federal grand jury meeting in Roanoke was about to begin hearing a second day of testimony in the case. The grand jury was suspended upon news of the sheriff's death, but the U.S. Attorney's Office has indicated that the panel has not been disbanded, and the investigation is not complete.

(Indicate page, name of newspaper, city and state.)
Pg 6, "Richmond News Leader," Richmond, Va.

Date: 2/6/92
Edition: Evening

Title: MARSHALL HONAKER

Character: or Classification: 46A RH-40962
Submitting Office: Richmond

Indexing:

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46A-RH-40962-66

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SERIALIZED SEB FILED SEB

FEB 10 1992

FBI—RICHMOND

SSA [redacted] sent

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c/A [redacted]

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page C4 The Free Lance Star

(Mount Clipping in Space Below)

Date: 2/6/92
Edition: Daily

Title:

Character: or Classification: 46A-RH-40962
Submitting Office:

Indexing:

Initial estimates of sheriff's cash stash conservative

BRISTOL (AP)—A city attorney said Bristol may have been bilked for substantially more than the $377,700 in federal funds the Internal Revenue Service alleges the late Sheriff Marshall Honaker diverted from the sheriff's department for personal gain.

Attorney Walt Bressler said Wednesday he suspects payments received by the sheriff's department to house prisoners from at least nine localities with overcrowded jails also were used by Honaker to buy personal property.

An affidavit filed by IRS Special Agent Jack Bumgardner alleged that the largest payments for housing prisoners at the Bristol Jail came from the District of Columbia and the U.S. Marshal's Service in Roanoke.

According to the affidavit, unsealed in federal court last month, between July 1986 and October 1990, $512,820 was paid to the department by those two entities alone. Only $135,119 of those payments made it to the city's general fund, where all of the money ultimately should have turned up, the affidavit said.

Bumgardner states in the affidavit that the remaining payments were deposited by Honaker into a personal checking account at Dominion Bank in Bristol. and used to purchase a $245,000 home, two $10,000 certificates of deposit and various other personal items.

"Just looking at the affidavit, there appears to be probable cause to believe that other monies were diverted into a personal account, but I have no idea how much money we're talking about at this point," Bressler said.

The affidavit states that recurring deposits were made into Honaker's account from the governments of Scott, Buchanan, Dickenson, Wise, Prince George, Pulaski and Orange counties, as well as the cities of Martinsville, and Bristol, Tenn.

In addition, other federal payments

46A-RH-40962-67
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SERIALIZED SEB FILED SEB
FBI—RICHMOND

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page C4 The Free Lance Star

Date: 2/6/92
Edition: Daily

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

(Mount Clipping in Space Below)

from the Lewisburg Penitentiary in Lewisburg, Pa., and the U.S. Marshal's Service in Greensboro, N.C., were also funneled into the personal account, according to the affidavit.

Since many of the other localities were not housing federal prisoners at the jail, Bressler contends that federal agencies don't have the jurisdiction to investigate that revenue.

But Bressler said he hopes a special state audit of the city, currently under way, will either confirm or dismiss his suspicions, and help the city recoup any losses.

Federal agents from the IRS and FBI seized records from the sheriff's department and City Hall on Jan. 10, and have been examining them since. The U.S. attorney's office has agreed to turn some of the files over to state officials when investigators finish with them so the audit can be completed.

Bressler said he expects all city documents to be released to auditors by the end of this week, as well as some selected sheriff's department documents.

He said the first step in the process of trying to recoup the missing funds is to determine exactly how much money was diverted.

Bressler said the city then has two options. The first would hinge on whether the federal government plans on seeking a civil forfeiture of the assets it seized in the raid, including Honaker's home and $63,000 cash found in his desk drawer. If that turns out to be the case, the city, as a victim, could claim the property.

The second option would be for the city to file a claim on Honaker's estate, if there are other assets which have not been seized by federal authorities.

Honaker took his own life at his office Jan. 22.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Page C7 The Free Lance Star

Date: 1/30/92
Edition: Daily

Title:

Character: 46-RH-40962
or
Classification:
Submitting Office:

Indexing:

Probe into Honaker legacy continues

BRISTOL (AP)—Despite the death of Sheriff Marshall E. Honaker, city officials are urging federal investigators to continue their probe into Honaker's financial dealings.

The City Council also voted Tuesday to ask for a state audit of the sheriff's department.

The federal government was investigating Honaker for allegations he skimmed more than $380,000 from the department. Honaker, who was never charged with a crime, committed suicide last week.

According to investigators, Honaker diverted funds for housing federal and Washington, D.C., prisoners in the city jail.

In a related matter, the council asked the Circuit Court to authorize a special election for sheriff on Nov. 3. On Tuesday, Circuit Judges Charles B. Flannagan II and Charles H. Smith Jr. appointed Maj. Eddie Barnes as interim sheriff to serve until that election.

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AGENT INSTRUCTIONS TO INDEXER: COPY

46-RH-40962-68

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SERIALIZED FILED
FEB - 6 1992

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Cash drawer

BRISTOL — Court records show that agents investigating allegations of tax evasion, money laundering and fraud found $63,281 stashed in Bristol Sheriff Marshall E. Honaker's desk.

He resigned yesterday as president of the National Sheriffs' Association.

Honaker took a leave of absence and declined to comment.

Details, page B-1

(Indicate page, name of newspaper, city and state.) Pgs. A1, B1, B2 Richmond Times-Dispatch, Richmond, Va.

Date: 1/16/92
Edition: Morning

Title: MARSHALL E. HONAKER

Character:
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

X

[redacted]

46A-RH-40962-69

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[redacted] SA

INDEX AS NECESSARY

FBI/DOJ

$63,281 is seized from Bristol sheriff

From staff, wire dispatches

BRISTOL — Federal agents investigating allegations of tax evasion, money laundering and fraud found $63,281 stashed in Bristol Sheriff Marshall E. Honaker's desk, court documents revealed yesterday.

Honaker resigned yesterday as president of the National Sheriffs' Association.

Dozens of agents from the FBI and Internal Revenue Service searched the Bristol Sheriff's Department and Honaker's home Friday.

Honaker, 55, has not been charged. But federal agents seized his home, three personal vehicles and private bank accounts, in addition to numerous boxes of files from the Sheriff's Department and the city courthouse.

The search warrant and the list of items seized was unsealed yesterday by U.S. District Judge Samuel Wilson.

The warrant said agents were looking for items that would "tend to show fraudulent intent and or knowledge . . . of tax evasion, money laundering, federal program fraud and mail fraud."

The list of 57 items seized in his office included $63,281 in "various denominations" in the middle desk drawer, six $100 bills in a box under his desk, bank statements, prisoner records, campaign records, jewelry, coin collections, a diamond ring and airline tickets. The dozens of items found in the home included tax and financial documents and records.

Honaker, sheriff since 1973, is taking a leave of absence until the investigation is completed. He has refused to comment on the case other than to confirm he is under investigation.

Much of the city's administration has been subpoenaed to testify before a federal grand jury next week. Sources have said the investigation deals with allegations of a major embezzlement in which several hundred thousand dollars were channeled out of the department, and is likely to target additional people.

Honaker operates one of the few jails in the state that generates a profit. Despite its location in Southwest Virginia, his jail has housed

Continued on page 2, col. 6

$63,281 seized from sheriff in Bristol

Continued from first page

hundreds of federal prisoners and prisoners from other jurisdictions as far away as the District of Columbia.

Honaker, who gave up day-to-day control of his Bristol office last week when the investigation became public, notified NSA officials of his resignation with a faxed, one-sentence letter, according to NSA's assistant executive director, A.N. Moser.

Honaker apparently remains a member of at least three other law enforcement organizations, but a spokesman for Gov. L. Douglas Wilder said Honaker has stated his intention to resign from the Governor's Advisory Commission on the Dillon Rule and Local Government.

In accepting the resignation, the association praised the sheriff as someone who has "projected a positive image on behalf of all sheriffs of the United States and has continually demonstrated his ongoing leadership and compassion."

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Sheriff's desk held $63,000

By The Associated Press

BRISTOL — Bristol Sheriff Marshall E. Honaker had more than $63,000 in his desk when federal agents searched the office, court documents indicate.

The search warrant and a list of items seized at his home and office were unsealed yesterday by U.S. District Judge Samuel Wilson.

The warrant said agents who conducted last Friday's search were looking for items that would "tend to show fraudulent intent and or knowledge . . . of tax evasion, money laundering, federal program fraud and mail fraud."

The list of 57 items seized in his office included $63,281 in "various denominations" in the middle desk drawer, six $100 bills in a box under his desk, bank statements, prisoner records, campaign records, jewelry, coin collections, a diamond ring and airline tickets.

FBI and Internal Revenue Service agents also seized his home, three vehicles and private bank accounts, in addition to numerous boxes of files from the sheriff's department and the Bristol Courthouse.

The dozens of items found in the home included tax and financial documents and records.

Honaker, 55, has not been charged.

The sheriff gave up day-to-day control of his office last week when the investigation became public, and he has been unavailable for comment since he began a leave of absence.

Honaker resigned yesterday as president of the National Sheriff's Association. He informed the group of his decision in a one-sentence letter, a spokesman for the association said.

A spokesman for Gov. L. Douglas Wilder said Honaker also has stated his intention to resign from two state groups, the Governor's Advisory Commission on the Dillon Rule and Local Government and the Council on Alcohol and Drug Abuse Problems.

(Indicate page, name of newspaper, city and state.) Pg. 12, Richmond News Leader, Richmond, Va.

Date: 1/16/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character:
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

X

[redacted]

46A-RH-40962-70

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SA [redacted]

INDEX AS NECESSARY

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Sheriff's wealth tied to jail payments

His new home prompted Internal Revenue investigation

By David Reed
The Associated Press

ROANOKE — Court documents outlining how Bristol Sheriff Marshall Honaker allegedly skimmed $377,700 in public funds from a highly profitable city jail say the investigation began shortly after he bought a house worth six times his annual salary.

"Honaker came to the attention of law enforcement officers due to a recent material increase in personal wealth that was not explained by known legal sources of income," Jack Bumgardner, an Internal Revenue Service special agent, said in an affidavit unsealed yesterday.

"Through the analysis of financial records, this wealth increase has been directly attributed to Honaker's diversion to a personal checking account of numerous checks payable to the Bristol, Virginia, Sheriff's Department," Bumgardner said.

The payments to the city jail were for holding prisoners for the federal government and the District of Columbia, according to the documents.

The documents unsealed by U.S. District Judge Samuel Wilson were used to justify a raid on the veteran sheriff's home and office last Friday. Agents seized his $245,000 home, truck and car and found $63,281 in cash in his office desk, according to the documents.

Bumgardner's statement said he believes there is probable cause to charge Honaker with tax evasion, money laundering, federal program fraud and mail fraud.

Honaker, who has not been charged with a crime, resigned this week as president of the National Sheriff's Association and is taking a leave of absence until the investigation is completed.

Federal agents have been interviewing potential witnesses this week in Bristol and a grand jury is expected to begin hearing evidence against Honaker on Tuesday in Roanoke.

Honaker has said in a statement that he will not comment on the investigation. The U.S. attorney's office is remaining silent as well.

The sheriff and his wife, Brenda, reported an average annual taxable income of $44,100 during the period from 1987 through 1990 when the money allegedly was diverted.

A former employee of the sheriff's department advised the local police that double sets of books were being maintained by Honaker's department, which Bumgardner said were needed "in order to perfect the diversion scheme."

The sheriff's department controls the operation of the Bristol City Jail, one of the largest federally accredited prisoner holding facilities in Southwest Virginia.

The District of Columbia pays the Bristol Sheriff's Department $55 per prisoner per day while it costs the department only about $6 per prisoner per day to care for them, Bumgardner said.

From July 1986 through October 1990, the sheriff's department received $512,820.60 from the District of Columbia and the U.S. Marshal's office and paid $135,119.75 of that amount to the city, the affidavit said.

The remaining $377,700.85, or more than 70 percent of the total, was put in Honaker's personal checking account at Dominion Bank, Bumgardner said.

(Indicate page, name of newspaper, city and state.) Pg. 8, Richmond News Leader, Richmond, Va.

Date: 1/17/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character:
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

X

46A-RH-40962

b7C

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FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Page C-1
"Richmond Times-Dispatch"
Richmond, Va.
Date: 1/22/92
Edition: Morning

Title: Marshall E. Honaker

Character:
or
Classification: 46A RH-40962
Submitting Office: Richmond

Indexing:

X

Lawyer: Sheriff seeks plea deal

By Bill McKelway
Staff writer

Bristol Sheriff Marshall E. Honaker will attempt to reach a plea agreement with the U.S. Department of Justice that would involve guilty pleas linked to a wide-ranging embezzlement investigation, Honaker's lawyer said yesterday.

"I can confirm we're going to be talking about the mechanics of a plea agreement," said James D. Bowie, a Bristol lawyer.

Word of the possible plea agreement, which might include Honaker's offer to resign as sheriff, came yesterday as a federal grand jury in Roanoke began hearing testimony from key Bristol officials.

Honaker, Bristol's sheriff for 17 years and a powerful force in Democratic politics in Southwest Virginia, gave up

Continued on page 2, col. 4

Lawyer says sheriff seeks plea deal

Continued from first page

day-to-day control of his office Jan. 10 in the wake of federal allegations that he diverted more than $500,000 in funds his office received for housing federal prisoners and prisoners from the District of Columbia Department of Corrections.

The sheriff's office employs some 55 deputies and other personnel.

Financial records seized from city offices and Honaker's home, which he bought in 1979 for $275,000, also are being reviewed.

City Attorney G. Walter Bressler said yesterday that he and Spangler will meet today to draft a formal request for a full state audit of the sheriff's department, which apparently has never been done.

It still was not clear yesterday how many bank accounts may have been kept by the sheriff.

While the government has alleged that Honaker mingled various jail and personal funds in a private checking account, Bressler, who's also a private attorney, said yesterday that process fees his office has paid the sheriff went into still another account.

The Bristol sheriff's office receives about $540,000 annually in state funds to house state prisoners awaiting trial or imprisonment in a state facility.

In addition, the U.S. Marshals Service and the District of Columbia paid Honaker $512,820 between July 1986 and October 1990 for housing their prisoners. Of that amount, federal IRS agents have discovered that only $135,119 reached the city treasury.

From January 1987 through December 1989, 72 percent of the deposits made into a private checking account maintained by Honaker have been "specifically identified as being diverted from the City of Bristol," IRS Special Agent Jack Bumgardner wrote in an affidavit unsealed last week.

Agents were further able to link the diverted funds to payments Honaker made on his home and three cars, all of which have been seized.

According to the affidavit, federal agents are examining violations of tax evasion, money laundering, federal program fraud, and mail fraud.

46A-RH-40962-12

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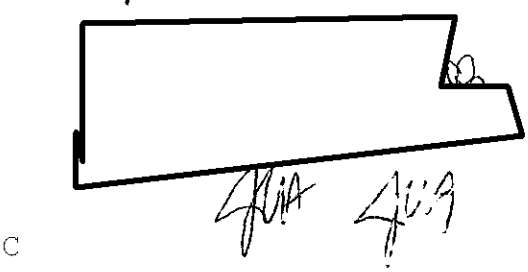

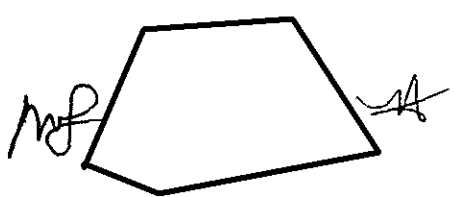

FBI/DOJ

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Bristol sheriff kills himself amid embezzlement probe

(Indicate page, name of newspaper, city and state.) Page 1
"Richmond News Leader," Richmond, Va.
Date: 1/22/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character:
or
Classification: 46A RH-40962
Submitting Office: Richmond

Indexing:

X

Marshall E. Honaker, 55, had been sheriff of Bristol for 18 years.

By Leslie Lloyd
The Associated Press

BRISTOL — Sheriff Marshall E. Honaker, who was under investigation by a federal grand jury for alleged fraud and embezzlement, shot and killed himself in his office early today, officials said.

City Manager Paul Spangler said Honaker, 55, came into the sheriff's office about 8:40 a.m. for the first time since he began a leave of absence on Jan. 11.

Honaker, who resigned last week as president of the National Sheriffs Association, shot himself in the chest with a .12-gauge shotgun, Spangler said.

The sheriff was taken to the Bristol Regional Medical Center in Tennessee and pronounced dead at 9:05 a.m.

Spangler refused to comment on whether Honaker left any notes or who discovered the body.

The shooting came a day after a federal grand jury in Roanoke began an investigation of Honaker, who had been sheriff of Bristol for 18 years.

Honaker's attorney, James D. Bowie of Bristol, had said yesterday that the sheriff was talking with authorities about a plea bargain.

The grand jury was investigating Honaker for allegedly taking $377,700 in jail revenue and using some of the money to buy a house, two vehicles and other property.

Internal Revenue Service agent Jack Bumgardner said in a court affidavit that Honaker diverted the money from payments to the jail for holding prisoners for the federal government and District of Columbia.

The sheriff's department controls the operation of the jail, one of the largest federally accredited jails in

☐ **See Sheriff, Page 8**

46A-RH-40962-73

b7C

Sheriff kills self amid probe

Continued from Page 1

Southwest Virginia.

Honaker, who had not been charged with a crime, was taking a leave of absence until the investigation was completed. The sheriff had refused to comment on the investigation.

In a Jan. 10 raid, agents seized Honaker's $245,000 home and other property and found $63,281 in cash in the middle drawer of his office desk.

Bumgardner said in the affidavit that he believes there was probable cause to charge Honaker with tax evasion, money laundering, federal program fraud and mail fraud.

Bumgardner said a former sheriff's department employee told Bristol police that double sets of books were being maintained by Honaker's department.

The District of Columbia pays the Bristol sheriff's department $55 per prisoner per day while it costs the department about $6 per prisoner per day to care for them, Bumgardner said.

From July 1986 through October 1990, the sheriff's department received $512,820.60 from the District of Columbia and the U.S. Marshal's office and paid $135,119.75 of it to the city, the affidavit said.

The remaining $377,700.85, more than 70 percent of the total, was put in Honaker's personal checking account at Dominion Bank, Bumgardner said. Honaker tapped the account to buy $10,000 certificates of deposit for each of his two children, a pickup truck, a car and to pay for nearly half the cost of his house, the IRS agent said.

46A RH-40962
DPT/lgc

The following investigation was conducted by SA [redacted] on January 23, 1992 at Bristol, Virginia:

[redacted] which had been installed on the private office line of Sheriff MARSHALL E. HOMEMAKER, telephone number 703/466-4643 and on the residence phone of Sheriff HOMEMAKER, telephone number 703/669-0700 were terminated on January 23, 1993, due to HOMEMAKER having committed suicide.

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b7C
b7E

46-RH-40962-74

FD-515 (Rev. 7-19-91)

Accomplishment Report

(Submit within 30 days from date of accomplishment)

TO: Director, FBI

FROM: SAC, RICHMOND (P)

SUBJECT:

MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VA., SHERIFF'S
OFFICE.
FAG - DOJ
(OO: RH)

b7C

Bureau File Number
46A RH-40962
Field Office File Number
5116
Squad or RA Number
Agent's Social Security No.

☒ X if a joint operation with: IRS (identity of other agency)

☒ X if case involves corruption of a public official (Federal, State or Local).

Date 2/3/92

Investigative Assistance or Technique Used

Rate each Investigative Assistance or Technique used in connection with the accomplishment being claimed.

1 = Used, but did not help 3 = Helped, substantially
2 = Helped, but only minimally 4 = Absolutely essential

1. Acctg Tech Assistance Rating	8. Eng. Sect. Tape Exams Rating	15. Photographic Coverage Rating	22. Telephone Toll Recs Rating
2. Aircraft Assistance	9. Hypnosis Assistance	16. Polygraph Assistance	23. UCO Group I
3. Computer Assistance	10. Ident Div Assistance	17. Search Warrants Executed	24. UCO Group II
4. Consensual Monitoring	11. Informant Information	18. Show Money Usage	25. UCO Other
5. ELSUR FISC	12. Lab Div Exams	19. Surveil Sqd (SOG) Asst	26. NCAVC/ VI-CAP
6. ELSUR Title III	13. Lab Div Field Support	20. SWAT Team Action	27. Visual Invest - Analysis (VIA)
7. Eng. Sect. Field Support	14. Pen Registers	21. Tech. Agt. or Tech Equip	

A. Preliminary Judicial Process (Number of subjects)

Complaints	Informations	Indictments

B. Arrests, Locates, Summonses or Subpoenas Served (No. of Subjects)

	Subject Priority* A	B	C
FBI Arrests -			
FBI Locates -			
Local Arrests -			

FBI Subj. Resisted_____ ; Armed_____

Subpoenas Served 8

Criminal Summons_____

Local Crim. Summons_____

C. Release of Hostages or Children Located: (Number of Hostages or Children Located)

Hostages Held By Terrorists:_____ All Other Hostage Situations:_____

Missing or Kidnaped Children Located:_____

D. Recoveries, Restitutions, or Potential Economic Loss Prevented (PELP) (Explain valuation in remarks)

Property Type Code*	Recoveries	Restitutions	PELP Type Code*	Potential Economic Loss Prevented
	$	$		$
	$	$		$
	$	$		$

E. Civil Matters

RICO -Civil Convictions

No. of Subj.

Civil Suits Amount of Suit

Settlement of Award

Government Defendant	Government Plaintiff
$	$
$	$ Enter AFA Payment Here

F. Administrative Sanctions

Subject 1 Subject Description Code* -

☐ Suspension ☐ Debarment Time Frame - Years: Months: ☐ Permanent

G. Final Judicial Process: Judicial District _____ District _____ State _____ Conviction or Pretrial Div. Date _____ Sentence Date No. of Subjects _____ Acquitted _____ Dismissed

Subject 1 Subject Description Code* -	Conviction			Combined Sentence						Subject 2 Subject Description Code* -	Conviction			Combined Sentence					
☐ Felony ☐ Misdemeanor ☐ Parole Revocation ☐ Probation Revocation ☐ Plea ☐ Trial ☐ Pretrial Diversion	Title	Section	Counts	In-Jail Yrs.	Mos.	Suspended Yrs.	Mos.	Probation Yrs.	Mos.	☐ Felony ☐ Misdemeanor ☐ Parole Revocation ☐ Probation Revocation ☐ Plea ☐ Trial ☐ Pretrial Diversion	Title	Section	Counts	In-Jail Yrs.	Mos.	Suspended Yrs.	Mos.	Probation Yrs.	Mos.
				Total Fines $										Total Fines $					
				Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.										Add consecutive sentences together. Enter longest single concurrent sentence. Do not add concurrent sentences together. Sentence 10 yrs.- 8 yrs susp. = 2 yrs. In-Jail.					

Attach additional forms if reporting final judicial process on more than two subjects, and submit a final disposition form (R-84) for each subject.

H. Identifying Data: For every subject reported in Sections A, B, E, F, or G above, provide the following: *Attach additional forms for more than four subjects.*

Name	Date of Birth	Race*	Sex	Place of birth (if available)	Social Security Number (if available)

*Explanation of accomplishment claimed:

See attached.

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AGENT INSTRUCTED TO INDEX WORK COPY

46A-RH-40962 -75

- Bureau
- Field Office
See codes on reverse side.

(2-46A RH-40962) (1-OSM) (1-SSA) TRS/jll (6)

(N/A)

Section H (Cont.)

Name:
Date of birth (DOB):
Race:
Sex:
Social Security
Account Number
(SSAN):

Name:
DOB:
Race:
Sex:
SSAN:

Name:
DOB:
Race:
Sex:
SSAN:

Name:
DOB:
Race:
Sex:
SSAN:

On 1/10/92, the above individuals were

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b7C

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/6/92

[redacted] Bristol, Virginia, was interviewed on January 30, 1992, concerning the investigation of the suicide of MARSHALL E. HONAKER, former Sheriff, Bristol, Virginia, and he furnished the following information:

On the morning of January 22, 1992, the [redacted] advised [redacted] SHERIFF'S OFFICE in Bristol, Virginia, [redacted] and advised him that Sheriff HONAKER had apparently committed suicide in his personal office just moments before.

[redacted] stated that [redacted] and immediately started towards the SHERIFF'S OFFICE. He also said that he called [redacted] and advised him of the situation [redacted] When he [redacted] the Bristol, Virginia, SHERIFF'S OFFICE the Sheriff's body was on a stretcher outside the sally port and the emergency medical technicians were preparing to place the body into an ambulance. The [redacted] stated that he then proceeded to the Sheriff's personal office where he was met by [redacted] of the POLICE DEPARTMENT and [redacted] of the POLICE DEPARTMENT. The [redacted] advised that there were also three or four deputies in the office but the [redacted] stated he could not remember specifically who was there. There were no emergency medical technicians in the room when he arrived, and he did not remember [redacted] wearing a [redacted] in the Sheriff's office. The [redacted] then advised [redacted] of the POLICE DEPARTMENT to [redacted]

[redacted] advised also [redacted] the apparent suicide note by [redacted] of the POLICE DEPARTMENT who had received it from the Sheriff's office personnel who found it.

[redacted] was questioned specifically about the disappearance of a tape from the SHERIFF'S OFFICE and the

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Investigation on 1/30/92 at Bristol, Virginia File # 46A RH-40962 — 76

by SA [redacted] leh Date dictated 2/3/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] located in Sheriff HONAKER'S [redacted] FBI for review and if [redacted] of the death of MARSHALL HONAKER and to produce all physical evidence collected at the scene.

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b7C

allegation that it was removed at his direction. He denied any knowledge of any type of tape being located in Sheriff HONAKER'S office and denied having any tape removed from the office. Chief BROOME was advised that if there was such a tape it was imperative that it be turned over to the FBI for review and if the tape was removed at his direction and it was not produced for review such action should be considered obstruction of justice.

Chief BROOME at this time was served with a subpoena to report to the Federal Grand Jury on February 18, 1992, to produce the results of the investigation of the death of MARSHALL HONAKER and to produce all physical evidence collected at the scene.

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/10/92

[redacted] Bristol, Virginia, was interviewed by SA [redacted] FBI, and [redacted] the Bristol, Virginia, POLICE DEPARTMENT, concerning his knowledge of the events leading up to the suicide of MARSHALL HONAKER on January 22, 1992, and the subsequent actions by himself and other SHERIFF'S OFFICE personnel. He furnished the following information concerning these events:

b7C [redacted] advised that [redacted] HONAKER arrived at the SHERIFF'S OFFICE at approximately 8:00 a.m. Persons [redacted] were [redacted]

[redacted] advised that when [redacted] accompanied into the SHERIFF'S OFFICE area by [redacted] b7C After the Sheriff [redacted] the Sheriff and then the Sheriff got up and shut the door and locked it. At approximately 8:40 a.m., deputy sheriffs heard a loud noise sounding like a gunshot emanate from the inner office of MARSHALL E. HONAKER [redacted] office. [redacted] advised that when he arrived these persons were in the SHERIFF'S OFFICE and that [redacted] were attempting to give medical aide to Sheriff HONAKER, who was laying on the floor beside a sofa with an apparent gunshot wound to the chest. [redacted] advised that [redacted] of the situation and sealed off the doors with SHERIFF'S OFFICE personnel. He also advised [redacted] a deputy call the POLICE DEPARTMENT and ask that the [redacted] be advised and that they respond to the scene to investigate the apparent suicide. [redacted] Bristol, Virginia, police officer to arrive on the

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Investigation on 1/30/92 at Bristol, Virginia File # 46A RH-40962 -77

by SA [redacted] /leh Date dictated 2/3/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

scene was [redacted] advised [redacted] that the POLICE DEPARTMENT investigate the apparent suicide and that [redacted] began to make the appropriate arrangements. When the paramedics arrived they started to work on MARSHALL HONAKER and that when he saw that HONAKER was apparently dead [redacted] advised [redacted] the emergency medical technicians to remove the body from the office. [redacted] further stated that he saw an apparent suicide note on lined paper in the middle of Sheriff HONAKER'S desk. [redacted] After the police officers arrived [redacted] the note to [redacted] advised that the note that was [redacted] was the same as what was quoted in the newspaper. [redacted] further stated that after the police officers took control of the investigation, he vacated the office and waited at the SHERIFF'S OFFICE but not in the inner office of MARSHALL HONAKER.

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[redacted] was questioned concerning [redacted] MARSHALL HONAKER'S office. [redacted] SHERIFF'S OFFICE, and MARSHALL HONAKER'S office.

[redacted] advised that the only person that [redacted] come into the inner office of MARSHALL HONAKER.

At this point [redacted] The interview was then terminated.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.)
P.A1 & A12, Roanoke Times and World News, Roanoke, VA.
Date: 2-15-92
Edition:

Title: In Sheriff, city saw only one side of a two-sided man
Character:
or
Classification: 46A RH-40962
Submitting Office:

Indexing:

(Mount Clipping in Space Below)

In sheriff, city saw only one side of a two-sided man

By VICTORIA RATCLIFF and DOUGLAS PARDUE
STAFF WRITERS

A RETIRED *police investigator says that there was a long pattern of corrupt behavior by Bristol Sheriff Marshall Honaker. But Honaker escaped real scrutiny for years — until he bought that expensive house.*

GATE CITY — M.A. Lunsford tosses to the floor the front page of a newspaper dominated by a photograph of a crowd gathered for the burial of Bristol Sheriff Marshall Honaker.

"He got a hero's funeral," the retired state police agent says of the popular sheriff, who killed himself after being accused of stealing almost $400,000 from the city he served.

"The people of Bristol cannot understand his behavior was criminal. . . . Bristol's got a warped sense of value." They saw only one side of a two-sided man, Lunsford says.

The side Lunsford sees was revealed through more than 15 years of information-gathering, first by state police intelligence agents, then by the state's Bureau of Criminal Investigation, and finally by a federal crime task force.

Others, like Bristol Police Chief Oscar Broome, prefer to remember the hero side — the generous public servant who ran a nationally recognized jail, the man who was about to be recognized as one of the nation's leading law enforcement officers.

Honaker, 55, was like a brother to Broome, and he proudly served as a pallbearer to show respect.

"Nobody is condoning something that is wrong," Broome says. "A friend who falls off the big, white horse and falls down in the mud. . . . You don't stomp on him . . . and forget the good things he done."

Citizens of Bristol showed their respect for Honaker by putting on "the largest funeral that Bristol, Virginia, ever had," Broome says. People lined the funeral route with hats off, hands on heart, men, women, children with tears in their eyes. "They're remembering how much this man helped them," Broome says. "I've never seen that kind of thing."

The people of Bristol know that Honaker "screwed up," Broome says. They also know that "you don't wipe out the whole book because one page was bad."

Some federal and state investigators say Honaker's book had more than one bad page.

Their information and documents point to a long pattern of corrupt activity that ultimately led to Honaker's suicide last month as federal authorities closed in on him.

And they resent that, while he systematically ripped off the city for years, he held himself up as one of the country's top law officers — first as president of the Virginia Sheriffs' Association and later as president of the National Sheriffs' Association.

"It tarnishes all our badges," says former Bristol Police Chief

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INDEX AS NECESSARY

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FBI/DOJ

Sheriff

FROM PAGE A1

Tom Stone, the primary person who pushed for years for an investigation of the sheriff's activities.

Stone says he was "aghast" to see law enforcement officers paying tribute to Honaker at his funeral. "I don't see the reason the contemporary law enforcement community is canonizing Marshall when they know what he was involved with," Stone says.

On Jan. 22, Honaker went to his office and blew his chest open with a shotgun. He left a suicide note saying, "God has forgiven me. I hope you all will."

He wanted forgiveness, federal authorities say, for cheating the city of Bristol of at least $377,000 over five years by simply pocketing federal checks paid to him for keeping federal inmates in his jail. Federal authorities say their continuing investigation of records seized from Honaker show the amount could be well in excess of $500,000.

The money was supposed to go into the city's coffers. But city officials rarely questioned Honaker, a Democratic kingpin who had been sheriff since 1973 and kept a double set of books to conceal his thefts. Instead, city officials seemed content that Honaker's jail ran at no cost to the city in recent years and was touted as a national model.

Before FBI and IRS agents shattered that image with a raid on Honaker's home last month, a small group of state and local police had been investigating numerous allegations against him since the mid-1970s.

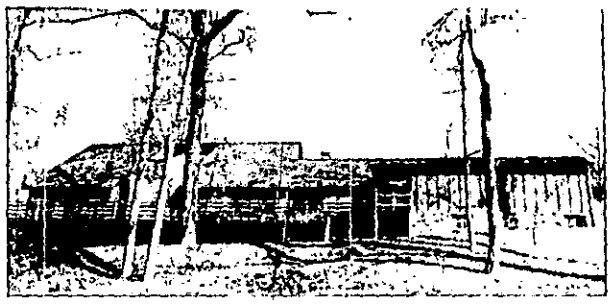
Lunsford, who retired from the Virginia State Police in September, had been one of the key investigators in that inquiry, according to Jay Cochran, former head of the state police Bureau of Criminal Investigation.

Cochran says police obtained authorization from then-Attorney General Marshall Coleman to investigate Honaker on allegations that the sheriff received kickbacks, misused jail labor for personal reasons, and was a silent partner of a local adult bookstore and massage-parlor operator.

But, Cochran says, investigators weren't able to come up with enough evidence to support prosecution.

Among the specific allegations was one that Honaker pocketed money he required deputies to pay for meals while they were on duty, whether they ate at the jail or not. That money was used to create a "flower fund" that the sheriff used to enhance his image by buying everything from shoes for needy inmates to flowers for grieving widows.

Honaker also was suspected of using inmate labor at a jail farm to grow a profit-making tobacco crop, the income from which was difficult to trace.



AP

Some law enforcement authorities speculated that the final investigation of Sheriff Marshall Honaker might never have begun if he hadn't bought this house on a hill overlooking Bristol.

Broome, Honaker's friend, says so many allegations swirled around Honaker at the time that "I got duped into being awful suspicious myself." But, he says, when the state police investigation ended, it was because there was no truth to the allegations. "In the final evaluation, they had nothing."

After no charges resulted from the initial inquiry, Honaker became brazen. Authorities say the sheriff might have continued ripping off the city for years had his overconfidence not led him to buy a big house on a hill overlooking Bristol — one of the city's nicest homes.

It was too big a house for a man making $47,000 a year.

The house was just the blatant excess that Police Chief Stone needed to finally convince federal authorities that something wasn't right.

"It was the house," Lunsford says. "Marshall thought he was so insulated in Bristol and the state — through the state and national sheriffs' associations — he thought nobody'd touch him. He thought he could flaunt it in the community."

In the mid-1980s, Honaker found a source of income from which he could easily pilfer large amounts, federal documents show. That money came from the U.S. Marshal's Service and the Washington, D.C., government, which paid Honaker to keep federal prisoners in his jail. He was getting $55 a day for each D.C. inmate, and it cost him only $6 a day to keep them.

By tracing the money Honaker embezzled from the federal payments, federal investigators were able to get the hard evidence that had eluded state police for years.

What had also partially stymied the state police investigation was Honaker's control of the political power structure in Bristol, and the fact that the state didn't have the investigative power the federal government possesses, says Stone, who left the Bristol Police Department in November to become public safety director in Norristown, Pa.

State police never asked for charges to be placed against Honaker because investigators say they felt they had to have an ironclad case if they were to have any chance in Bristol.

Bristol Commonwealth's Attorney George Warren, Honaker's attorney and close friend, says he doesn't remember state police ever coming to him about investigating Honaker.

If there had been evidence of a crime, Warren says, he would have gone after a conviction, regardless of who was involved.

State police began gathering information on Honaker in the mid-1970s as part of an effort to develop intelligence files on possible criminal activity. Lunsford, part of the intelligence operation, says Honaker's name first surfaced in intelligence records dating to the late 1950s, when it showed up on a mailing list of a pornography distributor.

It came up again in the mid-1970s, when police raided an adult bookstore in Bristol owned by a man named Larry Grigsby. Lunsford says Grigsby told him at the time that Honaker, then sheriff, was a silent partner in the adult bookstore business.

Lunsford says Grigsby told him he had a safety deposit box containing business records proving Honaker's connection. But Grigsby never gave him the records and Lunsford never was able to locate any record on file with the state.

In a telephone interview earlier this week, Grigsby denied telling Lunsford that Honaker was a partner. "There was no relationship there," he said, and he threatened to sue anyone who said there was.

But on Feb. 4, Grigsby told the Roanoke Times & World-News he had "a story to sell" about his relationship with Honaker. "I could back to 1968," he said, adding he had documentation to prove his story.

When told that the newspaper did not pay for stories, Grigsby said he would try to sell his story to a tabloid instead. "I'm definitely not going to give it to anyone out of the goodness of my heart. . . . I need enough money so I can relocate."

A Bristol police officer who claimed to be investigating a prostitution ring run from the jail in the mid-1970s also gave Lunsford information. That officer, Dennis Ely, was fired and filed a lawsuit against the city. In the suit, he accused Honaker of being behind his firing. He lost that suit.

When none of that information enabled state police to file criminal charges against Honaker, Stone decided in 1986 to go to the FBI. His request for a federal investigation was rejected. Stone's motives were suspect because he and Honaker had clashed publicly several times. Among those clashes was an effort in Bristol to place all police powers under the sheriff instead of the police chief.

Stone eventually got approval for a federal investigation — after Honaker bought his big house in 1989 and it appeared that federal authorities might be able to prosecute him for tax evasion and fraud.

"Finally, we were listened to, and from the results, our complaints obviously had merit," he says. "It was a very frustrating experience."

The day Honaker killed himself, the sheriff was supposed to go to Roanoke, where his attorney hoped to negotiate a plea bargain with federal prosecutors.

Despite the suicide, investigators are continuing to go over the volumes of financial records and stacks of reportedly pornographic videotapes seized from Honaker's office.

Bristol Police Chief Broome has been subpoenaed to appear Tuesday before a federal grand jury in Roanoke. He was ordered to bring along his files on the investigation of Honaker's death.

Meanwhile in Bristol, citizens continue to support Honaker and his family. A memorial fund has been established at Highland Union Bank to help the family with expenses. The fund had $800 by Thursday.

Family friend Carolyn Helton, who established the fund, says it has created some controversy because of the federal allegations against Honaker. But, she says, nothing has been proven yet. "I know this is a person who did a lot of good for people. We are not to be the final judge."

Broome agrees and points out that Honaker had not been tried or even formally charged when he committed suicide.

"He died an innocent man."

46A RH-40962
DPT/srj

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The following investigation was conducted by SA

On January 8, 1992, pursuant to an order issued by the UNITED STATES DISTRICT COURT, Roanoke, Virginia, were installed and activated on telephone number 703/669-0700, at 5:47 p.m., and on 703/466-4643, at 5:39 p.m. These numbers are for the residence of MARSHAL E. HONAKER, 7 Woodland Drive, Bristol, Virginia, and for a private line located at the Bristol, Virginia, SHERIFF'S OFFICE.

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46-RH-40962-79

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FILED

46A RH-40962
MC/mc

1

On January 14, 1992, [redacted]

following subscriber information to IA [redacted]

[redacted]

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46-RH-40962-80

[redacted]

46A RH-40962
DPT/srj

The following investigation was conducted by SA [redacted] at Bristol, Virginia, on January 17, 1992:

[redacted]

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MARSHAL E. HONAKER is in no way connected [redacted]

46-RH-40962-81

SEARCHED
SERIALIZED
INDEXED
FILED

46A RH-40962
NCH/leh

On January 30, 1992, [redacted] advised that he did [redacted] or [redacted] b2 b7C b7D

He did advise that [redacted]

He further advised that this week [redacted] b7C b7D

He further stated that [redacted]

Source also advised that [redacted] merchandise.

X

46A-RH-40962-82

SEARCHED
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INDEXED
FILED JWA

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P. 1, BRISTOL HERALD COURIER, BRISTOL, VA.

Date: 2/18/92
Edition: Evening

Title: MARSHALL HONAKER

Character:
or RH
Classification:
Submitting Office: RICHMOND

Honaker grand jury to reconvene

MARK HYLER
Staff Writer

A federal grand jury will reconvene today in Roanoke to hear testimony into allegations that former Bristol Virginia Sheriff Marshall Honaker embezzled nearly $400,000 from the city, but the current investigation of the deceased lawman was not the first.

Authorities say the one-time president of the National Sheriff's Association was investigated by state police in the mid-1970s after allegations surfaced that Honaker was a silent partner in a local pornography and massage parlor operation.

Former City Manager Hugh Cooper said Monday he recalls the day an employee of Larry's News, owned by Larry Grigsby, came to city officials and made accusations that Honaker had a vested interest in the operations, which were repeatedly the focus of state and local investigations.

"He told us that he often saw Honaker in the adult bookstore, and went on to explain the sheriff's relationship

Please see HONAKER, Page 7A

According to authorities, the current investigation of Honaker was not the first – the one-time president of the National Sheriff's Association was investigated by state police in the mid-1970s.

Newspaper requests files; officials decline

MARK HYLER
Staff Writer

Bristol Virginia officials have declined to fully comply with a formal request by the *Bristol Herald Courier* to provide copies of the investigative file on the death of former Sheriff Marshall Honaker.

However, Monday afternoon city officials did release a brief incident report and summary report of the investigation — a small portion of the complete file, which has never been made public.

In a Feb. 6 letter to Police Chief Oscar Broome the newspaper requested the official, final investigative report and all supporting documents into the sheriff's suicide, which occurred in his office Jan. 22. Honaker took his life amidst allegations by federal authorities that he embezzled more than $377,000 in city funds.

The request is based on the Virginia Freedom of Information Act, which deems such information available to the public once an investigation has been completed.

Please see DECLINE, Page 7A

b7C

[redacted]

b7C

[redacted]

From Page 1A

with Grigsby," Cooper said. "That's how we got the initial information which led to that first investigation."

M.A. Lunsford, a retired Virginia State Police investigator, said that after a raid on Grigsby's operation, the pornography magnate confirmed his employee's story, claiming the sheriff was a silent partner in the businesses, which were licensed under the name of Southside Enterprises.

"Grigsby indicated at that time that (he and Honaker) were partners in the business, and said he could provide a contract proving the allegation, but he never produced the contract," Lunsford said. "We checked with the State Corporation Commission, and if he had a contract with Marshall Honaker, it was not on file."

But Grigsby, who has been charged numerous times on charges of selling obscene materials, as well as operating illicit massage parlors and alleged houses of prostitution, discounts Lunsford's recollections and recent reports in the *Roanoke Times & World-News*.

"That goes back 20 years ago," Grigsby said. "Hell, I don't even know who I was dating back then — so how could Lunsford recall a single conversation that took place that long ago? He may have been told that by another officer, but he sure didn't hear it from me.

"Besides, if he had that kind of information, why didn't he act on it back then?" Grigsby continued.

Asked about a story that appeared in Saturday editions of the *Roanoke Times & World-News* stating that Grigsby approached the newspaper about selling the story of his alleged partnership with Honaker, Grigsby said those statements were meant as a joke.

"I told (reporter Victoria Ratcliff) that if she wanted a story from me, to bring her checkbook with her to Bristol, or I would sell it to the *Star* (a Florida-based tabloid), but it was all meant in jest," Grigsby said.

Lunsford retorted adamantly to Grigsby's response, that accusations of the partnership were indeed pursued after then-Attorney General Marshall Coleman authorized state police to conduct the investigation.

"Anytime there was approval from the attorney general's office to conduct an investigation of that type, we presented evidence back to that office," he explained. "They then have two options: they can choose to prosecute, or they can turn that evidence over to local law enforcement agencies for them to prosecute.

"But if you can't substantiate the allegations with enough strong evidence, then you can't take it to a trial," Lunsford said. "Apparently the attorney general's office determined there was not enough evidence there and decided to close the case."

Cooper said one reason there were not solid grounds to pursue criminal charges in the probe was that much of the evidence obtained by investigators was destroyed in a fire along with state police headquarters in Wytheville. Inves-

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

Pg 12A, "Bristol Herald Courier/ Virginia-Tennessean," Bristol, Va

Date: 2/21/92
Edition:

Title: MARSHALL E. HONAKER

Character: 46A RH-40962
or
Classification:
Submitting Office: Richmond

Indexing:

Records are public's, not Paul Spangler's

"Public: Of, relating to, or affecting all the people."

That's how *Webster's Dictionary* defines the word.

Virginia state law elaborates: "By enacting (the Virginia Freedom of Information Act), the General Assembly ensures the people of this Commonwealth ready access to records in the custody of public officials . . . the affairs of government are not intended to be conducted in an atmosphere of secrecy. . . ."

Bristol Virginia City Manager Paul Spangler seems to have a different definition of public, however, and certainly a different notion of what is and isn't public business.

Perhaps that's due to the fact that Spangler comes from a military background rather than a professional city management background. For too many years, he apparently grew used to being able to put documents under secret classification on his own, without ever being challenged. Now he is in a different line of work, however, and it's time to take off the colonel's epaulets and retire the cloak of secrecy.

Police files regarding the suicide of former Bristol Virginia Sheriff Marshall Honaker, under investigation for embezzlement, are "of, relating to, or affecting all the people."

But Spangler said Wednesday that "after the things that have been printed in the newspaper over the past couple of days, I'm not sure that we're willing to let anybody look at it. I've already made up my mind."

Will it take the citizens of Bristol Virginia marching on City Hall to change his mind? Or just a judge telling him how ludicrous his position is?

Time and time again, Virginia's attorney general has emphasized that state law does not *prohibit* disclosure of any public record. It does exempt certain records — including criminal investigative records — from *required* disclosure. In other words, city officials have the legal right to make public any document they choose to make public.

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46-RH-40962-84

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____

FBI/DOJ

For now, of course, the files at issue are with the U.S. attorney's office conducting the Honaker probe.

And absurd as it seems, Spangler and Police Chief Oscar Broome — a close friend of Honaker's — say they made no copies of any of the records before sending them to Roanoke in response to a subpoena.

Was that simply poor planning — or a tactic to keep the file out of public view just a little longer? The public, which still has countless questions about the whole Honaker saga, is left to wonder.

City officials, including Spangler, have been saying they want to "clear the air" of suspicion. But every time they have had a chance to do that, the air has become ranker still with their obstinance, their fumbling, and, yes, now their bruised and bloated egos.

Until the public's business is made truly public, the suspicions will only grow.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
Pg B-4, "Richmond Times-Dispatch", Richmond, Va.
Date: 2/25/92
Edition: Morning

Title: MARSHALL E. HONAKER, Former Sheriff, Bristol Sheriff's Department
Character:
or 46A RH- 40962
Classification:
Submitting Office: Richmond

Indexing:

Handling of receipts draws fire

First Bristol findings show inconsistencies

By Bill McKelway
Staff writer

Preliminary findings of a state investigation into Bristol's internal accounting procedures conclude they are rife with inconsistencies and shortcomings.

But the findings, released yesterday by the state auditor of public accounts, suggest that problems within city government aren't nearly as bad as the mismanagement alleged within the city Sheriff's Department.

A federal grand jury is continuing to investigate allegations that former Bristol Sheriff Marshall E. Honaker misappropriated almost $400,000 in city money for his own use.

Honaker committed suicide Jan. 22, the same day he was preparing to discuss a plea agreement with federal prosecutors.

City Manager Paul E. Spangler yesterday described the auditor's report as calling for a variety of "housekeeping measures" that might be the outgrowth of any audit.

He said the audit showed some "sloppy practices" and he said almost all of more than a dozen recommendations likely would be adopted.

Auditor Walter Kucharski, however, stressed that the findings are only the first to be released under a sweeping systemwide audit requested by the city.

"This will take another six to eight weeks," Kucharski said.

The preliminary report noted that certain public accounts are not controlled by the treasurer's office and that uniform procedures do not exist for controlling certain petty accounts.

"Several petty cash funds had unexplained shortages or overages which have existed for some time," the report said, adding that there was evidence of commingled funds and an absence of a system of petty cash vouchers.

"City Council should adopt a policy requiring the direct deposit of all city collections into the city treasury [as well as] personnel actions for failure to meet this requirement," the report said.

The report cited instances of the treasurer's office cashing personal checks, including one in which a school employee cashed a personal check out of cafeteria receipts.

In addition, a surprise check of cash on hand turned up more than $10,000 in various offices for which no receipt had been recorded.

The report urged the city to report and send all receipts to the treasurer's office daily.

"Untimely receipting and depositing of collections increases the risk of loss or misappropriation of cash," the report said.

Spangler said yesterday that the city still has not learned from its private auditing firm whether a special account maintained by Honaker was ever audited.

Kucharski said yesterday there is some question whether the corrupt account maintained by Honaker was private and therefore might not be accessible during typical auditing procedures.

Federal investigators found that Honaker funneled more than $500,000 into the account and commingled it with his own funds. Most of the money was in the form of payments to Honaker and the jail for keeping federal prisoners and prisoners from the District of Columbia.

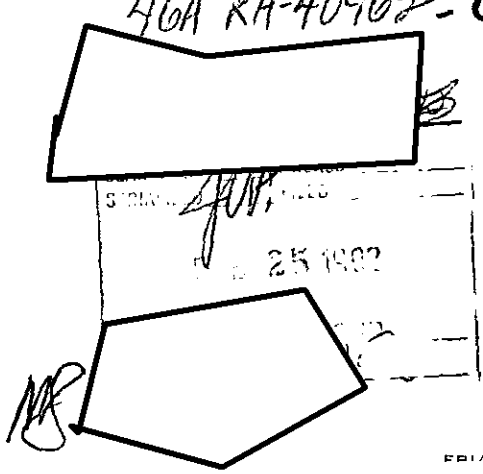
b7C

The preliminary audit findings touched on the jail only minimally, but found that the sheriff's office both prepares the billings and receives payments for the care of prisoners from other jurisdictions.

"The city should separate the billing and receipting functions to help prevent the misuse of funds," the report noted.

The report said suggested that the treasurer's office should be the direct recipient of proceeds form housing prisoners, not the sheriff's office.

46A RH-40962 - 85



FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Loss estimate rises in probe of Bristol sheriff

By The Associated Press

BRISTOL — Federal sources estimate the amount of money missing from the Bristol Sheriff's Department at more than a half-million dollars, a newspaper reported.

The Herald Courier of Bristol, quoting sources it did not identify in this morning's editions, said the investigation of the late Sheriff Marshall Honaker has uncovered more personal checking accounts. Those accounts bring the amount believed missing to more than $500,000, the sources said. Federal officials have alleged Honaker skimmed the money from the department for his personal use.

Honaker committed suicde amid a federal grand jury investigation. He had not been charged with a crime. Federal officials originally said Honaker had embezzled more than $300,000.

Sources told the newspaper the grand jury is expected to reconvene March 17 to determine whether anyone other than Honaker was involved in the alleged embezzlement.

On Jan. 10, FBI and Internal Revenue Service agents raided Honaker's office and home. They seized numerous boxes of records, $63,281 in cash, gold coins and jewelry, bank accounts and personal property including Honaker's $245,000 home.

An affidavit filed in federal court by the IRS claimed Honaker diverted funds paid to the department by the U.S. Marshals Service and the District of Columbia into his personal checking account between 1986 and 1991. The money was payment for housing federal prisoners at the city jail.

On Jan. 22 Honaker shot himself with a double-barreled 12-gauge shotgun. The suicide came just as the federal grand jury hearing evidence in the case was preparing to meet for a second day of testimony.

A state preliminary audit of other city offices released earlier this week found no major problems or missing money. A state audit of the sheriff's department has been delayed because many of the needed documents are still in the grand jury's hands.

(Indicate page, name of newspaper, city and state.)
Pg. 18, "Richmond News Leader," Richmond, Va.
Date: 2/28/92
Edition: Evening

Title: MARSHALL E. HONAKER

Character: 46A RH-40962
or
Classification:
Submitting Office: Richmond

Indexing:

46-RH-40962-86

b7C

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
Section B, Pg. 4
Richmond Times-Dispatch
Date: Richmond, Va.
Edition: Saturday, Feb 29, 1992
morning
Title:
"Honaker probe's path Redirected"
Character:
or
Classification: Embezzlement
Submitting Office:
9A

Indexing:

Honaker probe's path redirected

BRISTOL (AP) — A grand jury is expected to reconvene next month to determine whether Sheriff Marshall Honaker had accomplices in an alleged embezzlement scheme, sources told a Bristol newspaper.

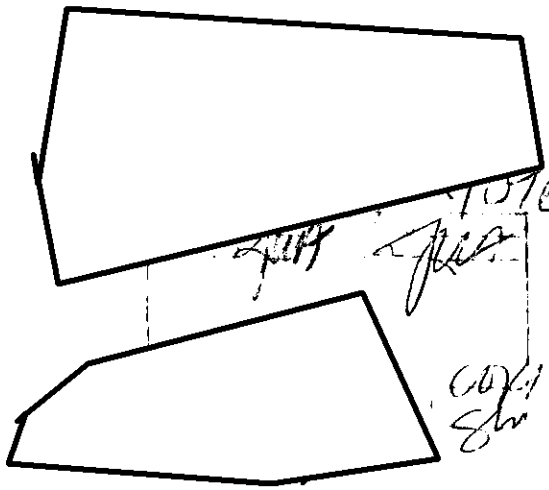
The Herald Courier of Bristol, quoting federal sources it did not identify, also said estimates of the amount of money missing from the Sheriff's Department have risen to more than $500,000.

The investigation has uncovered more public money diverted to Honaker personal checking account, the sources said.

Federal officials originally said Honaker had embezzled more than $300,000 in money paid to the department for housing federal prisoners at the city jail.

Honaker, who was never charged with a crime, committed suicide Jan. 22 in the midst of a federal grand jury investigation.

The jury is expected to reconvene March 17, sources told the newspaper.



b7C

FBI/DOJ

FD-36 (Rev. 11-17-88)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/11/92

TO : SAC, WMFO

FROM : SAC, RICHMOND (46A RH-40962) (P)

SUBJECT : MARSHALL E. HONAKER,
SHERIFF,
BRISTOL, VA., SHERIFF'S OFFICE;
FAG
(OO: RH)

Enclosed for WMFO are twelve airline tickets to be returned to the National Sheriff's Association, Alexandria, Va. Also enclosed is a copy of the letter from the National Sheriff's Association to the FBI dated 2/19/92, requesting the return of these tickets.

On 1/10/92, the enclosed airline tickets were seized as evidence when the office of MARSHALL E. HONAKER was searched by Special Agents of the FBI and the IRS.

On 1/22/92, MARSHALL E. HONAKER killed himself in his office at the SHERIFF'S OFFICE, Bristol, Va.

Because of the death of MARSHALL HONAKER and the fact the enclosed tickets were paid for by the National Sheriff's Association they should be returned to [redacted], in care of the National Sheriff's Association, 1450 Duke Street, Alexandria, Va., telephone number 703/836-7827.

b7C

C/A [redacted]

LEADS:

2 - WMFO (Enc. 13)
2 - Richmond
NCH/leh
(4)

46A RH-40962-88

FILED

Approved: _____ Transmitted _____ (Number) (Time) Per _____

46A RH-40962

WMFO

AT ALEXANDRIA, VA.

Return enclosed airline tickets to the National Sheriff's Association and obtain appropriate receipt.

RICHMOND DIVISION

AT BRISTOL, VA.

Investigation continuing.

Memorandum

To : SAC, RICHMOND (46A RH-40962) Date 3/19/92

From : SA [redacted]

Subject: MARSHALL E. HONAKER (DECEASED),
CITY SHERIFF,
BRISTOL, VA.
FAG - DOJ
(OO: RH)

On 2/11/92, information was received from SA [redacted] INTERNAL REVENUE SERVICE, Bristol, Va., to the effect that AUSA KEN SORENSON, Roanoke, Va., had received information from a [redacted] the newspapers concerning the "true story" of deceased Sheriff MARSHALL E. HONAKER. Information had been received that when [redacted] that Sheriff HONAKER [redacted]

On 2/12/92, Investigator [redacted] SHERIFF'S OFFICE, advised that [redacted] COMMONWEALTH'S ATTORNEY'S OFFICE and had [redacted]

b7C

46A-RH-40962-89

MAR [illegible]

FBI-RICHMOND

C/A [redacted]

2-Richmond
~~(1-46A RH-40962)~~
(1-194D RH-39874)
DPT/jll
(2)

b7C

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 3/23/92

TO : SAC, RICHMOND (46A-RH-40962)

FROM : SAC, WMFO (46A-RH-40962) (RUC) (C-2)

SUBJECT : MARSHALL E. HONAKER
SHERIFF
BRISTOL, VIRGINIA, SHERIFF'S OFFICE
FRAUD AGAINST THE GOVERNMENT
OO: RICHMOND

Re Richmond airtel to WMFO dated 3/11/92.

Enclosed for Richmond Division (in a 1A exhibit envelope) is the original of an FD-597 (Receipt For Property Received/Returned/Released/Seized) regarding the release on 3/20/92 of twelve (12) airline tickets and related items to [redacted] NATIONAL SHERIFF'S ASSOCIATION, 1450 Duke Street, Alexandria, Virginia, by SA [redacted] FBI-WMFO.

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b7C

2- Richmond (Enc. 1) BJG
1- WMFO
TF:smb
(3)

46A RH-40962-90
SEARCHED BJG INDEXED
SERIALIZED FILED
MAR 25 1992
FBI - RICHMOND

AGENT INSTRUCTED TO INDEX ON WORK COPY

w/encls.

Approved: RMP Transmitted _____ (Number) _____ (Time) Per _____

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/13/92

[redacted] date of birth [redacted]. He provided the following information:

[redacted] stated that on the day that MARSHALL HONAKER [redacted] related an incident that occurred which happened immediately after HONAKER's body was removed from the office and placed in the transport vehicle to be taken to the BRISTOL REGIONAL MEDICAL CENTER. He advised that [redacted] HONAKER's office [redacted] individual unknown to him near the doorway to the office and in the vicinity of the Sheriff's desk. [redacted] stated that [redacted]

b7C

[redacted] stated that he then [redacted]

SEARCHED [redacted]
SERIALIZED [redacted]
INDEXED [redacted]
FILED [redacted]

Investigation on 1/29/92 at Bristol, Virginia File # 46A RH-40962 - 91

by SA [redacted] and DPT/srg Date dictated 2/4/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] advised that during the life saving attempt on HONAKER [redacted] had observed a green labeled, smoke colored cassette lying on a stand or table in the Sheriff's office. [redacted] did not know if this was a tape about which [redacted] was speaking. He reiterated that [redacted]

As to other aspects of the suicide scene, [redacted] advised that [redacted] He advised that HONAKER had shot himself while sitting on a loveseat near the back wall of the office and that blood had splattered on the wall. He stated that based on his observations the entry wound was to the left chest and that, by the time the BRISTOL LIFE SAVING CREW arrived, HONAKER was dead and that any rescue attempts were hopeless.

b7C

In addition to himself, [redacted] stated that crew members [redacted] were on the scene as well as possibly others unknown to him. He stated that he observed inside the Sheriff's Office a tape recorder-type dictaphone and a sawed-off shotgun which was lying on the love-seat which he believed to be the weapon.

b7C

Concerning the identity of the third individual observed in the office with [redacted] when described this individual as a [redacted] possibly [redacted] stated he [redacted] and noted that HONAKER's body was removed from the office prior to any of the BRISTOL POLICE DEPARTMENT Investigators being allowed inside the room. Likewise, he stated that there were no photographs taken of the body before it was removed.

[redacted] advised that crew member [redacted] read HONAKER's suicide note which was lying on the desk and that he recalled that what [redacted] read to him was substantially the same as that which appeared in the "Bristol Newspaper."

b7C [redacted] stated that he came forth with the information because he felt that in his opinion the death scene investigation [redacted] In [redacted] told [redacted] outside.

b7C [redacted] stated that he [redacted] the VIRGINIA STATE POLICE [redacted] responded in the negative.

He stated that in his opinion HONAKER suffered what he would refer to as a sucking chest wound and that any attempt to insert intravenous were futile. He stated that he observed [redacted] member [redacted] who is employed by [redacted] b7C give [redacted] a sign that HONAKER was dead at which time [redacted] body out of there.

Later, [redacted] of the [redacted] He stated that the report would give specific details as to where HONAKER's body was found and other information.

[redacted] stated that he was not familiar with [redacted] stated that while [redacted] fits the description of the individual that was inside the Sheriff's office when [redacted] made the comment about that individual.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/13/92

[redacted] date of birth [redacted] Social Security Account Number (SSAN) [redacted] was interviewed at [redacted] For information, [redacted] provided the following

b7C

He advised that he has known former Sheriff MARSHALL E. HONAKER [redacted] He has known Sheriff HONAKER primarily in a professional capacity both in his duties as an ATF Agent and since his disability from ATF as a Bail Bondsman operating in b7C Bristol, Virginia, area. [redacted] stated that he knows of no other businesses which Sheriff HONAKER operated with the exception of VIDEO IMAGERY, a business which Sheriff HONAKER [redacted]

[redacted] He stated that b7C

BRISTOL VIRGINIA SHERIFF's DEPARTMENT.

[redacted] stated that approximately two years ago or maybe a little longer, Sheriff HONAKER [redacted] and went to great lengths to explain to him that he (HONAKER) had recently inherited some property in the state of Ohio which property consisted of a lot of land valued at approximately between $200,000 and $300,000. At about the same time Sheriff HONAKER mentioned that [redacted]

As to Sheriff HONAKER's committing suicide, [redacted] stated that [redacted] BRISTOL VIRGINIA JAIL on [redacted]

Investigation on 1/28/92 at Bristol, Virginia File # 46A RH-40962 -92

by SA [redacted] DPT/srg Date dictated 2/4/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

his car observed that Sheriff HONAKER had just arrived in an older model blue Chevrolet which [redacted] Sheriff HONAKER's [redacted] He stated that Sheriff HONAKER was wearing a heavy overcoat which he thought to be unusual inasmuch as the weather was very mild that morning. In addition Sheriff HONAKER was holding both arms and elbows in close to his body as if he was attempting to conceal something underneath the overcoat. [redacted] advised that his impression was that Sheriff HONAKER was attempting to take something back into his office noting that in his opinion there would be no better place to hide something that Sheriff HONAKER wished to conceal inasmuch as a search of the office had already been conducted. [redacted] stated that [redacted] h Sheriff HONAKER that Sheriff HONAKER was unable to extend his hand away from his body. In addition, [redacted] stated that he noted that Sheriff HONAKER was in a very meek mood. [redacted] Sheriff HONAKER proceeded to enter the jail at the rear entrance and that [redacted] stated that Sheriff HONAKER then shuffled towards his office and appeared to be having difficulty in opening the doors to his office which were locked. Sheriff HONAKER then [redacted] stated Sheriff HONAKER. At that time Sheriff HONAKER was in his office standing beside his desk and in [redacted] opinion had a complete change of expression being more like his normal self. Sheriff HONAKER [redacted] Sheriff HONAKER had killed himself.

b7C

b7C

[redacted] advised that he was never in the office of Sheriff HONAKER after (HONAKER) committed suicide. He stated that he was in the area of the booking desk when someone came out of the Sheriff's office and made a comment about notifying the Sheriff's [redacted] stated that despite [redacted] he made a decision not to go into the office where Sheriff HONAKER's body was [redacted]

[redacted]

[redacted] stated that as [redacted] BRISTOL LIFE SAVING CREW arrived. He stated that he gave a complete statement to [redacted] and to Investigator [redacted] of the BRISTOL VIRGINIA POLICE DEPARTMENT.

[redacted] stated that he was not present when HONAKER's body was removed from his office. [redacted] advised [redacted] that morning noting that there was much confusion after Sheriff HONAKER shot himself.

b7C

[redacted] stated that on the morning that Sheriff HONAKER killed himself he believed [redacted] however he was uncertain. b7C

[redacted] advised that there was much confusion immediately after Sheriff HONAKER killed himself and that many people were in and out of the Sheriff's Department.

The following is a physical description of [redacted]

Race:

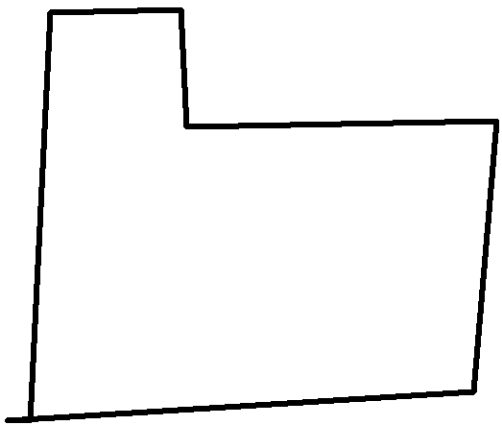
Sex:

Height:

Weight:

Hair:

Eyes:



FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) Page C2 The Free Lance Star

Date: 5/1/92
Edition: Daily

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

Deputy speaks out in Honaker probe

BRISTOL (AP)—Detective Sgt. Sam McVey is back with the detective division after a short stint in uniform he believes was in retaliation for his work with the FBI.

McVey assisted the FBI in its investigation of embezzlement from the Bristol Sheriff's Department. Following the suicide of Sheriff Marshall Honaker, McVey was taken off the case and relegated to the night shift. He said he felt ostracized by city officials because he aided the federal investigation.

"I didn't ask for the change in jobs," McVey said Wednesday. "But I work for the city and realize that Chief (Oscar) Broome is my superior officer, so I have to obey what he orders me to do. I haven't been mistreated by my peers, but I do feel like I've been treated kind of coldly by the administration in the department."

But after a meeting Thursday with City Manager Paul Spangler, McVey was reassigned back to the detective division.

Honaker committed suicide Jan. 22 while a federal grand jury was hearing allegations that he embezzled $615,000 in city funds. Honaker was president of the National Sheriff's Association at the time.

In an April 14 letter obtained by the Bristol Herald Courier, Assistant U.S. Attorney Julie Campbell wrote, "We anticipate that this investigation will continue into the latter part of 1992."

McVey was detached from the police department in November. He assisted dozens of FBI and Internal Revenue Service agents in the Jan. 10 search and seizures at the sheriff's office and home.

Campbell asked Spangler and Broome, a longtime friend of Honaker's, to let McVey continue to assist the FBI in the investigation.

They declined and ordered McVey back to the local department to fill a newly-created position.

The 16-year veteran of the force was put back on the street as a uniformed officer for the first time in a dozen years.

Campbell said the city manager told her that city officials were concerned about a Bristol police officer assisting in federal investigations while being paid by the city.

46A RH-40962-93
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SERIALIZED FILED
MAY 0 5
FBI-RICHMOND

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CIA

FBI/DOJ

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P.B1&B3, Roanoke Times and World News, Roanoke, Va.
Date: 6/9/92
Edition:

Title: Government wants ex-sheriff's assets

Character: 46-RH-40962
or
Classification: -194C RH-40095
Submitting Office:

Indexing:

Government wants ex-sheriff's assets

By RON BROWN
STAFF WRITER

The federal government has reached a tentative agreement on how to liquidate more than $500,000 in assets it says was stolen from Bristol by its late sheriff, Marshall Honaker.

But first, federal prosecutors must get the approval of Bristol City Council.

"The council is aware that there is a probable agreement coming or a proposed settlement," said Bristol City Manager Paul Spangler. "We have not received anything as of 5:30 this afternoon. We really don't know what we have."

Assistant U.S. Attorney Ken Sorenson said attorneys for Honaker's estate have agreed not to contest forfeiture of the property, if Bristol officials agree to let the federal government recover the money and not sue Honaker's estate or his widow.

Honaker killed himself in January, 12 days after federal agents seized his home and automobiles.

According to the agreement, the Internal Revenue Service would also agree not to pursue delinquent taxes on the money.

Honaker

"This is a good agreement," Sorenson said. "Everyone should find it acceptable. Everyone is a winner."

Perhaps the biggest winner would be Bristol, which would get the lion's share of money gained from selling the seized assets. Under federal money-laundering statutes, the government can seize assets, liquidate them, and turn over the money to victims of the crime.

"This is an unique use of the forfeiture process," said Sorenson, who handles the bulk of all such cases for the government. "This is to right a wrong."

Normally, the forfeiture law is used in drug cases, where the sale of seized assets puts money in federal coffers. That money is used by law enforcement agencies for expenditures incurred in fighting drug trafficking.

Federal authorities started pushing that process along Monday by filing a civil action against the Honaker estate in U.S. District Court. That suit asks the estate to relinquish any claim it has on about $515,000 in assets the government claims were purchased with money illegally diverted to Honaker's personal use.

The court document alleges that Honaker took money other police agencies had paid the Bristol Jail for housing prisoners and bought large amounts of personal service and property, including his home.

The government's ultimate goal is to sell Honaker's residence, automobiles, gold-coin collection and jewelry, and to combine that with about $170,000 in cash and certificates of deposit to pay back to

46-RH-40962-94
SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
JUN 9 1992
FBI – [illegible]

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FBI/DOJ

Assets

FROM PAGE B1

Bristol the money it says Honaker stole.

According to an affidavit from IRS criminal investigator Jack Bumgardner, "contract" prisoners had become a substantial source income for the jail. Honaker bragged the Sheriff's Department was "the only department in the history of the city to be self-sufficient."

When payments started coming in from other localities using the jail, some of that money would routinely end up in a checking account for Honaker and his wife, the affidavit said. Checks that ended up in Honaker's account bore only the endorsement of the Sheriff's Department. Checks not deposited in Honaker's account were endorsed by the sheriff's office and the city treasurer's office.

Occasionally, Honaker would transfer money from his checking account to the city treasurer or another Sheriff's Department bank account, in an apparent attempt to give the appearance that the city was being paid to maintain prisoners.

But the amount deposited in his bank account exceeded payments to the city by more than $515,000, Bumgardner's affidavit said.

Money from Honaker's account was used to renovate his home and rental property and buy several vehicles, furniture, and certificates of deposit for his children, Bumgardner said. Honaker also used the money to pay his personal income taxes, the investigator said.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Honaker's estate sued for refunds

BY REX SPRINGSTON
TIMES-DISPATCH STAFF WRITER

Federal authorities filed suit yesterday to obtain about $515,000 in cash and property from the estate of Bristol Sheriff Marshall E. Honaker to repay the Southwest Virginia city for money Honaker allegedly embezzled.

That is about the same amount that authorities say Honaker embezzled from the city.

Lawyers for the western district of the U.S. attorney's office filed the civil forfeiture suit in U.S. District Court in Roanoke.

"This is a step in the right direction from the city's point of view," Bristol City Attorney G. Walter Bressler said yesterday.

The plan — tentatively agreed to by lawyers for the city, the government and the estate — is for the government to take the assets; sell the non-cash assets; and turn the total of about $515,000 over to the city, officials said.

The $515,000 represents nearly the entire value of the estate, officials said.

The prominent and politically powerful Honaker killed himself with a shotgun Jan. 22 amid allegations he embezzled from the city. He had been president of the National Sheriff's Association.

Federal authorities refused yesterday to say whether the criminal investigation into the embezzlement scheme was continuing.

However, Bressler said, "I have heard nothing, either officially or unofficially, that leads me to believe anyone else was involved on any level, including [the sheriff's widow] Brenda Honaker."

Federal authorities say Honaker defrauded Bristol of about $515,000 between July 1986 and January 1992 by pocketing money paid the sheriff's department by the U.S. Marshals Service and other agencies for holding inmates at the Bristol jail.

In the forfeiture suit, federal authorities seek assets including:

- Honaker's house, valued at about $245,000.
- $210,636 in cash, which includes $63,881 that federal agents found in Honaker's desk during a raid Jan. 10.
- Two certificates of deposit, each worth $12,348, bought with embezzled money.
- Two vehicles — a 1991 Ford Explorer and a 1989 Toyota Supra — and a 1987 Chevrolet pickup truck.
- A gold coin collection and some assorted jewelry.

"This is a situation where the U.S. is using its considerable forfeiture strength to [repay] victims of crime," said Assistant U.S. Attorney Ken Sorenson. The victim in this case is the city, he said.

Mrs. Honaker and a 12-year-old daughter still are living in the house, officials said.

One official said she would be moving but did not say where.

The U.S. attorney's office, the city of Bristol and Honaker's estate are expected to enter into an agreement this week that would turn the assets over to the federal government without a trial, Bressler and Sorenson said.

Nelson Mackey, a Roanoke lawyer representing Honaker's estate, could not be reached for comment.

(Indicate page, name of newspaper, city and state.) Pg. A-1, Richmond Times-Dispatch, Richmond, Va.

Date: 6/9/92
Edition: Morning

Title: Marshall E. Honaker

Character: FAG
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

46A-RH-40962-95
SEARCHED INDEXED
SERIALIZED FILED
JUN 9 1992
FBI—RICHMOND
SA

b7C

INDEX AS NECESSARY

FBI/DOJ

2-224 (Rev. 6/26/89)

BEHAVIORAL SCIENCE SERVICES ACCOMPLISHMENT REPORT

To: [redacted] Date: 6/14/92 File #: 46A-RH-40962

☐ Foreign ☐ Domestic ☑ Bureau ☐ Other

From: [redacted] Date of Activity: 6/14/92 Total Hours: ½

Subject: MARSHAL E. HONAKER, SHERIFF, BRISTOL, VIRGINIA SHERIFF'S OFFICE FRAUD AGAINST THE GOVERNMENT GOVT. FRAUDS UNIT, WCCS, PSU. OO: RICHMOND

b7C

Case Assigned To: [redacted] Unit Member (s): _____

☐ BSIRU ☑ BSISU ☐ BSCES ☐ POLICE FELLOWS ☐ NCAVC COORDINATORS

Program: ☐ RESEARCH ☐ TRAINING ☐ VICAP ☑ CRIMINAL INVESTIGATIVE ANALYSIS ☐ OTHER

☐ TELEPHONIC ☐ WRITTEN ☐ ON-SITE ☑ QUANTICO

Instruction Provided
- ☐ Field School
- ☐ Faculty Development
- ☐ Student Counseling
- ☐ Conference/Seminar
- ☐ Consultation
- ☐ New Agents
- ☐ National Academy
- ☐ DEA
- ☐ In-Service
- ☐ Preparation
- ☐ Role Playing
- ☐ Symposium
- ☐ Speaking Engagement
- ☐ Other: _____
- ☐ Topic: _____
- ☐ # Departments _____

Instruction Received
- ☐ In-Service
- ☐ Non-FBI

Other: _____

Investigative
- ☐ Consultation
- ☐ Profile
- ☐ Personality Assessment
- ☐ Investigative Techniques
- ☐ Interview Strategy
- ☐ Trial Strategy
- ☐ Testimony
- ☐ Crime Analysis
- ☐ Equivocal Death
- ☐ Threat Analysis
- ☐ FCI
- ☐ # Victims _____
- ☑ # Subjects 1
- ☐ # Suspects _____

VICAP
- ☐ Crime Analysis
- ☐ Consultation
- ☐ Linkage

Project
- ☐ New
- ☐ Pending
- ☐ Closed

Research
- ☐ Unpublished Paper/Handout/Etc.
- ☐ Publication (Article/Book/Etc.)
- ☐ Original Research/Academic Citation
- ☐ Interview
- ☐ Consultation

Administrative
- ☐ Meeting
- ☐ Media/Publicity
- ☐ Liaison
- ☐ Field Support
- ☐ Consultation
- ☐ Psych. Services Consultation
- ☐ Organization Membership
- ☐ Awards/Honors/Letters
- ☐ Organizational Coop.
- ☑ Other: Review
- ☐ Psych. Services Counseling
- ☐ Critical Incident Consultation
- ☐ Critical Incident Counseling
- ☐ EAP

Computer Support
- ☐ Programming
- ☐ Data Analysis
- ☐ System Development
- ☐ Consultation
- ☐ Technical Assistance

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Travel Time: _____

Class Description

# of Students: _____ Instruction Hours: _____

Student Type: ☐ General LE ☐ FBI Agent ☐ FBI Support ☐ National Academy ☐ Non-LE ☐ Foreign ☐ DEA ☑ Military

46A RH-40962 96

SEARCHED INDEXED
SERIALIZED FILED
JUN 13 1992
FBI - RICHMOND

Distribution:
1 - Program Manager (*Original*)
1 - Data Entry
1 - SA [redacted] NCAVC COORDINATOR, FBI RH
1 -

[redacted]

FBI/DOJ

[redacted]

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
P.B-4, RICHMOND TIMES-DISPATCH, Richmond, Va.
Date: 6/24/92
Edition: Morning

Title: MARSHALL E. HONAKER FORMER SHERIFF, BRISTOL, VA.
Character:
or
Classification: RH 46A-40962
Submitting Office: RICHMOND

Indexing:

Late sheriff's spending spree detailed

BY BILL McKELWAY
TIMES-DISPATCH STAFF WRITER

Using hundreds of checks backed by embezzled jail funds, former Bristol Sheriff Marshall E. Honaker doled out payments for high school football passes and for pocket-change political contributions.

But during an almost three-year spending spree, he also used the pilfered funds to make five-figure mortgage payments and monthly credit card charges in the thousands of dollars.

Details of the late sheriff's high-rolling payment schedules were outlined yesterday by the federal government as agreements neared that would result in selling off the assets of the veteran law enforcement officer's estate.

Honaker, 55, for almost 20 years Bristol's sheriff and a highly regarded figure in national law enforcement circles, committed suicide in January as details of a federal investigation into his alleged embezzlement practices were made public.

"The sheriff was writing a ton of checks," Assistant U.S. Attorney Ken Sorenson said yesterday.

Federal investigators charted more than 700 checks written from June 1987 through January that were backed by hundreds of thousands of dollars in jail payments that should have been

46A-RH-40962-97
SEARCHED INDEXED
SERIALIZED FILED
FBI—RICHMOND
b7C
ROB
C/A

FBI/DOJ

deposited with the city.

"Virtually all of the money was diverted for his own use," Sorenson said.

Federal investigators have concluded that Honaker collected approximately $651,000 for housing prisoners in the Bristol jail who were under federal custody or from other jurisdictions.

But Honaker diverted the funds into a private account and transferred only about $136,000 to the city, investigators said.

The state auditor of public accounts, Walter Kucharski, has said the scheme was aided by the fact that many of the jail payments were made to Honaker personally, rather than to the city treasurer. The city also made no effort to keep track of daily payments to Honaker's office for housing prisoners

The federal government, Bristol officials and Honaker's estate hope that almost all of the $515,000 that never reached the city can be recovered by selling off the estate's assets — including a 6,400-square-foot home valued at nearly $300,000.

Three vehicles, $63,881 in cash found in the sheriff's office, a gold coin collection, jewelry and other deposits make up the remainder of the estate.

In spreadsheets released by federal officials, Honaker is shown to have used the private account to make political contributions, albeit small ones, to Gov. L. Douglas Wilder, Attorney General Mary Sue Terry and various Southwest Virginia Democratic candidates, including Rep. Rick Boucher, D-9th.

Wilder, who received $200, had no immediate response yesterday, while Ms. Terry, who received $25, and Boucher, who received more than $300, said they would return any money that belongs to the city.

The largest political beneficiary was Honaker, who pumped thousands of dollars into his own campaign.

He also wrote checks for tens of thousands of dollars for mortgage payments, spent thousands of dollars at a clip for furniture, and made monthly credit card payments that ranged from $1,000 to $6,000 a month.

Honaker, whose annual salary was $60,000, lent hundreds of dollars to deputies, spent $150 to sponsor baseball league signs, paid his son's college tuition at Virginia Commonwealth University and handled bills from a weight-loss clinic with embezzled jail funds, the records showed.

Even the Bristol ballet received help in the form of contributions and dancing lessons for the sheriff's daughter.

Staff writer Michael Stowe contributed to this article.

Routing Slip
FD-4 (Rev. 8-8-89)

Date 6/25/92

To: ☐ Director
Att.: _____

FILE # _____

Title Honaker Case

☐ SAC _____
☐ ASAC _____
☐ Supv. _____
☐ Agent _____
☐ OSM _____
☐ Rotor _____
☐ Steno _____
☐ Typist _____
☐ M _____
Room _____

forms for IRB

RE: _____

☐ Acknowledge	☐ For Information	☐ Return assignment card
☐ Assign ☐ Reassign	☐ Handle	☐ Return file ☐ serial
☐ Bring file	☐ Initial & return	☐ _____
☐ Call me	☐ Leads need attention	☐ Return with action taken
☐ Correct	☐ Mark for indexing	☐ Return with explanation
☐ Deadline _____	☐ Open case	☐ Search and return
☐ Delinquent	☐ Prepare lead cards	☐ See me
☐ Discontinue	☐ Prepare tickler	☐ Type
☐ Expedite	☐ Recharge file ☐ serial	
☐ File	☐ _____	
	☐ Send to _____	

b7C

Please get _____ to sign these forms in "Section B" + Copy them for the file for info. Give the "Originals" to IRS.

Thanks

(1) - Richmond - (46A-RH-40962)

_____ See reverse side

SAC _____

Office _____

*U.S. GPO: 1991-282-066/44217

For info only

46-RH-40962-98

SEARCHED _____
SERIALIZED _____
INDEXED _____
FILED _____

Date: 06 23 92

Investigative Agency: F B I

Case Number: 46A-RH-4096

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(For Use By United States Law Enforcement Agencies Only)

I. For Federal Use Only

Asset #:

Seizure Date:

Judicial District:

Case Type: Adoption ☐ Joint ☐ *(Check One)*

(For Additional Information - See Instructions)

- All assets transferred must be used for the law enforcement purpose stated in the request.
- Deadline for submission of this request is sixty *(60)* days following the seizure.
- The requesting agency will be responsible for reimbursing the Federal Government its costs and may be responsible, in a single-asset case, for reimbursing the federal share.

II. Requesting Agency Name: Federal Bureau of Investigation (FBI)

Address: P. O. Box 28060, Richmond, VA. 23228

b7C

NCIC Code: V A F B I R H 0 0

Contact Person: PS [redacted] Telephone Number: [redacted]

III. Asset Requested 1989 Toyota, 2dr. Sedan,

Property Description
VIN: JT2MA70L3K0120050

☒ Other assets in this case. *(Attach list).*

Request Type See DAG-71

☒ Item ☐ Cash / Proceeds one half of proceeds 87 Chev.P/U 100 %

IV. Specific Intended Law Enforcement Use:

☐ Salaries ☐ Purchase of Equipment ☐ Other *(Please Explain)*:

☐ Purchase of Vehicles ☒ Place Into Official Use *(If other than Cash)*

V. Contribution *(If any answer to A thru E is yes, provide details in Part VI)*

	Yes	No	
A. Did your agency originate the information leading to the seizure?	☒	☐	Joint investig.
B. Were any other assets seized under state law?	☐	☒	ion with IRS
C. Were extraordinary expenses incurred?	☐	☒	
D. Did your agency supply any unique or indispensable assistance?	☒	☐	
E. Are there any assets located in foreign countries associated with this case?	☐	☒	

F. How many hours were expended? 1 yea hours

Case Number: _____

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(Page 2)

VI. Additional space for detailed answers *(Indicate Part to which answer(s) apply)*

This was joint investigation with IRS, re Marshall E. Honaker, Sheriff, City Bristol, VA., involving Money Laudering, Program Fraud, IRS Tax Violation and etc.

(If more space is required, use a separate sheet of paper and attach.) Attachment: ☐ Yes ☒ No

VII. Certifications:

A. The requester certifies that the above information is true and accurate, that the property transferred will be used for the law enforcement purpose stated, and that all monies received pursuant to this request will be deposited and accounted for consistent with applicable state laws, regulations and orders. The requester agrees to report on the actual use of equitably transferred property upon request. The requester agrees to pay fees and expenses necessary to effect transfer of title not later than the time of transfer. The requester understands that if it is unable to pay the necessary fees and expenses at the time of transfer, the asset will be sold and the maximum percent of net sale proceeds will be awarded in lieu of the asset.

Robert M. Saskowski, Special Agent in Charge, Richmond — 6/25/92

Signature / Title — Date

B. As legal counsel, I have reviewed this Application for Transfer of Federally Forfeited Property and I certify that the contact person identified in Part II has the authority to accept forfeited property and is the official to whom transfer documents and/or money should be delivered.

_____ _____

Signature / Title — Date

Address: _____

_____

Telephone Number: ( ) _____

Date: 06/23/92

Investigative Agency: FBI

Case Number: 46A-RH-40962

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(For Use By United States Law Enforcement Agencies Only)

For Federal Use Only

I.

Asset #:

Seizure Date:

Judicial District:

Case Type: Adoption ☐ Joint ☐ *(Check One)*

(For Additional Information - See Instructions)

- All assets transferred must be used for the law enforcement purpose stated in the request.
- Deadline for submission of this request is sixty *(60)* days following the seizure.
- The requesting agency will be responsible for reimbursing the Federal Government its costs and may be responsible, in a single-asset case, for reimbursing the federal share.

II. Requesting Agency Name: Federal Bureau of Investigation (FBI)

Address: P. O. Box 28060, Richmond, Virginia 23228

b7C NCIC Code: VAFBIRH00

Contact Person: PS [redacted] Telephone Number: [redacted]

III. Asset Requested 1987 Chevrolet Pickup truck

Property Description
VIN: 1GCCT14R8H2157925

☒ Other assets in this case. *(Attach list).*

Request Type DAG-71- 1989 Toyota

☐ Item ☒ Cash / Proceeds 50 %

IV. Specific Intended Law Enforcement Use:

☐ Salaries ☐ Purchase of Equipment ☒ Other *(Please Explain)*: To be deposited in th NASF for the FBI

☐ Purchase of Vehicles ☐ Place Into Official Use *(If other than Cash)*

V. Contribution *(If any answer to A thru E is yes, provide details in Part VI)*

	Yes	No
A. Did your agency originate the information leading to the seizure?	☒	☐ Joint investigation with theh IRS
B. Were any other assets seized under state law?	☐	☒
C. Were extraordinary expenses incurred?	☐	☒
D. Did your agency supply any unique or indispensable assistance?	☒	☐
E. Are there any assets located in foreign countries associated with this case?	☐	☒

F. How many hours were expended? 1 year

FORM DAG-71
DEC. 90

VI. Additional space for detailed answers *(Indicate Part to which answer(s) apply)*

This was joint investigation with IRS, re Marshall E. Honaker, Sheriff of City of Bristol, VA., involving Money Laudering, Program Fraud, IRS Tax Violation and etc.

(If more space is required, use a separate sheet of paper and attach.) Attachment: ☐ Yes ☒ No

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Robert M. Satkowski

Signature / Title

6/25/92

Date

Robert M. Satkowski, Special Agent in Charge, Richmond

B. As legal counsel, I have reviewed this Application for Transfer of Federally Forfeited Property and I certify that the contact person identified in Part II has the authority to accept forfeited property and is the official to whom transfer documents and/or money should be delivered.

_____ _____

Signature / Title Date

Address: _____

_____

Telephone Number: (___) _____

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Pg. B4, Richmond Times-Dispatch, Richmond, Va.

Date: 6/24/92
Edition: Morning

Title: MARSHALL E. HONAKER

Character: FAG
or
Classification: 46A-RH-40962
Submitting Office: Richmond

Indexing:

(Mount Clipping in Space Below)

Late sheriff's spending spree detailed

BY BILL McKELWAY
TIMES-DISPATCH STAFF WRITER

Using hundreds of checks backed by embezzled jail funds, former Bristol Sheriff Marshall E. Honaker doled out payments for high school football passes and for pocket-change political contributions.

But during an almost three-year spending spree, he also used the pilfered funds to make five-figure mortgage payments and monthly credit card charges in the thousands of dollars.

Details of the late sheriff's high-rolling payment schedules were outlined yesterday by the federal government as agreements neared that would result in selling off the assets of the veteran law enforcement officer's estate.

Honaker, 55, for almost 20 years Bristol's sheriff and a highly regarded figure in national law enforcement circles, committed suicide in January as details of a federal investigation into his alleged embezzlement practices were made public.

"The sheriff was writing a ton of checks," Assistant U.S. Attorney Ken Sorenson said yesterday.

Federal investigators charted more than 700 checks written from June 1987 through January that were backed by hundreds of thousands of dollars in jail payments that should have been deposited with the city.

"Virtually all of the money was diverted for his own use," Sorenson said.

Federal investigators have concluded that Honaker collected approximately $651,000 for housing prisoners in the Bristol jail who were under federal custody or from other jurisdictions.

But Honaker diverted the funds into a private account and transferred only about $136,000 to the city, investigators said.

The state auditor of public accounts, Walter Kucharski, has said the scheme was aided by the fact that many of the jail payments were made to Honaker personally, rather than to the city treasurer. The city also made no effort to keep track of daily payments to Honaker's office for housing prisoners

The federal government, Bristol officials and Honaker's estate hope that almost all of the $515,000 that never reached the city can be recovered by selling off the estate's assets — including a 6,400-square-foot home valued at nearly $300,000.

Three vehicles, $63,881 in cash found in the sheriff's office, a gold coin collection, jewelry and other deposits make up the remainder of the estate.

In spreadsheets released by federal officials, Honaker is shown to have used the private account to make political contributions, albeit small ones, to Gov. L. Douglas Wilder, Attorney General Mary Sue Terry and various Southwest Virginia Democratic candidates, including Rep. Rick Boucher, D-9th.

Wilder, who received $200, had no immediate response yesterday, while Ms. Terry, who received $25, and Boucher, who received more than $300, said they would return any money that belongs to the city.

The largest political beneficiary was Honaker, who pumped thousands of dollars into his own campaign.

He also wrote checks for tens of thousands of dollars for mortgage payments, spent thousands of dollars at a clip for furniture, and made monthly credit card payments that ranged from $1,000 to $6,000 a month.

Honaker, whose annual salary was $60,000, lent hundreds of dollars to deputies, spent $150 to sponsor baseball league signs, paid his son's college tuition at Virginia Commonwealth University and handled bills from a weight-loss clinic with embezzled jail funds, the records showed.

Even the Bristol ballet received help in the form of contributions and dancing lessons for the sheriff's daughter.

Staff writer Michael Stowe contributed to this article.

46-RH-40962-99

SEARCHED INDEXED
SERIALIZED FILED
JUN 26 1992
SA COPY
INDEX AS NECESSARY

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FBI/DOJ

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page 24
The Free Lance Star

Date: 6/24/92
Edition:

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

(Mount Clipping in Space Below)

Honaker settlement returns bulk of $515,000 to Bris

BRISTOL (AP)—The City Council has approved a settlement with the estate of the late Sheriff Marshall E. Honaker that would return most of the $515,000 allegedly embezzled from the city by the sheriff.

The settlement agreed to late Tuesday night must be approved by a U.S. District Court judge.

Under the terms of the agreement, the city is entitled to up to $515,000. The agreement says Honaker's widow, Brenda, is granted immunity from prosecution and further civil action. She also is required to cooperate fully with federal investigations into allegations her late husband embezzled hundreds of thousands of dollars from the city.

Federal officials took the opportunity Tuesday to reveal more details of Honaker's spending habits. Honaker committed suicide as a federal grand jury began probing his department.

"The sheriff was writing a ton of checks," Assistant U.S. Attorney Ken Sorensen said Tuesday.

Those hundreds of checks went for everything from passes to high school football games to small donations to local politicians.

'The sheriff was writing a ton of checks.'

Ken Sorensen
Assistant U.S. Attorney

Federal investigators have concluded that Honaker collected approximately $651,000 for housing prisoners in the Bristol jail who were under federal custody or from other jurisdictions, primarily the District of Columbia.

But Honaker diverted the funds into a private account and transferred only about $136,000 to the city, according to investigators.

Honaker, 55, was never charged with any crime. He shot himself as details of the federal grand jury probe became public.

Federal investigators charted more than 700 checks written from June 1987 through January that were backed by hundreds of thousands of dollars in jail payments that should have been deposited with the city.

"Virtually all of the money was diverted for his own use," Sorensen said.

The federal and local officials hope that almost all of the missing $515,000 can be recovered by selling off the Honaker estate's assets—including a

46A RH-40962 -100

AGENT INSTRUCTED
TO INDEX ON WORK
COPY

b7C

FBI/DOJ

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

6,400-square-foot home
nearly $300,000.

Three vehicles, $63,881 in cash
in the sheriff's office, a gold coin
lection, jewelry and other deposi
make up the remainder of the estate

Honaker's political contributions included $200 to Gov. L. Douglas Wilder, $25 to Attorney General Mary Sue Terry and more than $300 to Rep. Rick Boucher, D–9th.

But the largest beneficiary was Honaker, who pumped thousands of dollars into his own campaign, according to federal records.

(Indicate page, name of newspaper, city and state.)
Page 24
The Free Lance Star

Date: 6/24/92
Edition:

Title:

Character:
or
Classification:
Submitting Office:

Indexing:

FBI/DOJ

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HONAKER, SHERIFF
BRISTOL, VA.
FAG - DOJ
OO: RH

FILE NO. 46A-RH-40962

OO:

Date Acquired 1/10/92

Acquired From: SHERIFF'S OFF. BRISTOL, VA VIA IRS

To Be Returned ☐ Yes ☑ No

See Serial

Acquiring Agent S.A. [redacted]

Case Agent S.A. [redacted]

b7C

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)

SEE ATTACHED INVENTORY
SCULEY CONTAINED IN TWO 5/1 BAGS.

evidence forfeited
see exhibit A44

b7C

FOR DRUG AND/OR VALUABLE EVIDENCE ONLY - NAMES OF TWO AGENTS INITIALLY VERIFYING AND SEALING [redacted]

46A-RH-40962-B1
BLOCKSTAMP

For Use By ECT:

Location of Property: ECR/SAC SAFE

JAN 14 1992

Control Number: E0053169

(File Copy)

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

B-25

Sheriff M.E. Honeker

Area B

BOTTOM OF SM. CRADENZA (DOORS/Shelved)

COIN Collection TO include Proofs AND Commemorative Dollars

JPB 9 Eisenhower United States Proof Dollar 1971
JPB 2 " " " 1973
JPB 2 UNITED STATES Special/Mint Set (1967) Half dollar, Quarter, Dime Nickel, Cent
JPB 1 UNITED STATES Proof Set (1968) HALF, QUARTER, DIME, Nickel, CENT)
JPB 1 " " " " (1971) " " " " "
JPB 1 " " " " (1979) " " " " "
JPB 2 " " " " (1980) {Susan B. Anthony $1.00 " " " "
JPB 2 " " " " (1981) " " " " "
JPB 2 " " " " (1983) HALF, QUARTER, DIME, Nickel, CENT
JPB 2 " " " " (1984) " " " " "
JPB 2 " " " " (1985) " " " " "
JPB 2 " " " " (1986) " " " " "
JPB 1 " " " " (1976/1976) {Eisenhower $2.00 half, quarter, Dime, Nickel, cent
JPB 2 " " " " (1987) half, quarter, Dime, Nickel, cent
JPB 4 1980 Uncirculated Coin, Susan B. Anthony $1.00, half, quarter, Dime, Nickel, cet
JPB 2 Olympic dollar 1984 Los Angeles 1983 Uncirculated
JPB 2 Olympic dollar (1983) coin
JPB 2 Proof Silver 1/2 dlls (1732 1982) 90% Silver
JPB 1 American Eagle (Dounce Silver Bullion Coin) 1988
JPB 2 " " " " " " 1990
JPB 2 UNITED STATES Constitution Coins 1987 Five Dollar Gold
JPB 1 " " " " Silver Dollar (1987)
JPB 2 1983 Olympic Prestige Set Comm. Coin, half dollar, Quarter, Dime Nickel, cent " "
JPB 1 1987 UNITED STATES Prestige Set " " " "
JPB 2 1986 " " " " Ellis Island 1.00, 2 halfs, quarter, nickel, Dime cent
JPB 1 1976/1976 Bicentennial Silver Proof Set
JPB 1 $2 Bill from Geo. Fortner
JPB 1 $1 Bill Silver Certificate ENCASED PLAN

b7C

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HONAKER, SHERIFF
BRISTOL, VA.
FAG - DET.
OO: RH

FILE NO. 46A-RH-40562
OO: RH

Date Acquired	Acquired From:
1/10/92	SHERIFF'S OFFICE, BRISTOL, VA VIA I.R.S.

To Be Returned	See Serial	Acquiring Agent	Case Agent
☐ Yes ☑ No		S.A. [redacted]	S.A. [redacted]

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)
ATTACHED
SEE INVENTORY

b7C

evidence forfeited
see exhibit A 44

FOR DRUG AND/OR VALUABLE EVIDENCE ONLY - NAMES OF TWO AGENTS INITIALLY [illegible]

For Use By [illegible]:

Location of Property: ECR / SAC SAFE

Control Number: E1053170

(File Copy)

46A-RH-40962-B2

BLOCKSTAMP
JAN 14 1992

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

Evidence Envelope

B-46

1. Case Title	2. Case Number	3. Date	4. Log Numb
[redacted]		[redacted]	

5. Office Location *(Complete address)*:

[redacted]

6. Description of Article:

[redacted]

7. ☐ Taken from ☐ Received from ☐ Found
(Person or location)

[redacted]

B-46

8a. Received by *(Print or type)* 8b. Signature 8c. Witness *(Signature)*

Date	Chain of Custody	Purpose of Custody Change
	[redacted]	
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	

b7C

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HOWAKER, SHERIFF
BRISTOL, VA.
FAG-DOS
OO: RH

FILE NO. 46A-RH-40962
OO: RH

Date Acquired: 1/10/92
Acquired From: SHERIFF'S OFFICE BRISTOL, VA VIA I.R.S.

To Be Returned ☐ Yes ☑ No
See Serial
Acquiring Agent: S.A. [redacted]
Case Agent: S.A. [redacted]

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)

attached
see inventory

b7C

evidence forfeited
see exhibit A 44

FOR DRUG AND/OR VALUABLE EVIDENCE ONLY - NAMES OF TWO AGENTS
INITIAL [redacted]

For Use [redacted]

46A-RH-40962-B3
BLOCKSTAMP

Location of Property: ECR / SAC SAFE

JAN 14 1992

Control Number: E0053171

(File Copy)

RD3

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

Yg
1-10-92

B-49

Inventory of jewelry & coins
Sheriff M. L. Honaker
Location B

Item # From middle center lap desk drawer

1 JPB one 2 gold necklace
one gold (14 K) (chain type) bracelet
one gold bracelet

The above appear to be gold

2 JPB One (2) 1943 half dollar
one (1) 1925 silver dollar

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HONAKER, SHERIFF
BRISTOL, VA.
FAG-DOT
OO: RH

FILE NO. 46A-RH-40562
OO: RH

Date Acquired	Acquired From:		
1/10/92	SHERIFF'S OFFICE BRISTOL, VA VIA I.R.S.		
To Be Returned ☐ Yes ☐ No	See Serial	Acquiring Agent S.A. [redacted]	Case Agent S.A. [redacted]

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)

SEE ATTACHED INVENTORY

b7C

evidence forfeited
see exhibit # 44

FOR DRUG AND/OR VALUABLE [redacted]
INITIAL [redacted]

For Use By [redacted]

Location of Property: ECR / SAC SAFE

Control Number: E0053172
(File Copy)

46A-RH-40962-B4

BLOCKSTAMP
JAN 14 1992
RDB

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

B-52 YES 1-10-92 WW

Inventory of Coins, proofs & commemoratives

Sheriff M. K. Yonaka

Location B

From bottom left hand desk drawer

Item #	Description
1 JPB	(3) three 1 oz proof gold bullion coins
2 JPB	(2) two 1991 5 coin proof sets
3 JPB	2 (two) one oz proof silver bullion coins
4 JPB	2 (two) 1/4 oz proof gold bullion coin
5 JPB	2 two 1/10 oz proof gold bullion coin
~~6~~	~~5 coin~~
6 JPB	4 coin gold bullion proof set one(1) 1 oz, one(1) 1/2 oz, one(1) 1/4 oz, one 1 1/10 oz

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HONAKER, SHERIFF
BRISTOL, VA.
FAG - DOT
OO: RH

FILE NO. 46A-RH-40962
OO: RH

Date Acquired	Acquired From:		
1/10/92	SHERIFF'S OFFICE, BRISTOL, VA VIA I.R.S.		
To Be Returned ☐ Yes ☑ No	See Serial	Acquiring Agent S.A. [redacted]	Case Agent S.A. [redacted]

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)

SEE ATTACHED INVENTORY

b7C

evidence forfeited
see exhibit "A 44"

FOR DRUG AND/OR VALUABLE EVIDENCE ONLY - NAMES OF TWO AGENTS
INITIAL [redacted]

For Use [redacted]

Location of Property: ECR/SAC SAFE

Control Number: E0053173

(File Copy)

46A-RH-40962-BS

BLOCKSTAMP
JAN 14 1992
RBS

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

JPB 1-10-92
WMJ

B-48

Inventory of coins, proofs & commemoratives

Sheriff M. E. Honaker

Location B

From bottom RIGHT desk drawer

Item #	
1 JPB	one (1) 1 oz, one (1) $\frac{1}{2}$ oz, (1) one $\frac{1}{10}$ oz, (1) one $\frac{1}{4}$ oz, gold bullion coins - proof set
2 JPB	Same as Item 1

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HONAKER, SHERIFF
BRISTOL, VA.
FA6 - DOT
OO: RH

FILE NO. RH-46A-RH-40962

OO: RH

Date Acquired	Acquired From:		
1/10/92	SHERIFF'S OFFICE, BRISTOL, VA VIA I.R.S.		
To Be Returned ☐ Yes ☑ No	See Serial	Acquiring Agent S.A. [redacted]	Case Agent S.A. [redacted]

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)

SEE ATTACHED INVENTORY

b7C

evidence - forfeited
see exhibit #44

FOR DRUG AND/OR VALUABLE EVIDENCE ONLY - NAMES OF TWO AGENTS INITIATING/RECEIVING: [redacted]

46A-RH-40962-B6

For Use By ECT:

Location of Property: ECR/SAC SAFE

Control Number: E0053174

(File Copy)

BLOCKSTAMP
SEARCHED [redacted] INDEXED [redacted] FILED [redacted]
JAN 14 1992
FBI — BIRMINGHAM
RDB

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

B-51

b7C

INVENTORY OF COINS - proofs & commemoratives

Sheriff M. E. Hoecker

Location B

FROM MIDDLE LEFT HAND DESK DRAWER

1 JPB — one (1) 1987 silver Dollard
one (1) 1987 Gold Five Dollar

2 JPB — three (3) 1983 silver Dollars

3 JPB — 1 penny, nickel, ½ dollar, dime & Quarter 1989 proof set

4 JPB — same as item # 3

5 JPB — proofs, 1 oz, ½ oz, ¼ oz and 1/10 oz U.S. gold bullion coins

6 JPB — U.S. constitution coins, (2) 1987 silver dollars, and (2) 1987 gold 5 dollar coins

7 JPB — two (2) ½ oz proof gold bullion coins

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HONAKER, SHERIFF
BRISTOL, VA.
FAG--DOJ
OO: RH

FILE NO. 46A-RH-40962

OO: RH

Date Acquired	Acquired From:
1/10/92	SHERIFF'S OFFICE, BRISTOL, VA.

To Be Returned	See Serial	Acquiring Agent	Case Agent
☐ Yes ☑ No		S.A. [redacted]	S.A. [redacted]

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)

SEE ATTACHED INVENTORY

b7C

evidence returned
see exhibit "A 44

FOR DRUG AND/OR VALUABLE EVIDENCE ONLY - NAMES OF TWO AGENTS INITIATING SEALING: [redacted]

46A-RH-40962-B7

BLOCKSTAMP
SEARCHED INDEXED
SERIALIZED FILED
JAN 14 1992
FBI — BRISTOL

For Use By ECT:

Location of Property: ECR / SAC SAFE

Control Number: E00531785

(File Copy)

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

Evidence Envelope

B-47

1. Case Title	2. Case Number	3. Date	4. Log Num
MARSHALL E. HONAKER			

5. Office Location *(Complete address)*

B
BOX UNDER DESK

6. Description of Article CURRENCY

$600 in $100 denominations

7. ☐ Taken from *(Person or location)* ☐ Received from ☐ Found

B-47

8a. Received by *(Print or type)* | 8b. Signature | 8c. Witness *(Signature)*

[redacted]

Date	Chain of Custody	Purpose of Custody Change
1-10-92	Received by *(Signature)* [redacted] Print Name and Title S/A	
1-10-92	Received by *(Signature)* [redacted] Print Name and Title	
	Received by *(Signature)* Print Name and Title	
	Received by *(Signature)* Print Name and Title	
	Received by *(Signature)* Print Name and Title	
	Received by *(Signature)* Print Name and Title	
	Received by *(Signature)* Print Name and Title	
	Received by *(Signature)* Print Name and Title	

b7C

Evidence Envelope

B-50

1. Case Title	2. Case Number	3. Date	4. Log Number
MARSHALL HOMANKER			

5. Office Location *(Complete address)*

B

MIDDLE DESK DRAWER

6. Description of Article

CURRENCY - 7 PACKAGES

$63,200 in $100 denomination
40 in $20 "
10 in $10 "
10 in $5
21 in $1

$63,281

7. ☒ Taken from *(Person or location)* ☐ Received from ☐ Found a

b7C

middle desk drawer
Sheriff's desk [illegible] B-50

8a. Received by *(Print or type)* | 8b. Signature | 9. Witness *(Signature)*

[redacted]

Date	Chain of Custody	Purpose of Custody Change
1-18-92	[redacted]	TO FBI
1-18-92		
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	
	Print Name and Title	
	Received by *(Signature)*	

b7C

Control of General/Drug/Valuable Evidence
FD-192 (Rev. 1-5-89)

Date 1/14/92

☐ General Evidence ☐ Drug Evidence ☑ Valuable Evidence

☐ Special Handling Requirement (i.e., FBI Lab Instructions Re Body Fluid Stains, Whole Blood, etc.)

Title and Character of Case
MARSHALL E. HONAKER, SHERIFF
BRISTOL, VA.
FAG - DN
OO: RH

FILE NO. 46A-RH-40962
OO: RH

Date Acquired	Acquired From:
1/10/92	SHERIFF'S OFF. BRISTOL, VA VIA I.P.S.

To Be Returned	See Serial	Acquiring Agent	Case Agent
☐ Yes ☑ No		S.A. [redacted]	S.A. [redacted]

☐ Yes ☑ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure

☑ Yes ☐ No Property To Be Forfeited To The U.S. Government

Description of Property (Be Specific)

SEE ATTACHED INVENTORY

b7C

evidence forfeited
see exhibit A 44

FOR DRUG AND/OR VALUABLE EVIDENCE ONLY - NAMES OF TWO AGENTS INITIALLY VERIFYING: [redacted]

46A-RH-40962-B8

For Use By ECT:

Location of Property: ECR/SAC SAFE

Control Number: E0053176

(File Copy)

BLOCKSTAMP
JAN 14 1992

CHAIN OF CUSTODY

Item	Accepted Custody	Date	Time	Released Custody	Date	Time
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		
	Signature _____ Reason _____			Signature _____ Reason _____		

REMARKS _____

Coins located in brown suitcase - Behind Desk
Location B

proof sets - All intact

1964	1936	TOTAL Proof Sets = (12)
JPB IIII IIII	I JPB	

San Francisco Proof Set consisting of a nickel & penny

1968	Total proof Sets = (10)
IIII IIII JPB	

20th century Type Proof sets - consisting of 5 coins
-yrs of coins vary - Total Proof Sets = (11) JPB17

JPB Philadelphia, Sanfrancisco, & Denver Mint set consisting of 10 coins ea.

1968	JPB 1969	Total proof Sets = (2)
I	I	

JPB Phil & Denver Proof Set consisting of 10 coins

1964	Total proof sets = (1)
I	

JPB United States Mint - Uncirculated Silver Dollars - consisting of 5 coins
1 Set various dates Total proof sets = (1)

United States Proof Set in Blue Box - consisting of 5 coins ea

JPB 1972	JPB 1968	Total Proof Sets = (3)
II	I	

United States Prof Sets in Black Box - consisting of 6 coins ea.

JPB 1976	JPB 1977	1978 JPB	Total prof sets = (3)
I	I	I	

JPB 1 Eisenhower uncirculated Silver dollars - consisting of 1 coin ea.

1971	Total Proof sets = (9)

Coins Located in room suitcase behind desk
Location B

1g JJB Clear plastic case containing 8 ½ dollars
dates vary on coins – Total proof set = (1)

Sig JJB Clear plastic case consisting of 10 coins
dates, types of coins vary Total proof sets = (1)

1 mini clear plastic case consisting of 1 penny.
JJB 1909 / 1 Total proof sets = (1)

1 Bicentennial Proof Set – 3 coins
JJB 1976 / 1 Total Sets = (1)

11 Sig JJB Olympic Silver dollars – 3 coins encased in plastic
Total sets = (11)

JJB Bicentennial SILver UNCIrculated Set – 3 coins (in Red envelope)
Total sets = (1)

Uncirculated proof sets in white envelopes in plastic consisting of 11 coins (in 2 separate packages)
1971 / 11 JJB Total Sets = (6)

Uncirculated proof sets – White envelopes – coins in plastic – consisted of 12 coins – 2 sep packages
1972 JJB 11 | 1973 JJB 1 | 1976 JJB 1 | 1979 JJB 1 Total Sets = (6)

Individually wrapped coins
1889 - JJB | 1892 - dime JJB
1952 - Quarter JJB | 1923 - ½ dollar JJB
1939 - Nickel JJB | 1916 - dime JJB
1899 - Quarter JJB | 1964 Quarter JJB
Total coins = (8)

Individually wrapped coins – 2 in package
2 1937 - Nickels JJB Total Set = (1)

COINS Located in brown Suitcase behind desk
LOCATION B

JB1 SM white cardboard box consisting of various coins

Silver dollars	½ dollars	Quarters	Dimes	Nickels	Pennies	Totals coins = (35)
12	6	1	4	7	5	

JB2 md Size white box consisting of assorted coins

~~Silver~~ ½ dollars	Quarters	Dimes	Nickels	Pennies
23	12	38	13	44

Total loose coins = (130)

JB2 Pennies in red wrapper = 20
2 50¢ rolled-up pennies marked wheat
1 $2.00 roll of Nickels

JB3 $2.00 Rolled Nickels - (1) ~~rolls total~~ Total rolls of coins = (13)
JB3 50¢ rolled pennies - (5) rolls
JB3 $10.00 rolled ½ dollars (1) roll

JB4 Dominion National Bank Envelope containing various coins

Silver dollar	½ dollars	Quarters	Nickels	dimes	pennies	Total Coins in envelope = (49)
1	10	13	3	8	14	

JB5 Misc loose coins - Total coins = 81

Silver Troy Ounce	~~Silver dollars~~	½ dollars	Quarters	dimes	Nickels	pennies
1	13	31	6	8	1	21

JB6 Silver certificate paper money - in envelope marked "First National Exchange Bank"

$100.00	$5.00	$2.00	$1.00	$10.00	- total loose bills = (22)
1	11	3	6	1	

JB7 1 Gold Ingot watch GR. 15 999.9 Fondeur

FREEDOM OF INFORMATION
AND
PRIVACY ACTS

SUBJECT MARSHALL E. HONAKER

FEDERAL BUREAU OF INVESTIGATION

FOIPA

DO NOT DESTROY

PRIOR TO

RICHMOND FILE # 46-RH-40962

FOIPA FILE # 190-RH-49487

MAINTAIN AS TOP SERIAL

UNITED STATES ATTORNEY
WESTERN DISTRICT OF VIRGINIA
P.O. BOX 1709
ROANOKE, VIRGINIA 24008

TELEPHONE: 703/982-6250 (COMM)
937-6250 (FTS)

TELEFAX: [redacted] (COMM)
(FTS)

b7C

MEMORANDUM

DATE: June 10, 1992

TO: U.S. Department of Justice
ATTN: [redacted]
Asset Forfeiture Office
P.O. Box 27322
Washington, D.C. 20038

b7C

FM: [redacted]

RE: U.S. v. Certain Assets of Marshall E. Honaker
Civil Action No. 92-0080-A
IRS # 54 92 01 30
FBI # (no number assigned)

Enclosures: Complaint for Forfeiture in rem filed June 8, 1992
Warrant of Arrest in rem
Notice of Forfeiture in rem

cc: IRS, Roanoke
FBI, Richmond

46A-RH-40962-101

SERIALIZED [redacted] INDEXED
FILED [redacted]

AUG 26 1992

FBI — RICHMOND

b7C

[redacted]

CLERK'S OFFICE
U.S. DIST. COURT
AT ABINGDON, VA
FILED
for ABINGDON
92 JUN -8 PM 2:20
JOYCE F. WITT, CLERK
BY: R Collins
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

UNITED STATES OF AMERICA Plaintiff	:	WARRANT OF SEIZURE AND ARREST in rem
v.	:	
Certain Assets of the Estate of Marshall E. Honaker	:	Civil Action No. 92-0080-A
Defendants	:	

TO: THE UNITED STATES MARSHAL AND/OR DESIGNEE

WHEREAS, a verified complaint of forfeiture was filed on June 8th, 1992, in the United States District Court for the Western District of Virginia, against:

(a) real property and premises located at 7 Woodland Drive, Bristol, Virginia, with all appurtenances and improvements thereon, more specifically described as follows:

> Lots No. 14, 15, and 16, in Block 27, as shown by plat designated "Replat of Blocks 14, 15, 16, 17 and parts of blocks 12, 13, and 18, Plat 4, Virginia Heights and 18.73 acre tract subdivided", dated September 6, 1946, and of record in the Clerk's Office of the Circuit Court of the City of Bristol, Virginia, in Plat Book 1A, page 64, and more particularly shown by resurvey thereof of Frank T. Holbrook, dated October 23, 1989, a copy of which is attached hereto and made a part hereof and described according to said survey as follows:
>
> BEGINNING at an iron pin in the line of Woodland Drive, corner to Lot 16; thence with the northerly line of said Woodland Drive S 56 16 W 118.97 feet to an iron pin; N 76 15 W 178.67 feet to an iron pin; thence with a curve to the right of said drive in an northwesterly direction a distance of 112.82 feet to an iron pin, the radius of said curve being 167.10 feet; thence N 37 34 W 89.77 feet to an iron pin; thence N 37 34 W 91.32 feet to an iron pin in the line of Lots 13 and 14; thence with the division line of said lots N 13 45 E 231.47 feet to an iron pin; thence S 75 05 E 356.68 feet to an iron pin and S 60 37 E 100 feet to an iron pin; thence with the

division line of Lots 16 and 17, S 29 10 W 140.0 feet to an iron pin and S 22 18 E 152.16 feet to the point of BEGINNING;

BEING the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

alleging said property was involved in a series of transactions in violation of 18 U.S.C. §1956(a)(1)(B)(i) and 18 U.S.C. §666 (a)(1)(A)(ii) and are, therefore, subject to seizure and forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1).

And, the Court being satisfied that based on the sworn affidavit of Special Agent Jack Baumgardner, of the Internal Revenue Service, there is probable cause to believe that the real and personal property so described was involved in a series of transactions in violation of Title 18 U.S.C. §981(a)(1)(A), and

that grounds for application for issuance of a seizure warrant exist, title having vested in the United States by operation of law;

YOU ARE, THEREFORE, HEREBY COMMANDED to arrest and seize said property, both real and personal, and with regard to the real estate, arrest and seize all improvements, buildings, structures, fixtures, furnishings and appurtenances permanently attached thereto, entering said property for the purpose of determining the physical condition of the property at the time of the seizure, and to maintain custody of said property as provided by 19 U.S.C. § 1605 until further order of this Court respecting the same. The United States Marshals Service shall use its discretion and whatever means appropriate to protect and maintain said defendant property.

YOU ARE FURTHER COMMANDED TO ENTER onto the real property for the limited purpose of ensuring that the asset is in a safe and inhabitable condition. This entry and inspection will be strictly limited to a check for exposed wires, leaking roofs, broken windows, or any other condition that if not corrected could damage or reduce the value of the asset during the pendency of any forfeiture proceedings. You are commended to make a record of the condition of the interior and exterior of the real property using any practicable method such as videotape recording and still photographs.

YOU ARE FURTHER COMMANDED TO POST upon said real property in an open and visible manner notice of such seizure at the time thereof, making the government's seizure open and notorious;

AND FURTHER TO SERVE upon the record owner thereof a copy of this warrant in a manner consistent with the principles of service of process of an action in rem under the Supplemental Rules For Certain Admiralty and Maritime Claims, Federal Rules of Civil Procedure, within a reasonable time of seizure;

If removal of the contents of the property is necessary, a bonded moving and storage company is to inventory, pack, remove, and store all contents. The United States Marshal shall have at his discretion the authority to dispose of, by any means available, perishable, contaminated, flammable, explosive, or violable items. An inventory will be kept as to those items and the method of disposal.

AND UPON APPLICATION of the plaintiff, United States of America, and pursuant to the All Writs Act, 28 U.S.C. § 1651(a), the Court shall issue any order necessary to effectuate and prevent the frustration of the execution of this warrant;

It is further ORDERED that the owners and occupants of the defendant property not make any changes or improvements whatsoever to said property without the written consent of the United States Marshal.

If the property seized is vacant, or becomes vacant, the United States Marshal, or any of his agents, shall, in addition to an inspection, secure the premises.

When the seizure of the real estate property includes the contents, the occupants will be given the opportunity to remove from the location all of their personal belongings. A Deputy United States Marshal will accompany the occupants during the

collection and packing of these belongings to ensure that only personal articles are removed from the location and to provide security for government agents and other seized assets. After the identification, collection, and removal of the personal belongings by the occupants, the occupants shall depart the location pursuant to the Order to Vacate.

The United States Marshals Service, or any of its authorized agents or designees, shall have at its discretion the authority to rent/lease any vacant seized properties. Continued vacancy may result in deterioration and a diminished value to said property. The rental or leasing shall help assure any claimants and the United States Marshals Service that the property's value and integrity shall be maintained in at least the same condition as existed at the time of seizure.

YOU ARE FURTHER ORDERED to reenter the property on a periodic basis for the purpose of conducting inspections of the dwelling and surrounding property to ensure proper maintenance and security.

All persons claiming an interest in said property shall file their claims within ten (10) days after the execution of the Warrant or notice of this seizure, whichever occurs first, pursuant to Rule C of the Supplemental Rules for Certain Admiralty and Maritime Claims, and shall serve and file their answers within twenty (20) days after the filing of the claim with the Office of the Clerk, United States District Court, P.O. Box 398, Abingdon, Virginia 24210, with a copy thereof sent to Assistant United States Attorney Kenneth M. Sorenson.

Additional procedures and regulations regarding this

forfeiture action are found at 19 U.S.C. §§ 1602-1619, and Title 21, Code of Federal Regulations (C.F.R.), Sections 1316.71-1316.81. All persons and entities who have an interest in the defendant property may, in addition to filing a claim or in lieu of the filing of a claim, submit a Petition for Remission or Mitigation of the forfeiture for a non-judicial determination of this action pursuant to 28 C.F.R. Part 9.

The United States Marshal, at his discretion, shall be accompanied by federal, state, or local law enforcement officers to assist him in the execution of this Warrant.

A RETURN of this warrant shall be promptly made to the Court identifying the individuals upon whom copies were served and the manner employed.

ENTERED THIS 8th DAY OF ~~MARCH~~ June, 1992.

UNITED STATES DISTRICT JUDGE

A TRUE COPY, TESTE:
JOYCE F. WITT, C[illegible]
BY: R Collins
DEPUTY CLERK

CLERK'S OFFICE
U.S. DIST. COURT
AT ROANOKE, VA
FILED
In ABINGDON
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JOYCE F. WITT, CLERK
BY: R Colli
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

UNITED STATES OF AMERICA Plaintiff	:	VERIFIED COMPLAINT FOR FORFEITURE in rem
v.	:	
Certain Assets of the Estate of Marshall E. Honaker	:	Civil Action No. 92-0080-A
Defendants	:	

Comes now the United States of America, by and through Kenneth M. Sorenson, Assistant United States Attorney for the Western District of Virginia, and respectfully states as follows:

1. This is a civil action in rem brought to enforce the provisions of 18 U.S.C. § 981(a)(1)(A) for the forfeiture of real and personal property which was involved in a series of transactions in violation of 18 U.S.C. §1956(a)(1)(B)(i) and 18 U.S.C. §666(a)(1)(A)(ii), or which is traceable to such property.

2. This Court has jurisdiction over this matter by virtue of 28 U.S.C. §§ 1345 and 1355.

3. The defendant properties which are the subject of this proceeding are:

> (a) real property located at 7 Woodland Drive, Bristol, Virginia, and any and all appurtenances thereto, more particularly described as follows:
>
> Lots No. 14, 15, and 16, in Block 27, as shown by plat designated "Replat of Blocks 14, 15, 16, 17 and parts of blocks 12, 13, and 18, Plat 4, Virginia Heights and 18.73 acre tract subdivided", dated September 6, 1946, and of record in the Clerk's Office of the Circuit Court of the City of Bristol, Virginia, in Plat Book 1A, page 64, and more particularly shown by resurvey thereof of Frank T. Holbrook, dated October 23, 1989, a copy of which is attached hereto and made a part hereof and

described according to said survey as follows:

BEGINNING at an iron pin in the line of Woodland Drive, corner to Lot 16; thence with the northerly line of said Woodland Drive S 56 16 W 118.97 feet to an iron pin; N 76 15 W 178.67 feet to an iron pin; thence with a curve to the right of said drive in an northwesterly direction a distance of 112.82 feet to an iron pin, the radius of said curve being 167.10 feet; thence N 37 34 W 89.77 feet to an iron pin; thence N 37 34 W 91.32 feet to an iron pin in the line of Lots 13 and 14; thence with the division line of said lots N 13 45 E 231.47 feet to an iron pin; thence S 75 05 E 356.68 feet to an iron pin and S 60 37 E 100 feet to an iron pin; thence with the division line of Lots 16 and 17, S 29 10 W 140.0 feet to an iron pin and S 22 18 E 152.16 feet to the point of BEGINNING;

BEING the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

4. All properties listed in subparagraphs 3(a) through 3(k) are located in the Western Judicial District of Virginia.

5. The facts and circumstances supporting the seizure and forfeiture of the defendant real and personal properties are

contained in the affidavit of Special Agent Jack Baumgardner of the Internal Revenue Service which is appended hereto as Attachment A and fully incorporated herein by reference.

6. The defendant real and personal properties described in subparagraphs 3(a) through 3(k) were involved in a series of transactions in violation of 18 U.S.C. §1956(a)(1)(B)(i) and 18 U.S.C. §666(a)(1)(A)(ii), or are traceable to such property, or have been commingled with and/or indirectly derived from such forfeitable properties, and are subject to forfeiture to the United States pursuant to the provisions of 18 U.S.C. §981(a)(1)(A).

WHEREFORE, the United States of America prays that a warrant for arrest in rem and seizure issue for the property enumerated in subparagraphs 3(a) through 3(k); that due notice be given to all parties to appear and show cause why the forfeiture should not be decreed; that judgment be entered declaring each item of listed property to be condemned and forfeited to the United States of America for disposition according to law; and that the United States of America be granted such other and further relief as this Court may deem just and proper, together with the costs and disbursements of this action.

Respectfully submitted,

E. MONTGOMERY TUCKER
United States Attorney

Kenneth M. Sorenson
Assistant United States Attorney

[redacted] [redacted]

DECLARATION

I am a Special Agent of the Internal Revenue Service, one of the agents assigned the responsibility for this case. I have read the contents of the foregoing complaint for forfeiture, and the attachments thereto, and the statements contained therein are true to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 5th day of June, 1992.

Jack Baumgardner
Special Agent

AFFIDAVIT

Your affiant, Jack Bumgardner, is a Special Agent with the Internal Revenue Service, Criminal Investigation Division, and has been employed in this capacity since September 1987. From January 1983 to September 1987, your affiant was employed with the Internal Revenue Service's Examination Division as an Internal Revenue Agent. Your affiant's responsibilities include the investigation of possible criminal violations of the Internal Revenue laws (Title 26, United States Code), the Foreign Bank Secrecy Act (Title 31, United States Code), the Money Laundering Control Act (Title 18, United States Code), and related offenses.

Your affiant has personally conducted or assisted in the conducting of over 25 investigations of alleged criminal violations of the Internal Revenue laws. These investigations involved the computations of various individual's taxable incomes and tax liabilities using the specific item method of proof and indirect methods of proof such as net worth computations.

Your affiant has participated in Title 31, Currency Reporting investigations, Title 18, Money Laundering investigations, and other grand jury investigations, working in concert with the Drug Enforcement Administration; the Bureau of Alcohol, Tobacco, and Firearms; the Federal Bureau of Investigation; the United States Customs Service; and the United States Attorney's office for the Western Judicial District of Virginia.

Your affiant has attended various in-service training seminars which have concentrated on the tracing of currency flows from both

legal enterprises and illegal enterprises (i.e. money laundering for narcotics organizations) and the structuring of financial transactions.

Your affiant has participated in the execution of six search and/or seizure warrants. The warrants covered the search of locations ranging from bank safe deposit boxes, residences of targets and their associates, and business offices of targets. Materials searched for and recovered at these locations included records identifying illegal activities; names and addresses of individuals participating therein; and documentation of transactions relating to the receipt and disposition of funds from the illegal activities.

Since May 1991 your affiant has been involved in the investigation of MARSHALL E. HONAKER. HONAKER came to the attention of law enforcement officers due to a recent material increase in personal wealth that was not explained by known legal sources of income. Through the analysis of financial records this wealth increase has been directly attributed to HONAKER's diversion to a personal checking account of numerous checks payable to the Bristol Virginia Sheriff's Department. On January 10, 1992, your affiant participated in the execution of six search and seizure warrants concerning this investigation. This execution resulted in the seizure of assets more particularly described in this affidavit.

Unless otherwise stated, the information contained in this affidavit is either personally known to your affiant or has been provided to your affiant by other law enforcement officers with

personal knowledge and/or corroborated by a review of various documents more particularly described herein.

Based on facts described below your affiant has probable cause to believe that the following property is subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981. This property is as follows:

(a) real property located at 7 Woodland Drive, Bristol, Virginia, being the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.00.

AFFIANT'S BASIS FOR BELIEF

From his initially taking the office of sheriff in 1973 to January 10, 1992, MARSHALL E. HONAKER had operational responsibility for the Bristol, Virginia Sheriff's department, and

was a constitutional officer of the Commonwealth of Virginia. As a constitutional officer HONAKER was paid a salary in exchange for the discharge of his duties and fiduciary responsibilities. The Sheriff's department is a department of the City of Bristol, Virginia, and as such all funding and all expenditures are governed by a process that involves budgets, oversight, and checks and balances to ensure that public monies are properly managed.

My investigation has revealed that the Sheriff's department controls the operation of the Bristol City Jail, which is one of the largest Federally accredited prisoner holding facilities in Southwestern Virginia. In addition to receiving traditional funding from the City of Bristol and the State of Virginia, the Sheriff's department has entered into contractual agreements with various governmental authorities for the keeping of prisoners on a per prisoner per day basis. The monies paid on these contracts are the property of the Sheriff's department and ultimately belong to the City of Bristol. According to a newspaper interview in March of 1990 with HONAKER, these contract prisoners have become such a substantial source of revenue to the Sheriff's department that it has been able to reimburse the City of Bristol for its share of the costs to operate the Sheriff's department for the past two fiscal years. This situation has made it possible for HONAKER to claim that the Sheriff's department is the only department in the history of the city to be self-sufficient. The most lucrative contract the Sheriff's department has is with the Government of District of Columbia which pays the department $55.00 per prisoner per day

while it costs the department only about $6.00 per prisoner per day to care for them.

SUMMARY OF FACTS

The U.S. Marshals Service is an agency of the Federal Government authorized to house and support Federal prisoners. George Sterling, Chief Deputy U.S. Marshal in Roanoke, Virginia, stated that on a monthly basis the Bristol City Jail, while under the direction and control of MARSHAL HONAKER, mailed to his office a summary invoice that reflected the total number of days that Federal prisoners have been detained. This summary invoice is verified by comparing it to internally generated summaries. A check is prepared based upon the summary and is mailed with an enclosed voucher cover sheet to the Bristol City Jail. Sterling further stated that these payments did, in fact, represent Federal funds and that Sheriff MARSHALL HONAKER has been the Bristol City Jail's authorized representative concerning the inter-governmental agreements that govern these payments. Records obtained from the U.S. Marshals Service reflect that for virtually every month from October 1985 to September 1991 payments have been made to the Bristol City Jail.

A large portion of the payments for the period June 1987 through March 1991 have been traced to being deposited into Dominion Bank checking account number 09-23144580. The checks deposited to Dominion National Bank account number 09-23144580 reflect only the endorsement of the Sheriff's office, while the checks not deposited to Dominion National Bank account number

09-23144580 reflect the endorsement of the Sheriff's office and the Treasurer of the City of Bristol.

Dominion Bank checking account number 09-23144580 has been in existence since at least January 1986. As of January 14, 1986, this account was non-interest bearing and listed in the name of MARSHALL HONAKER. As of September 16, 1986, the account began being listed in the name of MARSHALL HONAKER or BRENDA J. HONAKER. Lastly, as of February 12, 1988, the account was changed to become interest bearing. This interest income is reported on the HONAKER's Individual Income Tax Return, Forms 1040, for the years 1988, 1989, and 1990.

This checking account is listed as a personal asset of MARSHALL and BRENDA HONAKER pursuant to separate loan applications dated April 10, 1989, and October 6, 1989, respectively. The application dated October 6, 1989, also lists MARSHALL HONAKER's salary from the Sheriff's department as being $4,100.00 monthly.

On July 16, 1986, six checks from four different governmental authorities were deposited to Dominion Bank checking account number 09-23144580. This deposit is summarized as follows:

Payor	Payee	Amount
U.S. Treas.-Penitentiary, Lewisburg, PA	Bristol City Jail Sheriff's Office	$ 600.00
U.S. Treas.-Penitentiary, Lewisburg, PA	Bristol City Jail Sheriff's Office	220.00
Scott County, VA	Sheriff's Office City of Bristol	671.50
Scott County, VA	Sheriff's Office City of Bristol	603.50

U.S. Treas. U.S. Marshals Roanoke, VA	Sheriff Bristol City Jail	969.24
Buchanan County, VA	Sheriff's Office City of Bristol	277.50
		$3,341.74

From July 16, 1986, through January 8, 1992, there are recurring deposits to Dominion Bank checking account number 09-23144580 from the following governmental authorities:

1. U.S. Treasury - Lewisburg Penitentiary
2. Scott County, VA
3. U.S. Treasury - U.S. Marshals, Roanoke, VA
4. Buchanan County, VA
5. City of Bristol, TN
6. Government of District of Columbia
7. Dickenson County, VA
8. Wise County, VA
9. Prince George County, VA
10. City of Martinsville, VA
11. U.S. Treasury - U.S. Marshals, Greensboro, NC
12. Pulaski County, VA
13. Orange County, VA
14. Patrick County, VA

The checks from the U.S. Marshals, Roanoke, VA were in fact mailed to the Bristol Virginia Sheriff's Department. In addition to these checks, all of the other checks also reflect addresses printed directly on the face of the check indicating that they were in fact mailed.

The following is a chronological summary of all known contract prisoner payments deposited to MARSHALL HONAKER'S Dominion bank account:

DATE	PAYOR	AMOUNT
07-16-86	U.S. Marshals - Roanoke, VA	$ 969.24
07-16-86	Lewisburg Penitentiary	220.00
07-16-86	Lewisburg Penitentiary	600.00
07-16-86	Scott County	603.50

07-16-86	Scott County	671.50
07-16-86	Buchanan County	277.50
06-16-87	U.S. Marshals - Roanoke, VA	714.82
06-16-87	Gov. of District of Columbia	1,043.95
06-16-87	Gov. of District of Columbia	38.070.00
07-09-87	Gov. of District of Columbia	25,450.00
10-08-87	U.S. Marshals - Roanoke, VA	1,740.00
10-13-87	Gov. of District of Columbia	25,575.00
11-16-87	Gov. of District of Columbia	4,127.90
11-16-87	U.S. Marshals - Roanoke, VA	1,877.34
11-16-87	Dickenson County	1,020.00
12-02-87	U.S. Marshals - Roanoke, VA	1,632.23
12-02-87	Dickenson County	986.00
12-02-87	Lewisburg Penitentiary	1,160.00
12-18-87	Gov. of District of Columbia	25,575.00
12-18-87	Wise County	467.50
12-18-87	Scott County	355.68
01-04-88	Gov. of District of Columbia	24,750.00
01-04-88	U.S. Marshals - Roanoke, VA	1,928.93
01-04-88	Lewisburg Penitentiary	1,240.00
01-04-88	Dickenson County	1,098.37
01-29-88	U.S. Marshals - Roanoke, VA	2,152.94
01-29-88	Dickenson County	716.94
01-29-88	Wise County	255.00
01-29-88	Lewisburg Penitentiary	660.00
03-17-88	Gov. of District of Columbia	25,575.00
03-17-88	Gov. of District of Columbia	25,575.00
03-22-88	U.S. Marshals - Roanoke, VA	2,278.98
03-22-88	Wise County	527.00
04-04-88	Gov. of District of Columbia	23,925.00
04-04-88	U.S. Marshals - Roanoke, VA	463.97
05-16-88	Bad Bank Film	30,124.52
Gov. of Wash. D.C. voucher 04/26/88 for $29,425.00		
06-07-88	U.S. Marshals - Roanoke, VA	420.00
06-07-88	Dickenson County	298.95
08-10-88	U.S. Marshals - Roanoke, VA	2,230.92
08-10-88	Gov. of District of Columbia	41,250.00
08-10-88	Dickenson County	356.49
10-31-88	Gov. of District of Columbia	42,295.00
02-06-89	U.S. Marshals - Roanoke, VA	780.00
02-06-89	U.S. Marshals - Roanoke, Va	1,200.00
03-22-89	Gov. of District of Columbia	69,190.00
06-06-89	U.S. Marshals - Roanoke, VA	1,273.78
06-06-89	Gov. of District of Columbia	71,555.00
06-06-89	Dickenson County	1,179.73
06-06-89	Prince George County	440.00
06-06-89	City of Martinsville	477.63
08-03-89	U.S. Marshals - Roanoke, VA	1,554.92
08-03-89	Dickenson County	1,284.40
09-05-89	U.S. Marshals - Roanoke, VA	2,320.00
09-05-89	U.S. Marshals - Roanoke, VA	76.78
09-05-89	Dickenson County	322.89

09-18-89	Gov. of District of Columbia	44,880.00
10-19-89	U.S. Marshals - Greensboro, NC	7,784.27
12-04-89	U.S. Marshals - Roanoke, Va	3,764.70
01-17-90	U.S. Marshals - Roanoke, VA	2,988.11
02-09-90	U.S. Marshals - Roanoke, VA	2,245.20
02-27-90	U.S. Marshals - Roanoke, VA	3,337.39
03-13-90	Dickenson County	652.96
04-02-90	U.S. Marshals - Roanoke, VA	2,163.34
04-25-90	U.S. Marshals - Roanoke, VA	2,351.55
05-14-90	U.S. Marshals - Roanoke, VA	4,954.47
06-05-90	Pulaski County	791.06
06-07-90	U.S. Marshals - Roanoke, VA	5,489.22
08-06-90	U.S. Marshals - Roanoke, VA	2,442.00
08-23-90	U.S. Marshals - Roanoke, VA	6,374.21
08-23-90	Buchanan County	680.30
09-24-90	U.S. Marshals - Roanoke, VA	8,149.93
09-24-90	Orange County	620.00
09-24-90	Pulaski County	799.00
10-18-90	U.S. Marshals - Roanoke, VA	8,362.71
01-15-91	U.S. Marshals - Roanoke, VA	5,134.66
03-25-91	U.S. Marshals - Roanoke, VA	9,312.01
09-25-91	Pulaski County	5,923.22
10-28-91	Dickenson County	2,614.08
11-05-91	Pulaski County	1,921.01
11-26-91	Patrick County	974.25
01-08-92	Pulaski County	1,897.10
01-08-92	Dickenson County	2,440.53
		$651,962.58

MARSHALL HONAKER made six disbursements from this account to the Treasurer of the City of Bristol and/or to another Dominion Bank checking account in the name of City of Bristol Sheriff's office. These payments are apparently transfers to the City of Bristol's general fund and were made for the purpose of maintaining the appearance that the City of Bristol was being paid for the maintenance of federal prisoners. These are summarized as follows:

Date	Ck. No.	Payee	Amount
07-10-87	1970	Emma B. Muller, Treasurer	$ 23,182.30
12-17-87	2039	Treasurer Bristol, VA	18,150.00
03-24-88	2075	Treasurer Bristol, VA	14,025.00

04-26-88	2089	Treasurer Bristol, VA	19,075.00
07-14-88	Debit	Dominion Bank	51,916.23
08-03-89	Debit	Dominion Bank	9,907.68
			$136,256.21

In comparison, on a year by year basis, or on an aggregate basis, the payments going into Dominion Bank checking account number 9-23144580 from the various governmental authorities greatly exceed the reimbursements to the city. This is shown through the following summary, which reflects all known payments from the various governmental entities that were deposited to Dominion Bank checking account number 09-23144580.

Year	Payments from various Governmental Entities	Payments to City	Difference
1986	$ 3,341.74	-0-	$3,341.74
1987	129,795.42	$ 41,332.30	$88,463.12
1988	228,123.01	85,016.23	$143,106.78
1989	208,084.10	9,907.68	$198,176.42
1990	52,401.45	-0-	$52,401.45
1991	25,879.23	-0-	$25,879.23
1992	4,337.63	-0-	$4,337.63
	$651,962.58	$136,256.21	$515,706.37

Your affiant has compared total deposits for the period January 1, 1987, through December 31, 1989, made to Dominion Bank checking account number 09-23144580 to deposits directly attributable to funds from the various governmental authorities and determined that the vast majority of these deposits represent funds specifically identified as being diverted from the City of Bristol. The fact that the diverted funds were deposited to a personal checking account and commingled with legitimate funds is an

integral part of the evasion scheme and an attempt to hide the true nature and character of the diverted funds.

Individuals with knowledge and experience concerning the workings of the government of the City of Bristol advised this affiant that the City of Bristol did, in fact, receive more than $10,000.00 per year in funds from the Federal government. These individuals further advised that monies payable to and earned by the Bristol City Jail were the property of the City of Bristol and that HONAKER could not divert these monies to his personal benefit.

All other identified disbursements from Dominion Bank checking account number 09-23144580 were for MARSHALL and/or BRENDA HONAKER's personal benefit and include renovations of personally owned rental property, purchase of several vehicles, purchase of furniture, repayments of personal loans, payments on personal insurance, purchase of certificates of deposit, renovation of a personal residence, and payment of personal income taxes. The payments for these personal acquisitions and/or services could not have occurred absent the diversion and deposit of funds from these various governmental authorities made payable to the Sheriff's office, City of Bristol.

MARSHALL E. and BRENDA J. HONAKER's individual income tax returns, Forms 1040, for 1987-1990 are summarized as follows:

	1987	1988	1989	1990
Wages-Husband	$39,115.00	$43,305.00	$46,939.92	$52,653.49
Wages-Spouse	4,121.24	8,551.61	7,224.75	6,934.50
Pension Plan Cont.	---	---	(4,400.00)	(3,000.00)
Interest Income	178.02	6,182.21	6,980.92	5,383.25
Dividend Income	.92	---	---	---
State Tax Refund	581.87	357.00	---	432.49

Capitol Gain	---	---	26,252.18	---
Rental Income (Loss)	(127.23)	1,521.05	2,177.79	---
Pension Income	---	---	15.88	
Adj. Gross Income	43,869.84	60,016.87	85,190.44	62,403.73
Less: Itemized Ded.	(8,634.50)	(8,534.12)	(12,727.15)	(12,488.66)
Exemptions	(7,600.00)	(7,800.00)	(8,000.00)	(8,200.00)
Taxable Income	$27,635.32	$43,682.75	$64,463.29	$41,715.07

Your affiant has analyzed these tax returns and determined that the principle source of income reported is Form W-2 wages payable to MARSHALL E. HONAKER from the City of Bristol, Form W-2 wages payable to BRENDA HONAKER from Gore, Hillman and Davenport, attorneys, and interest income. Comparison of these tax returns to checking account records disclosed that none of the checks from the various governmental entities that were deposited to Dominion Bank checking account number 09-23144580 were reported on HONAKER's tax returns.

Two of the larger disbursements from Dominion Bank checking account number 09-23144580 were for the purchase of certificates of deposit in the names of HONAKER's children and the acquisition of their personal residence at 7 Woodland Drive, Bristol, Virginia. Specifically, on March 22, 1989, a $69,169.00 check from the Government of District of Columbia was deposited to Dominion Bank checking account number 09-23144580. Also, on March 22, 1989, there was a $20,000.00 withdrawal (debit) from the account which was used to acquire certificate of deposit number 520852 for $10,000.00 in the name of MARSHALL HONAKER or BRENDA HONAKER trustees for SHANNON HONAKER and certificate of deposit number 520850 for $10,000.00 in the name of MARSHALL HONAKER or BRENDA

HONAKER trustees for KENDRA DAWN HONAKER. These two certificates of deposit were renewed March 22, 1990, and used to acquire certificates of deposit number 595128 and 595129, respectively.

The personal residence at 7 Woodland Drive, Bristol, Virginia, was acquired on or about April 27, 1989, with a $225,000.00 loan from Dominion Bank and $39,017.31 from Dominion Bank checking account number 09-23144580. The reason that there was sufficient funds available in the checking account to pay the $39,017.31 was due to the prior deposit of funds from the various governmental authorities, namely a $69,190.00 check from the Government of District of Columbia on March 22, 1989. Without these funds the payment on the purchase of Honaker's residence could not have been made.

The $225,000.00 loan from Dominion Bank was repaid, in part, on August 30, 1989, with check number 2404 drawn on Dominion Bank checking account number 09-23144580 for $97,974.75. Sufficient funds were available in the account to pay the $97,974.75 due to the prior deposit of funds from the various governmental authorities, namely a $71,555.00 check from the Government of District of Columbia on June 6, 1989. Without the funds from the various governmental authorities this payment could not have been made. Also, on August 30, 1989, a certificate of deposit, that had been acquired in 1988 with funds attributable to the various governmental authorities, was redeemed and deposited to Dominion Bank checking account number 09-23144580.

Finally, concerning monies deposited August 30, 1989, check

number 1999 dated September 8, 1987, and check number 2407 dated August 30, 1989, both are in the amount of $3,300.00 and both are annual premium payments on Equitable Variable Life Insurance policy number 36213366. Check number 2540 dated April 12, 1990, in the amount of $15,770.00 represents partial repayment of a loan drawn against the net cash surrender value of policy number 36213366. The loan, which totalled $30,745.00, was deposited in Dominion Bank checking account number 09-23144580 on August 30, 1989.

Other payments on the $225,000.00 loan from Dominion Bank occurred on July 27, 1989, with check number 2379 for $6,067.70 and on October 23, 1989, with check number 2444 for $18,357.32. Both of these checks were drawn on Dominion Bank checking account number 09-23144580.

Check number 2014 dated October 15, 1987, in the amount of $9,000.00 and drawn on Dominion Bank checking account number 09-23144580 is traceable to the purchase of a 1987 Chevrolet pick-up truck VIN 1GCCT14R8H2157925.

Check number 2399 dated August 19, 1989, in the amount of $8,982.00 and drawn on Dominion Bank checking account number 09-23144580 is traceable to the purchase of a 1989 Toyota two-door sedan VIN JT2MA70L3K0120050. The vehicle traded-in to acquire the 1989 Toyota, a 1987 Chevrolet Camero, was acquired with funds traceable to Dominion Bank checking account number 09-23144580.

Check number 2623 dated October 9, 1990, in the amount of $8,000.00 drawn on Dominion Bank checking account number 09-23144580 is traceable to the purchase of a 1991 Ford Explorer four-

door utility vehicle VIN 1FMDU34X0MUB49713. The vehicle traded-in to acquire the 1991 Ford, a 1988 Lincoln Continental, was acquired with funds traceable to Dominion Bank checking account number 09-23144580.

Investigation has established that MARSHALL HONAKER purchased a gold coin collection from the United States Mint with funds from the diversion bank account. The following is a summary of payments made to the United States Mint from Dominion Bank checking account number 09-23144580:

Date	Check No.	Amount
07-28-87	1978	$1,150.00
08-31-88	2136	$1,088.00
04-21-89	2305	$22.00
07-28-89	2382	$3,886.00
08-24-90	2603	$2,044.00
		$8,190.00

Investigation has also established that MARSHALL HONAKER purchased a number of items of jewelry from Rustic Jewelers in Bristol, Virginia. The following is a summary of payments made to Rustic Jewelers from Dominion Bank checking account number 09-2314458:

Date	Check No.	Amount
05-01-87	1944	$130.63
08-24-87	1991	$242.40
01-28-88	2050	$226.33
12-14-88	2207	$404.60
12-20-88	2218	$46.60
08-24-90	2605	$329.34
03-08-91	2681	$320.02
		$1,699.92

Based on an analysis of financial records secured during this investigation, your affiant has determined that currency generated by known legitimate sources was insufficient to fully account for the $63,881.00 in currency found in HONAKER's Sheriff's Department office. $60,000.00 of this currency was packaged in six bank envelopes of $10,000.00 apiece. Each envelope in turn contained ten bundles of $1,000.00 and each $1,000.00 bundle consisted of ten $100.00 bills. A portion of these bundles reflected date stampings of when the cash was dispersed by the bank.

There are several cash withdrawals from Dominion Bank checking account number 09-23144580 starting in 1988. Bank stampings of dates on the following $1,000.00 bundles coincide with the dates of cash withdrawals from Dominion Bank checking account number 09-23144580.

1. On September 26, 1988 check number 2156 for $2,500.00 was cashed at Sovran Bank. $2,000.00 of the currency found in HONAKER's desk was packaged with a Sovran Bank stamping date of September 26, 1988.

2. On October 31, 1989 check number 2447 for $5,000.00 was deposited to the re-election campaign fund of HONAKER. On November 30, 1989, three checks from this fund totalling $4,500.00 were cashed. $2,000.00 of the currency found in HONAKER's desk was packaged with a Dominion Bank stamping date of December 1, 1989.

3. On January 28, 1991, check number 2670 for $5,988.00 was cashed at Dominion Bank. $4,000.00 of the currency found in HONAKER's desk was packaged with a Dominion Bank stamping date of January 28, 1991, $1,000.00 with a date of January 27, 1991, and $1,000.00 with a date of January 25, 1991.

The dates on wrapped currency and other records found in HONAKER's office reflect that at least a portion of the currency was accumulated and hoarded over a period of years. Also, a sworn

statement to the state auditor of public accounts stated there was no cash on hand at the Sheriff's department from 6-30-85 through 6-30-91.

NEXUS OF RECORDS TO CRIMINAL VIOLATIONS

The above records indicate that HONAKER did, in fact, divert and misapply Federal funds payable to the City of Bristol, in violation of Title 18, United States Code, Section 666. These records further indicate that there was, in fact, a scheme to defraud the City of Bristol of funds paid for the housing of Federal prisoners and that the mails were used in the scheme's execution, in violation of Title 18, United States Code, Section 1341.

The above records indicate that the monies diverted from the City of Bristol were not reflected on HONAKER's Federal Income Tax returns, in violation of Title 26, United States Code, Section 7201 and Title 26, United States Code, Section 7206(1). The above records further indicate that these diverted monies were, in fact, derived from a specified unlawful activity. HONAKER conducted monetary transactions with these diverted monies in violation of Title 18, United States Code, Section 1957(a) and financial transactions with the intent to evade his income taxes, in violation of Section 1956(a)(1)(A)(ii).

Based on the above, your affiant has determined that HONAKER diverted funds paid by various federal and state government entities in amounts in excess of the fair market value of those properties listed as items (a) through (j) in the list of assets.

These monies were used to purchase a substantial interest in HONAKER'S residence, his vehicles and multiple other items of personal property and intangible items such as college tuition fees, political contributions, personal travel and credit card bills. Your affiant has determined that monies in the amount of $140,000.00 shall be tendered by the Estate of MARSHALL HONAKER as a substitute res for forfeiture by the United States in lieu of forfeitable property that has been commingled with property not subject to forfeiture, or property that has been dissipated or disposed of prior to the initiation of this investigation.

CONCLUSION

Based on the above, your affiant has probable cause to believe that the ten (10) items of property listed on page four of this affidavit are forfeitable to the United States pursuant to Title 18, United States Code, Section 981.

I declare under penalties of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Jack Bumgardner
Special Agent
IRS-CID

CLERK'S OFFICE
U.S. DIST. COURT
AT ROANOKE, VA
FILED
92 JUN -8 PM 2:24
JOYCE F. WITT, CLERK
BY: R Colla
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

UNITED STATES OF AMERICA Plaintiff	:	NOTICE OF FORFEITURE in rem
v.	:	
Certain Assets of the Estate of Marshall E. Honaker	:	Civil Action No. 92-0080-A
Defendants	:	

TO: Brenda Honaker
7 Woodland Drive
Bristol, Virginia

G. Nelson Mackey, Jr., Esq.
Counsel for Brenda Honaker
P.O. Box 1371
Roanoke, VA 24007

Walt Bressler, Esq.
Counsel for City of Bristol
Bressler, Curcio & Stout
P.O. Box 1478
Bristol, VA 24203

Notice is hereby given that on June 8, 1992, the United States of America filed an action pursuant to 18 U.S.C. § 981(a)(1)(A), for the forfeiture of the defendant properties, which were seized from the possession of Marshal and/or Brenda Honaker. Any person having or claiming an interest to this property must file a claim pursuant to Rule C of the Supplemental Rules of Certain Admiralty and Maritime Claims, within ten (10) days of receipt by certified mail of this notice of forfeiture, or within ten (10) days from the date of publication of this Notice, and must serve and file his answer to the Complaint for Forfeiture in Rem within twenty (20) days after the filing of the claim. All such claims and answers

must be filed with the Office of the Clerk, United States District Court, P.O. Box 398, Abingdon, Virginia 24210, with a copy thereof to the undersigned Assistant United States Attorney. The claim shall be verified on oath or solemn affirmation, and shall state the interest in the property by virtue of which the claimant demands its restitution and the right to defend the action. Copies of all pleadings shall be served on the undersigned counsel for plaintiff. Additional procedures and regulations regarding this forfeiture action are found at 19 U.S.C. §§ 1602-1619, and Title 21, Code of Federal Regulations (C.F.R.), Sections 1316.71-1316.81. All persons and entities who have an interest in the defendant property may, in addition to filing a claim or in lieu of the filing of a claim, submit a Petition for Remission or Mitigation of the forfeiture for a non-judicial determination of this action pursuant to 28 C.F.R. Part 9.

Failure to file a claim and answer within the prescribed time limits may result in default and forfeiture of the defendant to the United States. Copies of the Complaint for Forfeiture in Rem and Warrant of Seizure and Arrest in rem are attached for your reference.

United States Attorney

Kenneth M. Sorenson
Assistant United States Attorney
P.O. Box 1709
Roanoke, VA 24008
703-982-6250

FD-634 (Rev. 5-15-87)

AIR

Date: 9/9/92

FEDERAL BUREAU OF INVESTIGATION
Forfeiture/Seized Property

To: Director, FBI

From: SAC, RICHMOND (46A-RH-40962 Sub F-1) -C-

Attention: Administrative Services Division/PPMS
Forfeiture/Seized Property Group

Subject: 3710-92-S-0164 thru -
3710-92-S-0174; MARSHALL E. HONAKER, (DECEASED) SUA, OO: RH
(Seizure#, Case Title, Violation)

Entry (Check one)
- ☐ New Case
- ☒ Change or Add

- ☐ FD-635 Record Of Seized Property
- ☐ FD-302
- ☐ Quick Release
- ☐ Indemnity Agreement
- ☐ Final Decree
- ☐ Receipt For Transfer/Disposition Of Funds/Property
- ☐ Newspaper Clippings
- ☐ Lab Reports
- ☐ Police Reports
- ☐ Invoices
- ☐ Title Documentation
- ☐ Appraisal Report
- ☒ Warrant Of Arrest In Rem
- ☐ Complaint For Forfeiture
- ☐ Search Warrant
- ☐ Affidavit
- ☐ Seizure Warrant
- ☐ Plea Agreement
- ☐ Sharing Request Attached ☐ DAG 71 ☐ DAG 72
- ☐ Petition
- ☐ Claim & Cost Bond
- ☐ Petition Investigation
- ☐ Civil Forfeiture Report
- ☐ Order Appointing Substitute Custodian

XXX ☐ Other Subsequent Materials

Complaint for Forfeiture in rem
Notice of Forfeiture in rem

This was a joint case with IRS and the FD-635s being submitted fo "Stats" only.

46-RH-40962-102

2 - Bureau (Enc. 13)
(2) - Richmond (1- 46A-RH-40962 Sub F-1) (1- 46A-RH-40962)
MRS/mrs
(4)

b7C

SEARCHED
SERIALIZED
INDEXED
FILED

FD-635 (Rev. 5-15-87)

[redacted]ord of Seized Property

Federal Bureau of Investigation

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Code
370-92-5-0164			Sub F-1 HQA-LH-40962	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
9/4/92	MARSHALL E. HONAKER, (DECEASED)	C	J	H

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use
IRS	$ 300,000	☐ Yes ☒ No

16. Forfeiture Deferred	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified
☐ Yes ☒ No		

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	Homestead

b7C

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date
[redacted]	4	☐ Yes ☒ No

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name	48. Street Address	49. City	50. State	51. ZIP
ESTATE OF MARSHALL E. HONAKER	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP
				b7C

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP
[redacted]				

FBI/DOJ

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 18 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
		118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]cord of Seized Property

Federal Bureau of Investigatic

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Co
3710-92-5-0165		1	Sub F-2 46A-RH-40962	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
9/4/92	MARSHALL E. HONAKER, (DECEASED)	C	J	C

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use ☐ Yes ☒ No
IRS	$63,581.00	

16. Forfeiture Deferred ☐ Yes ☑ No	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	U.S Currency

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date ☐ Yes ☒ No
[redacted]	4	

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

b7C

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name ESTATE OF MARSHALL E. HONAKER	48. Street Address 7 WOODLAND DR.	49. City BRISTOL	50. State VA	51. ZIP 24201
52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 18 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	9/7/52	118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]cord of Seized Property

Federal Bureau of Investigatic

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Co
370-92-5-0166		1	SABF-3 46A-LR-40962	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
9/4/92	MARSHALL E. HONAKER, (DECEASED)	C	J	V

12. Joint Agency

IRS-FBI

13. Processing Agency	14. Appraised Value	15. Official Use ☐ Yes ☒ No
	$ 18,600	

16. Forfeiture Deferred ☐ Yes ☒ No	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color
1FMDU34X0MUB49713	1991	Ford		Pick up	

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date ☐ Yes ☒ No
[redacted]	4	

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/18/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

b7C

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name ESTATE OF MARSHALL E. HONAKER	48. Street Address	49. City	50. State	51. ZIP
	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation: 8 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	9/1/82	118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]cord of Seized Property [redacted]

Federal Bureau of Investigatio

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Violation Code	6. Secondary Violation Cod
370-92-5-0167		1	Sub F-4 HQA-RH-40962	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
9/4/92	MARSHALL E. HOMAKER, (DECEASED)	C	J	V

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use
IRS	$13,500	☐ Yes ☒ No

16. Forfeiture Deferred	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified
☐ Yes ☒ No		

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color
JT2MA70L3K0120850	1989	TOYOTA		3DR	

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories
			469/VA/93	

31. Repairs Needed	32. Description of Other Property

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date
[redacted]	4	☐ Yes ☒ No

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

b7C

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name	48. Street Address	49. City	50. State	51. ZIP
ESTATE OF MARSHALL E. HOMAKER	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP
[redacted]				

FBI/DOJ

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 18 USC -981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	9/7/92	118. Award Recommended

FD-635 (Rev. 5-15-87)

Record of Seized Property

Federal Bureau of Investigatic

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Co
3710-92-5-0168			SabF-5 46A-RH-40962	E	

7. Date 635 Prepared	8. Case Caption
9/4/92	MARSHALL E. HONAKER, (DECEASED)

9. Associated Action Code	10. Administrative or Judicial	11. Property Code
C	J	✓

12. Joint Agency

IRS-FBI

13. Processing Agency	14. Appraised Value	15. Official Use ☐ Yes ☑ No
IRS	$6,500	

16. Forfeiture Deferred ☐ Yes ☑ No	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color
1GCCT14R8H215 7925	1987	Chev		Pickup	

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories
			PCL-976/VA/93	

31. Repairs Needed	32. Description of Other Property

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date ☐ Yes ☑ No
[redacted]	4	

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

b7C

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name	48. Street Address	49. City	50. State	51. ZIP
ESTATE OF MARSHALL E. HONAKER	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP
[redacted]				

FBI/DO

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 18 USC - 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	9/2/92	118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]cord of Seized Property [redacted]

Federal Bureau of Investigatio

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Cod
3710-92-5-0169		1	SubF-4 HQA-LH-40962	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
9/4/92	MARSHALL E. HONAKER, (DECEASED)	C	J	C.

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use ☐ Yes ☑ No
IRS	$ 8,190.00	

16. Forfeiture Deferred ☐ Yes ☑ No	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	Gold Coin Collection

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date ☐ Yes ☑ No
[redacted]	4	

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name	48. Street Address	49. City	50. State	51. ZIP
ESTATE OF MARSHALL E. HONAKER	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP

b7C

FBI/DOJ

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 18 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	5/1/92	118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]cord of Seized Property

Federal Bureau of Investigatio

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Coc
3710-92-5-0170		1	Sub F-1 HGA-RH-40962	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
9/4/92	MARSHALL E. HONAKER, (DECEASED)	C	J	J

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use ☐ Yes ☒ No
IRS	$ 1699.92	

16. Forfeiture Deferred ☐ Yes ☑ No	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	Jewelry

b7C

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date ☐ Yes ☒ No
[redacted]	4	

36. Date Seized	37. [illegible]eized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name ESTATE OF MARSHALL E. HONAKER	48. Street Address	49. City	50. State	51. ZIP
	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

b7C

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 15 USC 951

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	9/7/52	118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]cord of Seized Property

Federal Bureau of Investigatic

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Co
370-92-5-0171		1	SabF-3 HGA-LA-40962	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
	MARSHALL E. HONAKER, (DECEASED)	C	J	C

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use ☐ Yes ☒ No
IRS	$12,347.79	

16. Forfeiture Deferred ☐ Yes ☒ No	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	CD

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date ☐ Yes ☒ No
[redacted]	4	

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

b7C

47. Seized From - Name	48. Street Address	49. City	50. State	51. ZIP
ESTATE OF MARSHALL E. HONAKER	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 18 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	1/7/52	118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]ecord of Seized Property[redacted]

Federal Bureau of Investigatio

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Co
3710-92-5-0172		1	SabF-9 46A-RH-40962	E	

7. Date 635 Prepared	8. Case Caption
9/4/92	MARSHALL E. HONAKER, (DECEASED)

9. Associated Action Code	10. Administrative or Judicial	11. Property Code
C	J	C

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use
IRS	$12,347.79	☐ Yes ☒ No

16. Forfeiture Deferred	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified
☐ Yes ☒ No		

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	CD

b7C

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date
[redacted]	4	☐ Yes ☒ No

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name	48. Street Address	49. City	50. State	51. ZIP
ESTATE OF MARSHALL E. HONAKER	7 WOODLAND DR.	BRISTOL	VA	24201

b7C

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP
[redacted]				

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation 18 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	5/7/12	118. Award Recommended

FD-635 (Rev. 5-15-87)

Record of Seized Property

Federal Bureau of Investigatic

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Co
3710-92-5-0173		1	Sabi-10 46A-RH-40962	E	

7. Date 635 Prepared	8. Case Caption
9/4/92	MARSHALL E. HONAKER, (DECEASED)

9. Associated Action Code	10. Administrative or Judicial	11. Property Code
C	J	C

12. Joint Agency

IRS-FBI

13. Processing Agency	14. Appraised Value	15. Official Use
IRS	$6,755.32	☐ Yes ☒ No

16. Forfeiture Deferred	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified
☐ Yes ☒ No		

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	U.S. Currency

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date
[redacted]	4	☐ Yes ☒ No

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

b7C

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

47. Seized From - Name	48. Street Address	49. City	50. State	51. ZIP
ESTATE OF MARSHALL E. HONAKER	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP
[redacted]				

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation

6 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	11/92	118. Award Recommended

FD-635 (Rev. 5-15-87)

[redacted]cord of Seized Property

Federal Bureau of Investigatic

1. Seizure Number	2. Seizure Office File Number	3. Office of Origin	4. 00 File Number	5. Primary Violation Code	6. Secondary Violation Co
310-92-5-0174		1	46A-LH-40962 Sub F-11	E	

7. Date 635 Prepared	8. Case Caption	9. Associated Action Code	10. Administrative or Judicial	11. Property Code
9/4/92	MARSHALL E. HONAKER, (DECEASED)	C	J	C

12. Joint Agency

IRS - FBI

13. Processing Agency	14. Appraised Value	15. Official Use ☐ Yes ☒ No
IRS	$140,000.	

16. Forfeiture Deferred ☐ Yes ☑ No	17. Date Claimant Notified of Disposition	18. Date U.S. Marshals Notified

19. Agency

20. VIN/Serial Number	21. Year	22. Make	23. Model	24. Style	25. Color

26. Condition Code	27. Cylinders	28. Mileage	29. License Number/ State/Year	30. Equipment/Accessories

31. Repairs Needed	32. Description of Other Property
	U.S Currency

33. Case Agent	34. Seizure Method	35. Subject in Custody/Date ☐ Yes ☒ No
[redacted]	4	

36. Date Seized	37. Place Seized - Street Address	38. City	39. State	40. ZIP
6/8/92		BRISTOL	VA	24201

41. Date Adopted	42. Agency

43. Place Adopted - Street Address	44. City	45. State	46. ZIP

b7C

47. Seized From - Name ESTATE OF	48. Street Address	49. City	50. State	51. ZIP
MARSHALL E. HONAKER	7 WOODLAND DR.	BRISTOL	VA	24201

52. Registered To - Name	53. Street Address	54. City	55. State	56. ZIP

57. Attorney's Name	58. Street Address	59. City	60. State	61. ZIP

FBI/DO

62. Amount of Lien	63. Name/Title of Lienor			
64. Street Address		65. City	66. State	67. ZIP
68. Quick Release	69. Expenses Reimbursed		70. Name/Title	
71. Street Address		72. City	73. State	74. ZIP

75. Storage Facility	76. Street Address	77. City	78. State	79. ZIP	80. Date Stored

81. Seizure Expense	82. Transportation Expense	83. Storage Expense Per Day	84. Repair Expense	85. Appraisal Expense

86. Name/ID Number of Prisoner	87. Name of Institution		
88. Street Address	89. City	90. State	91. ZIP
92. Name/ID Number of Prisoner	93. Name of Institution		
94. Street Address	95. City	96. State	97. ZIP
98. Name/ID Number of Prisoner	99. Name of Institution		
100. Street Address	101. City	102. State	103. ZIP

104. Name of Additional Individual Requiring Notice	105. Street Address	106. City	107. State	108. ZIP
109. Name of Additional Individual Requiring Notice	110. Street Address	111. City	112. State	113. ZIP

114. Facts and Circumstances Surrounding Seizure Attached With Documentation

18 USC 981

b7C

115. FA Signature	116. PLA Signature/Date	117. Sharing ☐ Yes ☐ No
	9/7/12	118. Award Recommended

UNITED STATES ATTORNEY
WESTERN DISTRICT OF VIRGINIA
P.O. BOX 1709
ROANOKE, VIRGINIA 24008

TELEPHONE: 703/982-6250 (COMM)
937-6250 (FTS)

TELEFAX: [redacted] (COMM)
(FTS)

b2

MEMORANDUM

DATE: June 10, 1992

TO: U.S. Department of Justice
ATTN: [redacted]
Asset Forfeiture Office
P.O. Box 27322
Washington, D.C. 20038

b7C

FM: [redacted]

RE: U.S. v. Certain Assets of Marshall E. Honaker
Civil Action No. 92-0080-A
IRS # 54 92 01 30
FBI # (no number assigned)

Enclosures: Complaint for Forfeiture in rem filed June 8, 1992
Warrant of Arrest in rem
Notice of Forfeiture in rem

cc: IRS, Roanoke
FBI, Richmond

SERIALIZED INDEXED
FILED
AUG 26 1992
FBI — RICHMOND

CLERK'S OFFICE
U.S. DIST. COURT
ABINGDON, VA.
FILED
for ABINGDON
92 JUN -8 PM 2:20
JOYCE F. WITT, CLERK
BY: R Collins
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

UNITED STATES OF AMERICA Plaintiff	:	WARRANT OF SEIZURE AND ARREST in rem
v.	:	
Certain Assets of the Estate of Marshall E. Honaker	:	Civil Action No. 92-0080-A
Defendants	:	

TO: THE UNITED STATES MARSHAL AND/OR DESIGNEE

WHEREAS, a verified complaint of forfeiture was filed on June 8th, 1992, in the United States District Court for the Western District of Virginia, against:

(a) real property and premises located at 7 Woodland Drive, Bristol, Virginia, with all appurtenances and improvements thereon, more specifically described as follows:

> Lots No. 14, 15, and 16, in Block 27, as shown by plat designated "Replat of Blocks 14, 15, 16, 17 and parts of blocks 12, 13, and 18, Plat 4, Virginia Heights and 18.73 acre tract subdivided", dated September 6, 1946, and of record in the Clerk's Office of the Circuit Court of the City of Bristol, Virginia, in Plat Book 1A, page 64, and more particularly shown by resurvey thereof of Frank T. Holbrook, dated October 23, 1989, a copy of which is attached hereto and made a part hereof and described according to said survey as follows:
>
> BEGINNING at an iron pin in the line of Woodland Drive, corner to Lot 16; thence with the northerly line of said Woodland Drive S 56 16 W 118.97 feet to an iron pin; N 76 15 W 178.67 feet to an iron pin; thence with a curve to the right of said drive in an northwesterly direction a distance of 112.82 feet to an iron pin, the radius of said curve being 167.10 feet; thence N 37 34 W 89.77 feet to an iron pin; thence N 37 34 W 91.32 feet to an iron pin in the line of Lots 13 and 14; thence with the division line of said lots N 13 45 E 231.47 feet to an iron pin; thence S 75 05 E 356.68 feet to an iron pin and S 60 37 E 100 feet to an iron pin; thence with the

division line of Lots 16 and 17, S 29 10 W 140.0 feet to an iron pin and S 22 18 E 152.16 feet to the point of BEGINNING;

BEING the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

alleging said property was involved in a series of transactions in violation of 18 U.S.C. §1956(a)(1)(B)(i) and 18 U.S.C. §666 (a)(1)(A)(ii) and are, therefore, subject to seizure and forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1).

And, the Court being satisfied that based on the sworn affidavit of Special Agent Jack Baumgardner, of the Internal Revenue Service, there is probable cause to believe that the real and personal property so described was involved in a series of transactions in violation of Title 18 U.S.C. §981(a)(1)(A), and

that grounds for application for issuance of a seizure warrant exist, title having vested in the United States by operation of law;

YOU ARE, THEREFORE, HEREBY COMMANDED to arrest and seize said property, both real and personal, and with regard to the real estate, arrest and seize all improvements, buildings, structures, fixtures, furnishings and appurtenances permanently attached thereto, entering said property for the purpose of determining the physical condition of the property at the time of the seizure, and to maintain custody of said property as provided by 19 U.S.C. § 1605 until further order of this Court respecting the same. The United States Marshals Service shall use its discretion and whatever means appropriate to protect and maintain said defendant property.

YOU ARE FURTHER COMMANDED TO ENTER onto the real property for the limited purpose of ensuring that the asset is in a safe and inhabitable condition. This entry and inspection will be strictly limited to a check for exposed wires, leaking roofs, broken windows, or any other condition that if not corrected could damage or reduce the value of the asset during the pendency of any forfeiture proceedings. You are commended to make a record of the condition of the interior and exterior of the real property using any practicable method such as videotape recording and still photographs.

YOU ARE FURTHER COMMANDED TO POST upon said real property in an open and visible manner notice of such seizure at the time thereof, making the government's seizure open and notorious;

AND FURTHER TO SERVE upon the record owner thereof a copy of this warrant in a manner consistent with the principles of service of process of an action in rem under the Supplemental Rules For Certain Admiralty and Maritime Claims, Federal Rules of Civil Procedure, within a reasonable time of seizure;

If removal of the contents of the property is necessary, a bonded moving and storage company is to inventory, pack, remove, and store all contents. The United States Marshal shall have at his discretion the authority to dispose of, by any means available, perishable, contaminated, flammable, explosive, or violable items. An inventory will be kept as to those items and the method of disposal.

AND UPON APPLICATION of the plaintiff, United States of America, and pursuant to the All Writs Act, 28 U.S.C. § 1651(a), the Court shall issue any order necessary to effectuate and prevent the frustration of the execution of this warrant;

It is further ORDERED that the owners and occupants of the defendant property not make any changes or improvements whatsoever to said property without the written consent of the United States Marshal.

If the property seized is vacant, or becomes vacant, the United States Marshal, or any of his agents, shall, in addition to an inspection, secure the premises.

When the seizure of the real estate property includes the contents, the occupants will be given the opportunity to remove from the location all of their personal belongings. A Deputy United States Marshal will accompany the occupants during the

collection and packing of these belongings to ensure that only personal articles are removed from the location and to provide security for government agents and other seized assets. After the identification, collection, and removal of the personal belongings by the occupants, the occupants shall depart the location pursuant to the Order to Vacate.

The United States Marshals Service, or any of its authorized agents or designees, shall have at its discretion the authority to rent/lease any vacant seized properties. Continued vacancy may result in deterioration and a diminished value to said property. The rental or leasing shall help assure any claimants and the United States Marshals Service that the property's value and integrity shall be maintained in at least the same condition as existed at the time of seizure.

YOU ARE FURTHER ORDERED to reenter the property on a periodic basis for the purpose of conducting inspections of the dwelling and surrounding property to ensure proper maintenance and security.

All persons claiming an interest in said property shall file their claims within ten (10) days after the execution of the Warrant or notice of this seizure, whichever occurs first, pursuant to Rule C of the Supplemental Rules for Certain Admiralty and Maritime Claims, and shall serve and file their answers within twenty (20) days after the filing of the claim with the Office of the Clerk, United States District Court, P.O. Box 398, Abingdon, Virginia 24210, with a copy thereof sent to Assistant United States Attorney Kenneth M. Sorenson.

Additional procedures and regulations regarding this

forfeiture action are found at 19 U.S.C. §§ 1602-1619, and Title 21, Code of Federal Regulations (C.F.R.), Sections 1316.71-1316.81. All persons and entities who have an interest in the defendant property may, in addition to filing a claim or in lieu of the filing of a claim, submit a Petition for Remission or Mitigation of the forfeiture for a non-judicial determination of this action pursuant to 28 C.F.R. Part 9.

The United States Marshal, at his discretion, shall be accompanied by federal, state, or local law enforcement officers to assist him in the execution of this Warrant.

A RETURN of this warrant shall be promptly made to the Court identifying the individuals upon whom copies were served and the manner employed.

ENTERED THIS 8th DAY OF ~~MARCH~~ June, 1992.

UNITED STATES DISTRICT JUDGE

A TRUE COPY, TESTE:
JOYCE F. WITT, CLERK
BY: R Collins
DEPUTY CLERK

CLERK'S OFFICE
U.S. DIST. COURT
AT ROANOKE, VA
FILED
for ABINGDON
92 JUN -8 PM 2:20
JOYCE F. WHITE, CLERK
BY: R Collie
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

UNITED STATES OF AMERICA Plaintiff	:	VERIFIED COMPLAINT FOR FORFEITURE in rem
v.	:	
Certain Assets of the Estate of Marshall E. Honaker	:	Civil Action No. 92-0080-A
Defendants	:	

Comes now the United States of America, by and through Kenneth M. Sorenson, Assistant United States Attorney for the Western District of Virginia, and respectfully states as follows:

1. This is a civil action in rem brought to enforce the provisions of 18 U.S.C. § 981(a)(1)(A) for the forfeiture of real and personal property which was involved in a series of transactions in violation of 18 U.S.C. §1956(a)(1)(B)(i) and 18 U.S.C. §666(a)(1)(A)(ii), or which is traceable to such property.

2. This Court has jurisdiction over this matter by virtue of 28 U.S.C. §§ 1345 and 1355.

3. The defendant properties which are the subject of this proceeding are:

> (a) real property located at 7 Woodland Drive, Bristol, Virginia, and any and all appurtenances thereto, more particularly described as follows:
>
> Lots No. 14, 15, and 16, in Block 27, as shown by plat designated "Replat of Blocks 14, 15, 16, 17 and parts of blocks 12, 13, and 18, Plat 4, Virginia Heights and 18.73 acre tract subdivided", dated September 6, 1946, and of record in the Clerk's Office of the Circuit Court of the City of Bristol, Virginia, in Plat Book 1A, page 64, and more particularly shown by resurvey thereof of Frank T. Holbrook, dated October 23, 1989, a copy of which is attached hereto and made a part hereof and

described according to said survey as follows:

BEGINNING at an iron pin in the line of Woodland Drive, corner to Lot 16; thence with the northerly line of said Woodland Drive S 56 16 W 118.97 feet to an iron pin; N 76 15 W 178.67 feet to an iron pin; thence with a curve to the right of said drive in an northwesterly direction a distance of 112.82 feet to an iron pin, the radius of said curve being 167.10 feet; thence N 37 34 W 89.77 feet to an iron pin; thence N 37 34 W 91.32 feet to an iron pin in the line of Lots 13 and 14; thence with the division line of said lots N 13 45 E 231.47 feet to an iron pin; thence S 75 05 E 356.68 feet to an iron pin and S 60 37 E 100 feet to an iron pin; thence with the division line of Lots 16 and 17, S 29 10 W 140.0 feet to an iron pin and S 22 18 E 152.16 feet to the point of BEGINNING;

BEING the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

4. All properties listed in subparagraphs 3(a) through 3(k) are located in the Western Judicial District of Virginia.

5. The facts and circumstances supporting the seizure and forfeiture of the defendant real and personal properties are

contained in the affidavit of Special Agent Jack Baumgardner of the Internal Revenue Service which is appended hereto as Attachment A and fully incorporated herein by reference.

6. The defendant real and personal properties described in subparagraphs 3(a) through 3(k) were involved in a series of transactions in violation of 18 U.S.C. §1956(a)(1)(B)(i) and 18 U.S.C. §666(a)(1)(A)(ii), or are traceable to such property, or have been commingled with and/or indirectly derived from such forfeitable properties, and are subject to forfeiture to the United States pursuant to the provisions of 18 U.S.C. §981(a)(1)(A).

WHEREFORE, the United States of America prays that a warrant for arrest in rem and seizure issue for the property enumerated in subparagraphs 3(a) through 3(k); that due notice be given to all parties to appear and show cause why the forfeiture should not be decreed; that judgment be entered declaring each item of listed property to be condemned and forfeited to the United States of America for disposition according to law; and that the United States of America be granted such other and further relief as this Court may deem just and proper, together with the costs and disbursements of this action.

Respectfully submitted,

E. MONTGOMERY TUCKER
United States Attorney

Kenneth M. Sorenson
Assistant United States Attorney

DECLARATION

I am a Special Agent of the Internal Revenue Service, one of the agents assigned the responsibility for this case. I have read the contents of the foregoing complaint for forfeiture, and the attachments thereto, and the statements contained therein are true to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 5th day of June, 1992.

Jack Baumgardner
Special Agent

AFFIDAVIT

Your affiant, Jack Bumgardner, is a Special Agent with the Internal Revenue Service, Criminal Investigation Division, and has been employed in this capacity since September 1987. From January 1983 to September 1987, your affiant was employed with the Internal Revenue Service's Examination Division as an Internal Revenue Agent. Your affiant's responsibilities include the investigation of possible criminal violations of the Internal Revenue laws (Title 26, United States Code), the Foreign Bank Secrecy Act (Title 31, United States Code), the Money Laundering Control Act (Title 18, United States Code), and related offenses.

Your affiant has personally conducted or assisted in the conducting of over 25 investigations of alleged criminal violations of the Internal Revenue laws. These investigations involved the computations of various individual's taxable incomes and tax liabilities using the specific item method of proof and indirect methods of proof such as net worth computations.

Your affiant has participated in Title 31, Currency Reporting investigations, Title 18, Money Laundering investigations, and other grand jury investigations, working in concert with the Drug Enforcement Administration; the Bureau of Alcohol, Tobacco, and Firearms; the Federal Bureau of Investigation; the United States Customs Service; and the United States Attorney's office for the Western Judicial District of Virginia.

Your affiant has attended various in-service training seminars which have concentrated on the tracing of currency flows from both

legal enterprises and illegal enterprises (i.e. money laundering for narcotics organizations) and the structuring of financial transactions.

Your affiant has participated in the execution of six search and/or seizure warrants. The warrants covered the search of locations ranging from bank safe deposit boxes, residences of targets and their associates, and business offices of targets. Materials searched for and recovered at these locations included records identifying illegal activities; names and addresses of individuals participating therein; and documentation of transactions relating to the receipt and disposition of funds from the illegal activities.

Since May 1991 your affiant has been involved in the investigation of MARSHALL E. HONAKER. HONAKER came to the attention of law enforcement officers due to a recent material increase in personal wealth that was not explained by known legal sources of income. Through the analysis of financial records this wealth increase has been directly attributed to HONAKER's diversion to a personal checking account of numerous checks payable to the Bristol Virginia Sheriff's Department. On January 10, 1992, your affiant participated in the execution of six search and seizure warrants concerning this investigation. This execution resulted in the seizure of assets more particularly described in this affidavit.

Unless otherwise stated, the information contained in this affidavit is either personally known to your affiant or has been provided to your affiant by other law enforcement officers with

personal knowledge and/or corroborated by a review of various documents more particularly described herein.

Based on facts described below your affiant has probable cause to believe that the following property is subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981. This property is as follows:

(a) real property located at 7 Woodland Drive, Bristol, Virginia, being the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.00.

AFFIANT'S BASIS FOR BELIEF

From his initially taking the office of sheriff in 1973 to January 10, 1992, MARSHALL E. HONAKER had operational responsibility for the Bristol, Virginia Sheriff's department, and

was a constitutional officer of the Commonwealth of Virginia. As a constitutional officer HONAKER was paid a salary in exchange for the discharge of his duties and fiduciary responsibilities. The Sheriff's department is a department of the City of Bristol, Virginia, and as such all funding and all expenditures are governed by a process that involves budgets, oversight, and checks and balances to ensure that public monies are properly managed.

My investigation has revealed that the Sheriff's department controls the operation of the Bristol City Jail, which is one of the largest Federally accredited prisoner holding facilities in Southwestern Virginia. In addition to receiving traditional funding from the City of Bristol and the State of Virginia, the Sheriff's department has entered into contractual agreements with various governmental authorities for the keeping of prisoners on a per prisoner per day basis. The monies paid on these contracts are the property of the Sheriff's department and ultimately belong to the City of Bristol. According to a newspaper interview in March of 1990 with HONAKER, these contract prisoners have become such a substantial source of revenue to the Sheriff's department that it has been able to reimburse the City of Bristol for its share of the costs to operate the Sheriff's department for the past two fiscal years. This situation has made it possible for HONAKER to claim that the Sheriff's department is the only department in the history of the city to be self-sufficient. The most lucrative contract the Sheriff's department has is with the Government of District of Columbia which pays the department $55.00 per prisoner per day

while it costs the department only about $6.00 per prisoner per day to care for them.

SUMMARY OF FACTS

The U.S. Marshals Service is an agency of the Federal Government authorized to house and support Federal prisoners. George Sterling, Chief Deputy U.S. Marshal in Roanoke, Virginia, stated that on a monthly basis the Bristol City Jail, while under the direction and control of MARSHAL HONAKER, mailed to his office a summary invoice that reflected the total number of days that Federal prisoners have been detained. This summary invoice is verified by comparing it to internally generated summaries. A check is prepared based upon the summary and is mailed with an enclosed voucher cover sheet to the Bristol City Jail. Sterling further stated that these payments did, in fact, represent Federal funds and that Sheriff MARSHALL HONAKER has been the Bristol City Jail's authorized representative concerning the inter-governmental agreements that govern these payments. Records obtained from the U.S. Marshals Service reflect that for virtually every month from October 1985 to September 1991 payments have been made to the Bristol City Jail.

A large portion of the payments for the period June 1987 through March 1991 have been traced to being deposited into Dominion Bank checking account number 09-23144580. The checks deposited to Dominion National Bank account number 09-23144580 reflect only the endorsement of the Sheriff's office, while the checks not deposited to Dominion National Bank account number

09-23144580 reflect the endorsement of the Sheriff's office and the Treasurer of the City of Bristol.

Dominion Bank checking account number 09-23144580 has been in existence since at least January 1986. As of January 14, 1986, this account was non-interest bearing and listed in the name of MARSHALL HONAKER. As of September 16, 1986, the account began being listed in the name of MARSHALL HONAKER or BRENDA J. HONAKER. Lastly, as of February 12, 1988, the account was changed to become interest bearing. This interest income is reported on the HONAKER's Individual Income Tax Return, Forms 1040, for the years 1988, 1989, and 1990.

This checking account is listed as a personal asset of MARSHALL and BRENDA HONAKER pursuant to separate loan applications dated April 10, 1989, and October 6, 1989, respectively. The application dated October 6, 1989, also lists MARSHALL HONAKER's salary from the Sheriff's department as being $4,100.00 monthly.

On July 16, 1986, six checks from four different governmental authorities were deposited to Dominion Bank checking account number 09-23144580. This deposit is summarized as follows:

Payor	Payee	Amount
U.S. Treas.-Penitentiary, Lewisburg, PA	Bristol City Jail Sheriff's Office	$ 600.00
U.S. Treas.-Penitentiary, Lewisburg, PA	Bristol City Jail Sheriff's Office	220.00
Scott County, VA	Sheriff's Office City of Bristol	671.50
Scott County, VA	Sheriff's Office City of Bristol	603.50

U.S. Treas. U.S. Marshals Roanoke, VA	Sheriff Bristol City Jail	969.24
Buchanan County, VA	Sheriff's Office City of Bristol	277.50
		$3,341.74

From July 16, 1986, through January 8, 1992, there are recurring deposits to Dominion Bank checking account number 09-23144580 from the following governmental authorities:

1. U.S. Treasury - Lewisburg Penitentiary
2. Scott County, VA
3. U.S. Treasury - U.S. Marshals, Roanoke, VA
4. Buchanan County, VA
5. City of Bristol, TN
6. Government of District of Columbia
7. Dickenson County, VA
8. Wise County, VA
9. Prince George County, VA
10. City of Martinsville, VA
11. U.S. Treasury - U.S. Marshals, Greensboro, NC
12. Pulaski County, VA
13. Orange County, VA
14. Patrick County, VA

The checks from the U.S. Marshals, Roanoke, VA were in fact mailed to the Bristol Virginia Sheriff's Department. In addition to these checks, all of the other checks also reflect addresses printed directly on the face of the check indicating that they were in fact mailed.

The following is a chronological summary of all known contract prisoner payments deposited to MARSHALL HONAKER'S Dominion bank account:

DATE	PAYOR	AMOUNT
07-16-86	U.S. Marshals - Roanoke, VA	$ 969.24
07-16-86	Lewisburg Penitentiary	220.00
07-16-86	Lewisburg Penitentiary	600.00
07-16-86	Scott County	603.50

07-16-86	Scott County	671.50
07-16-86	Buchanan County	277.50
06-16-87	U.S. Marshals - Roanoke, VA	714.82
06-16-87	Gov. of District of Columbia	1,043.95
06-16-87	Gov. of District of Columbia	38.070.00
07-09-87	Gov. of District of Columbia	25,450.00
10-08-87	U.S. Marshals - Roanoke, VA	1,740.00
10-13-87	Gov. of District of Columbia	25,575.00
11-16-87	Gov. of District of Columbia	4,127.90
11-16-87	U.S. Marshals - Roanoke, VA	1,877.34
11-16-87	Dickenson County	1,020.00
12-02-87	U.S. Marshals - Roanoke, VA	1,632.23
12-02-87	Dickenson County	986.00
12-02-87	Lewisburg Penitentiary	1,160.00
12-18-87	Gov. of District of Columbia	25,575.00
12-18-87	Wise County	467.50
12-18-87	Scott County	355.68
01-04-88	Gov. of District of Columbia	24,750.00
01-04-88	U.S. Marshals - Roanoke, VA	1,928.93
01-04-88	Lewisburg Penitentiary	1,240.00
01-04-88	Dickenson County	1,098.37
01-29-88	U.S. Marshals - Roanoke, VA	2,152.94
01-29-88	Dickenson County	716.94
01-29-88	Wise County	255.00
01-29-88	Lewisburg Penitentiary	660.00
03-17-88	Gov. of District of Columbia	25,575.00
03-17-88	Gov. of District of Columbia	25,575.00
03-22-88	U.S. Marshals - Roanoke, VA	2,278.98
03-22-88	Wise County	527.00
04-04-88	Gov. of District of Columbia	23,925.00
04-04-88	U.S. Marshals - Roanoke, VA	463.97
05-16-88	Bad Bank Film	30,124.52
Gov. of Wash. D.C. voucher 04/26/88 for $29,425.00		
06-07-88	U.S. Marshals - Roanoke, VA	420.00
06-07-88	Dickenson County	298.95
08-10-88	U.S. Marshals - Roanoke, VA	2,230.92
08-10-88	Gov. of District of Columbia	41,250.00
08-10-88	Dickenson County	356.49
10-31-88	Gov. of District of Columbia	42,295.00
02-06-89	U.S. Marshals - Roanoke, VA	780.00
02-06-89	U.S. Marshals - Roanoke, Va	1,200.00
03-22-89	Gov. of District of Columbia	69,190.00
06-06-89	U.S. Marshals - Roanoke, VA	1,273.78
06-06-89	Gov. of District of Columbia	71,555.00
06-06-89	Dickenson County	1,179.73
06-06-89	Prince George County	440.00
06-06-89	City of Martinsville	477.63
08-03-89	U.S. Marshals - Roanoke, VA	1,554.92
08-03-89	Dickenson County	1,284.40
09-05-89	U.S. Marshals - Roanoke, VA	2,320.00
09-05-89	U.S. Marshals - Roanoke, VA	76.78
09-05-89	Dickenson County	322.89

09-18-89	Gov. of District of Columbia	44,880.00
10-19-89	U.S. Marshals - Greensboro, NC	7,784.27
12-04-89	U.S. Marshals - Roanoke, Va	3,764.70
01-17-90	U.S. Marshals - Roanoke, VA	2,988.11
02-09-90	U.S. Marshals - Roanoke, VA	2,245.20
02-27-90	U.S. Marshals - Roanoke, VA	3,337.39
03-13-90	Dickenson County	652.96
04-02-90	U.S. Marshals - Roanoke, VA	2,163.34
04-25-90	U.S. Marshals - Roanoke, VA	2,351.55
05-14-90	U.S. Marshals - Roanoke, VA	4,954.47
06-05-90	Pulaski County	791.06
06-07-90	U.S. Marshals - Roanoke, VA	5,489.22
08-06-90	U.S. Marshals - Roanoke, VA	2,442.00
08-23-90	U.S. Marshals - Roanoke, VA	6,374.21
08-23-90	Buchanan County	680.30
09-24-90	U.S. Marshals - Roanoke, VA	8,149.93
09-24-90	Orange County	620.00
09-24-90	Pulaski County	799.00
10-18-90	U.S. Marshals - Roanoke, VA	8,362.71
01-15-91	U.S. Marshals - Roanoke, VA	5,134.66
03-25-91	U.S. Marshals - Roanoke, VA	9,312.01
09-25-91	Pulaski County	5,923.22
10-28-91	Dickenson County	2,614.08
11-05-91	Pulaski County	1,921.01
11-26-91	Patrick County	974.25
01-08-92	Pulaski County	1,897.10
01-08-92	Dickenson County	2,440.53
		$651,962.58

MARSHALL HONAKER made six disbursements from this account to the Treasurer of the City of Bristol and/or to another Dominion Bank checking account in the name of City of Bristol Sheriff's office. These payments are apparently transfers to the City of Bristol's general fund and were made for the purpose of maintaining the appearance that the City of Bristol was being paid for the maintenance of federal prisoners. These are summarized as follows:

Date	Ck. No.	Payee	Amount
07-10-87	1970	Emma B. Muller, Treasurer	$ 23,182.30
12-17-87	2039	Treasurer Bristol, VA	18,150.00
03-24-88	2075	Treasurer Bristol, VA	14,025.00

04-26-88	2089	Treasurer Bristol, VA	19,075.00
07-14-88	Debit	Dominion Bank	51,916.23
08-03-89	Debit	Dominion Bank	9,907.68
			$136,256.21

In comparison, on a year by year basis, or on an aggregate basis, the payments going into Dominion Bank checking account number 9-23144580 from the various governmental authorities greatly exceed the reimbursements to the city. This is shown through the following summary, which reflects all known payments from the various governmental entities that were deposited to Dominion Bank checking account number 09-23144580.

Year	Payments from various Governmental Entities	Payments to City	Difference
1986	$ 3,341.74	-0-	$3,341.74
1987	129,795.42	$ 41,332.30	$88,463.12
1988	228,123.01	85,016.23	$143,106.78
1989	208,084.10	9,907.68	$198,176.42
1990	52,401.45	-0-	$52,401.45
1991	25,879.23	-0-	$25,879.23
1992	4,337.63	-0-	$4,337.63
	$651,962.58	$136,256.21	$515,706.37

Your affiant has compared total deposits for the period January 1, 1987, through December 31, 1989, made to Dominion Bank checking account number 09-23144580 to deposits directly attributable to funds from the various governmental authorities and determined that the vast majority of these deposits represent funds specifically identified as being diverted from the City of Bristol. The fact that the diverted funds were deposited to a personal checking account and commingled with legitimate funds is an

integral part of the evasion scheme and an attempt to hide the true nature and character of the diverted funds.

Individuals with knowledge and experience concerning the workings of the government of the City of Bristol advised this affiant that the City of Bristol did, in fact, receive more than $10,000.00 per year in funds from the Federal government. These individuals further advised that monies payable to and earned by the Bristol City Jail were the property of the City of Bristol and that HONAKER could not divert these monies to his personal benefit.

All other identified disbursements from Dominion Bank checking account number 09-23144580 were for MARSHALL and/or BRENDA HONAKER's personal benefit and include renovations of personally owned rental property, purchase of several vehicles, purchase of furniture, repayments of personal loans, payments on personal insurance, purchase of certificates of deposit, renovation of a personal residence, and payment of personal income taxes. The payments for these personal acquisitions and/or services could not have occurred absent the diversion and deposit of funds from these various governmental authorities made payable to the Sheriff's office, City of Bristol.

MARSHALL E. and BRENDA J. HONAKER's individual income tax returns, Forms 1040, for 1987-1990 are summarized as follows:

	1987	1988	1989	1990
Wages-Husband	$39,115.00	$43,305.00	$46,939.92	$52,653.49
Wages-Spouse	4,121.24	8,551.61	7,224.75	6,934.50
Pension Plan Cont.	---	---	(4,400.00)	(3,000.00)
Interest Income	178.02	6,182.21	6,980.92	5,383.25
Dividend Income	.92	---	---	---
State Tax Refund	581.87	357.00	---	432.49

Capitol Gain	---	---	26,252.18	---
Rental Income (Loss)	(127.23)	1,521.05	2,177.79	---
Pension Income	---	---	15.88	
Adj. Gross Income	43,869.84	60,016.87	85,190.44	62,403.73
Less: Itemized Ded.	(8,634.50)	(8,534.12)	(12,727.15)	(12,488.66)
Exemptions	(7,600.00)	(7,800.00)	(8,000.00)	(8,200.00)
Taxable Income	$27,635.32	$43,682.75	$64,463.29	$41,715.07

Your affiant has analyzed these tax returns and determined that the principle source of income reported is Form W-2 wages payable to MARSHALL E. HONAKER from the City of Bristol, Form W-2 wages payable to BRENDA HONAKER from Gore, Hillman and Davenport, attorneys, and interest income. Comparison of these tax returns to checking account records disclosed that none of the checks from the various governmental entities that were deposited to Dominion Bank checking account number 09-23144580 were reported on HONAKER's tax returns.

Two of the larger disbursements from Dominion Bank checking account number 09-23144580 were for the purchase of certificates of deposit in the names of HONAKER's children and the acquisition of their personal residence at 7 Woodland Drive, Bristol, Virginia. Specifically, on March 22, 1989, a $69,169.00 check from the Government of District of Columbia was deposited to Dominion Bank checking account number 09-23144580. Also, on March 22, 1989, there was a $20,000.00 withdrawal (debit) from the account which was used to acquire certificate of deposit number 520852 for $10,000.00 in the name of MARSHALL HONAKER or BRENDA HONAKER trustees for SHANNON HONAKER and certificate of deposit number 520850 for $10,000.00 in the name of MARSHALL HONAKER or BRENDA

HONAKER trustees for KENDRA DAWN HONAKER. These two certificates of deposit were renewed March 22, 1990, and used to acquire certificates of deposit number 595128 and 595129, respectively.

The personal residence at 7 Woodland Drive, Bristol, Virginia, was acquired on or about April 27, 1989, with a $225,000.00 loan from Dominion Bank and $39,017.31 from Dominion Bank checking account number 09-23144580. The reason that there was sufficient funds available in the checking account to pay the $39,017.31 was due to the prior deposit of funds from the various governmental authorities, namely a $69,190.00 check from the Government of District of Columbia on March 22, 1989. Without these funds the payment on the purchase of Honaker's residence could not have been made.

The $225,000.00 loan from Dominion Bank was repaid, in part, on August 30, 1989, with check number 2404 drawn on Dominion Bank checking account number 09-23144580 for $97,974.75. Sufficient funds were available in the account to pay the $97,974.75 due to the prior deposit of funds from the various governmental authorities, namely a $71,555.00 check from the Government of District of Columbia on June 6, 1989. Without the funds from the various governmental authorities this payment could not have been made. Also, on August 30, 1989, a certificate of deposit, that had been acquired in 1988 with funds attributable to the various governmental authorities, was redeemed and deposited to Dominion Bank checking account number 09-23144580.

Finally, concerning monies deposited August 30, 1989, check

number 1999 dated September 8, 1987, and check number 2407 dated August 30, 1989, both are in the amount of $3,300.00 and both are annual premium payments on Equitable Variable Life Insurance policy number 36213366. Check number 2540 dated April 12, 1990, in the amount of $15,770.00 represents partial repayment of a loan drawn against the net cash surrender value of policy number 36213366. The loan, which totalled $30,745.00, was deposited in Dominion Bank checking account number 09-23144580 on August 30, 1989.

Other payments on the $225,000.00 loan from Dominion Bank occurred on July 27, 1989, with check number 2379 for $6,067.70 and on October 23, 1989, with check number 2444 for $18,357.32. Both of these checks were drawn on Dominion Bank checking account number 09-23144580.

Check number 2014 dated October 15, 1987, in the amount of $9,000.00 and drawn on Dominion Bank checking account number 09-23144580 is traceable to the purchase of a 1987 Chevrolet pick-up truck VIN 1GCCT14R8H2157925.

Check number 2399 dated August 19, 1989, in the amount of $8,982.00 and drawn on Dominion Bank checking account number 09-23144580 is traceable to the purchase of a 1989 Toyota two-door sedan VIN JT2MA70L3K0120050. The vehicle traded-in to acquire the 1989 Toyota, a 1987 Chevrolet Camero, was acquired with funds traceable to Dominion Bank checking account number 09-23144580.

Check number 2623 dated October 9, 1990, in the amount of $8,000.00 drawn on Dominion Bank checking account number 09-23144580 is traceable to the purchase of a 1991 Ford Explorer four-

door utility vehicle VIN 1FMDU34X0MUB49713. The vehicle traded-in to acquire the 1991 Ford, a 1988 Lincoln Continental, was acquired with funds traceable to Dominion Bank checking account number 09-23144580.

Investigation has established that MARSHALL HONAKER purchased a gold coin collection from the United States Mint with funds from the diversion bank account. The following is a summary of payments made to the United States Mint from Dominion Bank checking account number 09-23144580:

Date	Check No.	Amount
07-28-87	1978	$1,150.00
08-31-88	2136	$1,088.00
04-21-89	2305	$22.00
07-28-89	2382	$3,886.00
08-24-90	2603	$2,044.00
		$8,190.00

Investigation has also established that MARSHALL HONAKER purchased a number of items of jewelry from Rustic Jewelers in Bristol, Virginia. The following is a summary of payments made to Rustic Jewelers from Dominion Bank checking account number 09-2314458:

Date	Check No.	Amount
05-01-87	1944	$130.63
08-24-87	1991	$242.40
01-28-88	2050	$226.33
12-14-88	2207	$404.60
12-20-88	2218	$46.60
08-24-90	2605	$329.34
03-08-91	2681	$320.02
		$1,699.92

Based on an analysis of financial records secured during this investigation, your affiant has determined that currency generated by known legitimate sources was insufficient to fully account for the $63,881.00 in currency found in HONAKER's Sheriff's Department office. $60,000.00 of this currency was packaged in six bank envelopes of $10,000.00 apiece. Each envelope in turn contained ten bundles of $1,000.00 and each $1,000.00 bundle consisted of ten $100.00 bills. A portion of these bundles reflected date stampings of when the cash was dispersed by the bank.

There are several cash withdrawals from Dominion Bank checking account number 09-23144580 starting in 1988. Bank stampings of dates on the following $1,000.00 bundles coincide with the dates of cash withdrawals from Dominion Bank checking account number 09-23144580.

1. On September 26, 1988 check number 2156 for $2,500.00 was cashed at Sovran Bank. $2,000.00 of the currency found in HONAKER's desk was packaged with a Sovran Bank stamping date of September 26, 1988.

2. On October 31, 1989 check number 2447 for $5,000.00 was deposited to the re-election campaign fund of HONAKER. On November 30, 1989, three checks from this fund totalling $4,500.00 were cashed. $2,000.00 of the currency found in HONAKER's desk was packaged with a Dominion Bank stamping date of December 1, 1989.

3. On January 28, 1991, check number 2670 for $5,988.00 was cashed at Dominion Bank. $4,000.00 of the currency found in HONAKER's desk was packaged with a Dominion Bank stamping date of January 28, 1991, $1,000.00 with a date of January 27, 1991, and $1,000.00 with a date of January 25, 1991.

The dates on wrapped currency and other records found in HONAKER's office reflect that at least a portion of the currency was accumulated and hoarded over a period of years. Also, a sworn

statement to the state auditor of public accounts stated there was no cash on hand at the Sheriff's department from 6-30-85 through 6-30-91.

NEXUS OF RECORDS TO CRIMINAL VIOLATIONS

The above records indicate that HONAKER did, in fact, divert and misapply Federal funds payable to the City of Bristol, in violation of Title 18, United States Code, Section 666. These records further indicate that there was, in fact, a scheme to defraud the City of Bristol of funds paid for the housing of Federal prisoners and that the mails were used in the scheme's execution, in violation of Title 18, United States Code, Section 1341.

The above records indicate that the monies diverted from the City of Bristol were not reflected on HONAKER's Federal Income Tax returns, in violation of Title 26, United States Code, Section 7201 and Title 26, United States Code, Section 7206(1). The above records further indicate that these diverted monies were, in fact, derived from a specified unlawful activity. HONAKER conducted monetary transactions with these diverted monies in violation of Title 18, United States Code, Section 1957(a) and financial transactions with the intent to evade his income taxes, in violation of Section 1956(a)(1)(A)(ii).

Based on the above, your affiant has determined that HONAKER diverted funds paid by various federal and state government entities in amounts in excess of the fair market value of those properties listed as items (a) through (j) in the list of assets.

These monies were used to purchase a substantial interest in HONAKER'S residence, his vehicles and multiple other items of personal property and intangible items such as college tuition fees, political contributions, personal travel and credit card bills. Your affiant has determined that monies in the amount of $140,000.00 shall be tendered by the Estate of MARSHALL HONAKER as a substitute res for forfeiture by the United States in lieu of forfeitable property that has been commingled with property not subject to forfeiture, or property that has been dissipated or disposed of prior to the initiation of this investigation.

CONCLUSION

Based on the above, your affiant has probable cause to believe that the ten (10) items of property listed on page four of this affidavit are forfeitable to the United States pursuant to Title 18, United States Code, Section 981.

I declare under penalties of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Jack Bumgardner
Special Agent
IRS-CID

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

CLERK'S OFFICE
U.S. DIST. COURT
W. DIST. OF VA
FILED
92 JUN -8 PM 2:24
JOYCE F. WHITE, CLERK
BY: R Colley
DEPUTY CLERK

UNITED STATES OF AMERICA Plaintiff	:	NOTICE OF FORFEITURE in rem
v.	:	
Certain Assets of the Estate of Marshall E. Honaker	:	Civil Action No. 92-0080-A
Defendants	:	

TO: Brenda Honaker
7 Woodland Drive
Bristol, Virginia

G. Nelson Mackey, Jr., Esq.
Counsel for Brenda Honaker
P.O. Box 1371
Roanoke, VA 24007

Walt Bressler, Esq.
Counsel for City of Bristol
Bressler, Curcio & Stout
P.O. Box 1478
Bristol, VA 24203

Notice is hereby given that on June 8, 1992, the United States of America filed an action pursuant to 18 U.S.C. § 981(a)(1)(A), for the forfeiture of the defendant properties, which were seized from the possession of Marshal and/or Brenda Honaker. Any person having or claiming an interest to this property must file a claim pursuant to Rule C of the Supplemental Rules of Certain Admiralty and Maritime Claims, within ten (10) days of receipt by certified mail of this notice of forfeiture, or within ten (10) days from the date of publication of this Notice, and must serve and file his answer to the Complaint for Forfeiture in Rem within twenty (20) days after the filing of the claim. All such claims and answers

must be filed with the Office of the Clerk, United States District Court, P.O. Box 398, Abingdon, Virginia 24210, with a copy thereof to the undersigned Assistant United States Attorney. The claim shall be verified on oath or solemn affirmation, and shall state the interest in the property by virtue of which the claimant demands its restitution and the right to defend the action. Copies of all pleadings shall be served on the undersigned counsel for plaintiff. Additional procedures and regulations regarding this forfeiture action are found at 19 U.S.C. §§ 1602-1619, and Title 21, Code of Federal Regulations (C.F.R.), Sections 1316.71-1316.81. All persons and entities who have an interest in the defendant property may, in addition to filing a claim or in lieu of the filing of a claim, submit a Petition for Remission or Mitigation of the forfeiture for a non-judicial determination of this action pursuant to 28 C.F.R. Part 9.

Failure to file a claim and answer within the prescribed time limits may result in default and forfeiture of the defendant to the United States. Copies of the Complaint for Forfeiture in Rem and Warrant of Seizure and Arrest in rem are attached for your reference.

United States Attorney

Kenneth M. Sorenson
Assistant United States Attorney
P.O. Box 1709
Roanoke, VA 24008
703-982-6250

UNITED STATES ATTORNEY
WESTERN DISTRICT OF VIRGINIA
P.O. BOX 1709
ROANOKE, VIRGINIA 24008

b2

TELEPHONE: 703/982-6250 (COMM)
937-6250 (FTS)

TELEFAX: [redacted] (COMM)
(FTS)

MEMORANDUM

DATE: September 10, 1992

TO: U.S. Department of Justice
Asset Forfeiture Office
P.O. Box 27322
Washington, D.C. 20038

FM: [redacted] Paralegal

RE: U.S. v. Assets of Marshal Honaker
USAO# 9200097 Civil Action # 92-0080-A
FBI# 46A-RH-40962 IRS# 54-92-01-30

Enclosures: Settlement Agreement dated 6-29-92
Order and Decree of Forfeiture dated 8-17-92

b7C

cc: FBI
Attn: [redacted]

U.S. Marshals Service
P.O. Box 2280
Roanoke, VA 24009

****NOTE: The 6-29-92 Agreement provides for the 1991 Ford Explorer to be shared with IRS and the 1989 Toyota Supra to be shared with FBI.**

Please advise this office of the sale price and date of sale when the residence, 87 pickup, gold coin collection and jewelry are disposed of.

Thank you.

[redacted]

46A-RH-40962-103
SEARCHED INDEXED
SERIALIZED FILED
SEP 21 1992
FBI—RICHMOND

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

AUG 17 92
A. Cook

ENTERED
8/17/92

UNITED STATES OF AMERICA
Plaintiff

v.

CERTAIN ASSETS OF THE ESTATE OF MARSHALL E. HONAKER
Defendant

Civil Action No. 92-0080-A

ORDER OF FORFEITURE AND DISMISSAL

THIS DAY came the United States of America, by counsel, and moved the Court for an Order setting forth the respective rights of all of the parties to this cause, and dismissing this case with prejudice. In consideration thereof, it appearing to the Court, based upon a review of the settlement agreement submitted by the parties, that the parties have reached a compromise that is fair, reasonable and adequate, and it further appearing to the Court that certain assets of the Estate of Marshall E. Honaker were involved in violations of Title 18 U.S.C. Sections 1956(a)(1)(A) and (B), it is hereby ORDERED AND ADJUDGED that these assets (more fully described in Attachment A and fully incorporated herein), any and all appurtenances thereto and any and all proceeds from the sale thereof, are hereby forfeited to the United States of America pursuant to Title 18 U.S.C. §981, and the proceeds of liquidation of said property shall be disposed of by the United States Marshals Service pursuant to the terms of the Settlement Agreement dated June 29, 1992.

The United States Marshal is hereby ORDERED to dispose of the defendant property according to law, subject only to any liens or judgments of record existing prior to date of seizure. Any such liens or judgments determined to be valid, shall be satisfied by the U.S. Marshal for this district at the time the defendant property is disposed of from the net proceeds derived from disposition of the defendant property.

The United States Marshal is further ORDERED to comply with the terms of the settlement agreement between the parties hereto dated June 29th, 1992 compromising this case, the provisions of which being incorporated herein by reference, which provides for recognition of the claim filed on behalf of the City of Bristol, Virginia, and the payment of said claim, in whole or in part, from the net proceeds of disposition of the property up to the amount of Five Hundred and Fifteen Thousand Dollars ($515,000.00).

It is further ORDERED that the Memorandum of Lis Pendens recorded in Deed Book 295, Page 696, in the Circuit Court Clerk's Office, City of Bristol, Virginia, shall be released upon recordation of this Order in said Clerk's office. This Order shall be recorded in the name of the United States Marshal, John B. Metzger, III, on behalf of the United States of America as grantee and in the name of Brenda J. Honaker as grantor.

There remaining nothing further to be done this action is dismissed and stricken with prejudice from the docket of this Court and each party shall bear its own costs. The Clerk of this Court is directed to certify copies of this Order to G. Nelson Mackey,

Jr., Franklin Plaza, Suite 240, 111 Franklin Road, S.W, P.O. Box 1371, Roanoke, Virginia 24007, counsel for Brenda J. Honaker and the Estate of Marshall E. Honaker, U.S. Marshal, P.O. Box 2280, Roanoke, Virginia 24009, G. Walter Bressler, P.O. Box 1478, Bristol, Virginia 24203, counsel for the City of Bristol, and shall certify three copies to Kenneth M. Sorenson, Assistant United States Attorney, P.O. Box 1709, Roanoke, Virginia 24008.

ENTERED THIS 17th OF AUGUST, 1992.

UNITED STATES DISTRICT JUDGE

A TRUE COPY, TESTE:
Joyce F. Witt, Clerk
By: Deputy Clerk

Seen and agreed to:

Kenneth M. Sorenson, Esq.
Assistant United States Attorney
Counsel for the United States of America

G. Nelson Mackey, Esq.
Attorney for Brenda J. Honaker and
the Estate of Marshall E. Honaker

G. Walter Bressler, Esq.
Counsel for the City of Bristol, Virginia

ATTACHMENT A
CIVIL ACTION NO. 92-0080-A

DESCRIPTION OF CERTAIN ASSETS OF THE
ESTATE OF MARSHALL E. HONAKER

(a) real property located at 7 Woodland Drive, Bristol, Virginia, and any and all appurtenances thereto, more particularly described as follows:

Lots No. 14, 15, and 16, in Block 27, as shown by plat designated "Replat of Blocks 14, 15, 16, 17 and parts of blocks 12, 13, and 18, Plat 4, Virginia Heights and 18.73 acre tract subdivided", dated September 6, 1946, and of record in the Clerk's Office of the Circuit Court of the City of Bristol, Virginia, in Plat Book 1A, page 64, and more particularly shown by resurvey thereof of Frank T. Holbrook, dated October 23, 1989, a copy of which is attached hereto and made a part hereof and described according to said survey as follows:

BEGINNING at an iron pin in the line of Woodland Drive, corner to Lot 16; thence with the northerly line of said Woodland Drive S 56 16 W 118.97 feet to an iron pin; N 76 15 W 178.67 feet to an iron pin; thence with a curve to the right of said drive in an northwesterly direction a distance of 112.82 feet to an iron pin, the radius of said curve being 167.10 feet; thence N 37 34 W 89.77 feet to an iron pin; thence N 37 34 W 91.32 feet to an iron pin in the line of Lots 13 and 14; thence with the division line of said lots N 13 45 E 231.47 feet to an iron pin; thence S 75 05 E 356.68 feet to an iron pin and S 60 37 E 100 feet to an iron pin; thence with the division line of Lots 16 and 17, S 29 10 W 140.0 feet to an iron pin and S 22 18 E 152.16 feet to the point of BEGINNING;

BEING the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of June, 1992, by and between the United States of America (hereinafter United States), Brenda J. Honaker, the Estate of Marshall E. Honaker, and the City of Bristol, Virginia.

WHEREAS, the parties hereto having as their intent the creation of an agreement among themselves setting forth their respective rights and obligations pertaining to the forfeiture and disposition of certain property involved in violations of federal law, to wit: Title 18 U.S.C. Section 1956 (a)(1)(A) and (B); and

WHEREAS, it appearing to the parties that one Marshall E. Honaker, while acting in his official capacity as Sheriff of the City of Bristol, Virginia, did knowingly and willfully embezzle, misappropriate and divert funds paid to him in his official capacity as the Sheriff of the City of Bristol, Virginia, said monies being placed into his care and custody pursuant to contract by the United States Marshals Service, and other state and local governmental entities for the housing of federal and state prisoners in the Bristol City Jail pursuant to contract; and

WHEREAS, it appearing that Marshall E. Honaker did divert said official funds paid to his custody as the Sheriff of the City of Bristol, Virginia by depositing checks made payable to the Bristol City Jail to a personal checking account (hereinafter diversion account) in the name of Marshall E. and Brenda J. Honaker; and

WHEREAS, it appearing that Marshall E. Honaker deposited approximately $651,000 of public monies into the diversion account and in turn paid over to the City of Bristol approximately $136,000, for a net loss to the City of Bristol, and gain to Marshall Honaker, of $515,000; and

WHEREAS, it appearing that Marshall E. Honaker used diverted funds to either purchase, or assist in purchasing or acquiring, inter alia, the following property:

(a) All that particular parcel of residential property located at 7 Woodland Drive, Bristol, Virginia, and any and all appurtenances thereto, more particularly described in a deed dated April 7, 1989, from Betty J. Painter to Marshall E. and Brenda Honaker, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

WHEREAS, it appearing that Marshall E. Honaker died testate on the 22nd day of January, 1992; and

WHEREAS, it is the wish of the parties hereto that all assets above listed should properly be forfeited to the United States through the use of a civil in rem forfeiture proceeding, and that they should then be liquidated by the United States Marshals Service and the proceeds dispersed to the City of Bristol, Virginia in recognition of the claim

contemplated by the terms of this agreement to be filed on behalf of Bristol, Virginia to restore the diverted funds to the citizens of that city for the loss to their public treasury.

NOW THEREFORE, upon consideration of the mutual covenants contained herein, the parties do hereby agree as follows:

1. The United States will commence a civil in rem forfeiture proceeding against all assets of Marshall E. and Brenda J. Honaker listed above in this agreement.

2. Upon receipt of service of process, Brenda J. Honaker and the Estate of Marshall E. Honaker, will file respective claims to the property and a legally sufficient answer to the complaint admitting each and every allegation contained in said complaint. The parties stipulate herein that they have reviewed a proposed draft of the complaint and based upon the allegations contained therein agree to the terms of this paragraph.

3. Upon receipt of service of process the City of Bristol, Virginia, by and through its counsel shall file a claim to the property as the lawful owner thereof and requesting that said property be returned to the City of Bristol, Virginia pursuant to the provisions of Section Title 18 U.S.C. §981(a)(2). Contemporaneous with the filing of the Claim, the City of Bristol shall file an answer admitting to each and every allegation in the Verified Complaint for Forfeiture.

4. The parties hereto agree that this document can and shall be used as a Stipulation of Compromise in the forfeiture proceeding contemplated by its terms.

5. Brenda J. Honaker shall cooperate fully and completely with any and all further federal investigations pertaining to the diversion of public funds by Marshall E. Honaker,

or any and all other criminal conduct of Marshall E. Honaker. The United States agrees that Brenda J. Honaker shall enjoy full use immunity from any and all prosecution which may result from information given by or derived from her pursuant to the provisions of this agreement.

6. The City of Bristol, Virginia, shall not attempt to collect or institute any judicial process to collect any indebtedness from either Brenda J. Honaker, the Estate of Marshall E. Honaker, or any lawful issue of Marshall E. and Brenda J. Honaker, which may have as its basis the diversion of public funds by Marshall E. Honaker more fully described in above.

7. The United States shall not make any adjustments to federal adjusted gross income or taxable income, nor assess any income taxes, related penalties or interest against either Brenda J. Honaker, or the estate of Marshall E. Honaker, relative to any and all applicable tax years, as a result of the income derived by Marshall E. Honaker from the criminal diversion of funds above described. This provision is based upon the consensual nature of the forfeiture proceedings and the cooperation of Brenda J. Honaker in any continuing investigation of the activities of Marshall E. Honaker. However, the Internal Revenue Service may conduct, at its discretion, a civil examination of the tax returns jointly filed by Marshall E. and Brenda Honaker for tax years 1986 through 1991 to verify and make any necessary adjustments relating to income deductions, expenses and/or expenditures not connected to the diversion of public monies by Marshall E. Honaker. It is understood by the parties hereto that if this agreement is nullified or compromised by the Estate of Marshall E. Honaker or Brenda J. Honaker, this particular provision is likewise terminated and the United States, by and through its lawful agent, the Internal Revenue Service, shall

be allowed to exercise any and all rights accorded to it by law for the investigation of tax related offenses, and the assessment of outstanding tax liability.

8. All property listed above which is the subject of the civil in rem forfeiture action shall be forfeited to the United States pursuant to the requirements of law, and liquidated by the United States Marshal Service pursuant to the terms contained in this agreement. The parties expressly understand that pursuant to federal law, the interest of the United States in the property named in the forfeiture complaint arose as of the time of the illegal acts giving rise to the forfeiture. The net proceeds of sale, after payment of all related costs, shall be dispersed to the City of Bristol, Virginia by the United States Attorney, or his duly authorized representative up to the total amount of their loss of $515,000. It is specifically understood by the parties hereto that one 1991 Ford Explorer, VIN 1FMDU34X0MUB49713, and one 1989 Toyota Supra, VIN JT2MA0L3K0120050, shall not be liquidated by the United States Marshal but shall instead by placed into official use by the Internal Revenue Service Criminal Investigation Division and the Federal Bureau of Investigation. It is further specifically understood by the parties that these two vehicles are not considered as assets comprising the $515,000 figure to be returned to the City of Bristol, Virginia.

9. It is understood that the figure of $515,000 is a goal amount which the parties believe liquidation of the assets, absent the vehicles described in paragraph eight (8), will realize upon sale. The City of Bristol, Virginia fully recognizes that it will accept those funds realized from the liquidation of the forfeited assets without recourse against the Estate of Marshall E. Honaker, Brenda J. Honaker, any lawful issue of the union of Marshall E. and

Brenda Honaker, or the United States. It is further understood that should the liquidation of the forfeited assets result in an amount in excess of $515,000, those amounts in excess of this figure shall remain the property of the United States and be deposited by the United States Marshal into the Asset Forfeiture Fund and be disposed of pursuant to the requirements of federal law. Finally, it is specifically understood that any amounts collected upon unilaterally by the City of Bristol, Virginia from any moneys or objects of value due to the estate of Marshall E. Honaker shall be deducted from the lesser of $515,000 or the total amount of funds collected from the liquidation of the forfeited property minus expenses.

10. The City of Bristol, Virginia covenants that it shall not utilize all or any portion of the forfeited proceeds for the erection of any monument, or the establishment of any scholarship or endowment of any kind, memorilizing Marshall E. Honaker.

11. The parties willingly stipulate that each and every item of property in the forfeiture complaint is lawfully subject to forfeiture pursuant to the provisions of Title 18 U.S.C. Section 981(a)(1)(A).

12. The parties each agree and understand that the terms of settlement herein contained must be confirmed and ratified by the United States District Court for the Western District of Virginia. If for any reason the Court rejects any portion of the material terms of the agreement, any party hereto may consider the agreement at that time void, and may take any and all action necessary at that time to protect its interest.

13. It is the express understanding of the parties hereto that additional funds paid by the United States Marshals Service for the housing of federal prisoners was tendered to

Marshall E. Honaker as the custodian of the Bristol City Jail and subsequently diverted by Marshall E. Honaker into an additional account from which some improper deductions were made by Marshall E. Honaker. It is the understanding of the parties hereto that this agreement is made with full knowledge of these apparent additional amounts of moneys diverted by Marshall E. Honaker, and the financial settlement contained herein takes these additional funds into account.

Acknowledged and entered this 24th day of June, 1992.

Kenneth M. Sorenson, Esq.
Assistant United States Attorney
Counsel for the United States of America

G. Nelson Mackey, Esq.
Attorney for Brenda J. Honaker and
the Estate of Marshall E. Honaker

G. Walter Bressler, Esq.
Counsel for the City of Bristol

U.S. Department of Justice

United States Marshals Service

Western District of Virginia

210 Franklin Road S.W., Room 247
Post Office Box 2280
Roanoke, Virginia 24009

September 22, 1992

b7C

Federal Bureau of Investigation
Attn: [redacted]
P.O. Box 28060
Richmond, Virginia 23228

RE: 1989 Toyota Supra
Seizure CA92-0080-A (Sheriff Marshall Honaker)

Dear [redacted]

b7C

Enclosed please find the Declaration of Forfeiture and the Certificate to Obtain Title for the above referenced vehicle.

Please sign and return the last copy of the Certificate to Obtain Title to the U.S. Marshals Service, P.O. Box 2280, Roanoke, Virginia 24009, attention [redacted]

b7C

Thank you for your cooperation in this matter.

Sincerely,

[redacted]

United States Marshal b7C

JBM:vah
Enclosures

[redacted] b7C

[redacted] b7C

46A-RA-40962-103X

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SEP 2[illegible] 1992

FBI—RICHMOND

The United States Government

Certificate to Obtain Title to a Vehicle

(Must Be Machine Prepared. See Instructions on reverse.) ☐ Duplicate If Checked

The undersigned **Department** or **Agency** of the **United States Government** certifies that the vehicle described herein, the property of the **United States Government**, has been transferred this 22nd day of September 19 92, to the Transferee designated herein; and that this is the first transfer of such vehicle in ordinary trade and commerce subsequent to acquisition thereof by the **United States Government.**

Vehicle Identification No.	Certificate No.
JT2MA70L3K0120050	A182712

Year	Make of Vehicle	Series or Model	Body Style
1989	Toyota	Supra	

Fuel	No. of Cylinders	Weight (Shipping)	GVWR	Purchase Price
	6			

Transferor (Accountable office, i.e., department or agency, subunit and address, ZIP Code)	Transferee (Name of dealer, individual, etc. and address including ZIP Code)
U.S. Marshals Service P.O. Box 2280 Roanoke, Virginia 24009	Federal Bureau of Investigation P.O. Box 28060 Richmond, Virginia 23228

Odometer Disclosure Statement	Date of Statement
	9/22/92

Federal Law (and State law, if applicable) requires that you state the mileage upon transfer of ownership; failure to complete or providing a false statement may result in fines and/or imprisonment.

I, [illegible] state that

Transferor's Name (Seller) Printed—Not Typed

the odometer now reads 58620 miles and to the

Odometer Reading (No Tenths)

best of my knowledge that it reflects the actual mileage of the vehicle described above, unless one of the following statements is checked.

☐ **(1) I hereby certify that to the best of my knowledge the odometer reading reflects the amount of mileage in excess of its mechanical limits.**

☐ **(2) I hereby certify that the odometer reading is not the actual mileage:**
WARNING - ODOMETER DISCREPANCY.

Transferor's Signature (Seller)	(Printed Name and Title - Not Typed)	Date
X [signature]	[illegible]	9/22/92
Transferee's Signature (Buyer)	**(Printed Name and Title - Not Typed)**	**Date**
x Robert M. Satkowski	SPECIAL AGENT IN CHARGE ROBERT M. SATKOWSKI	9/30/92

A182712

ANY ALTERATION OR ERASURE VOIDS THIS CERTIFICATE

STANDARD FORM 97 (Rev 4-91)
Prescribed by GSA FPMR (41 CFR) 101-45.303-3
Previous Edition Not Usable NSN 7540-00-634-4047
97-107

American Bank Note Company ANY ALTERATION OR ERASURE VOIDS THIS CERTIFICATE

Date: 0 6 2 3 9 2

Investigative Agency: F B I

Case Number: 46A-RH-40962

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(For Use By United States Law Enforcement Agencies Only)

I. For Federal Use Only

Asset #:

Seizure Date:

Judicial District:

Case Type: Adoption ☐ Joint ☐ *(Check One)*

(For Additional Information - See Instructions)

- All assets transferred must be used for the law enforcement purpose stated in the request.
- Deadline for submission of this request is sixty *(60)* days following the seizure.
- The requesting agency will be responsible for reimbursing the Federal Government its costs and may be responsible, in a single-asset case, for reimbursing the federal share.

II. Requesting Agency Name: Federal Bureau of Investigation (FBI)

Address: P. O. Box 28060, Richmond, VA. 23228

NCIC Code: V A F B I R H 0 0

Contact Person: PS [redacted] Telephone Number: [redacted] b7C

III. Asset Requested 1989 Toyota, 2dr. Sedan,

Property Description
VIN: JT2MA70L3K0120050

☒ Other assets in this case. *(Attach list).*

Request Type See DAG-71

one half of proceeds 87 Chev.P/u

☒ Item ☐ Cash / Proceeds 100 %

IV. Specific Intended Law Enforcement Use:

☐ Salaries ☐ Purchase of Equipment ☐ Other *(Please Explain)*:

☐ Purchase of Vehicles ☒ Place Into Official Use *(If other than Cash)*

V. Contribution *(If any answer to A thru E is yes, provide details in Part VI)*

	Yes	No	
A. Did your agency originate the information leading to the seizure?	☒	☐	Joint investiga ion with IRS
B. Were any other assets seized under state law?	☐	☒	
C. Were extraordinary expenses incurred?	☐	☒	
D. Did your agency supply any unique or indispensable assistance?	☒	☐	
E. Are there any assets located in foreign countries associated with this case?	☐	☒	

F. How many hours were expended? 1 year hours

46-RH-40962-104

AGENT INSTRUCTED TO INDEX OF WORK COPY

FORM DAG-71 DEC. 90

Case Number: _____

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(Page 2)

VI. Additional space for detailed answers *(Indicate Part to which answer(s) apply)*

This was joint investigation with IRS, re Marshall E. Honaker, Sheriff of City of Bristol, VA., involving Money Laudering, Program Fraud, IRS Tax Violation and etc.

(If more space is required, use a separate sheet of paper and attach.) Attachment: ☐ Yes ☒ No

VII. Certifications:

A. The requester certifies that the above information is true and accurate, that the property transferred will be used for the law enforcement purpose stated, and that all monies received pursuant to this request will be deposited and accounted for consistent with applicable state laws, regulations and orders. The requester agrees to report on the actual use of equitably transferred property upon request. The requester agrees to pay fees and expenses necessary to effect transfer of title not later than the time of transfer. The requester understands that if it is unable to pay the necessary fees and expenses at the time of transfer, the asset will be sold and the maximum percent of net sale proceeds will be awarded in lieu of the asset.

Robert M. Satkowski

Signature / Title

6/25/92

Date

Robert M. Satkowski, Special Agent in Charge, Richmond

B. As legal counsel, I have reviewed this Application for Transfer of Federally Forfeited Property and I certify that the contact person identified in Part II has the authority to accept forfeited property and is the official to whom transfer documents and/or money should be delivered.

U. S. Attorney

Signature / Title

7/17/92

Date

b7C

Address: _____

_____

Telephone Number: (___) _____

Date: 06/23/92

Investigative Agency: FBI

Case Number: 46A-PH-40962

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(For Use By United States Law Enforcement Agencies Only)

For Federal Use Only

I.

Asset #:

Seizure Date:

Judicial District:

Case Type: Adoption ☐ Joint ☐ *(Check One)*

(For Additional Information - See Instructions)

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II. Requesting Agency Name: Federal Bureau of Investigation (FBI)

Address: P. O. Box 28060, Richmond, Virginia 23228

b7C

NCIC Code: VAFBIRH00

Contact Person: PS [redacted] Telephone Number: [redacted]

III. Asset Requested 1987 Chevrolet Pickup truck

Property Description

VIN: 1GCCT14R8H2157925

☒ Other assets in this case. *(Attach list).*

Request Type DAG-71- 1989 Toyota

☐ Item ☒ Cash / Proceeds 50 %

IV. Specific Intended Law Enforcement Use:

☐ Salaries ☐ Purchase of Equipment ☒ Other *(Please Explain)*: To be deposited in the NASF for the FBI

☐ Purchase of Vehicles ☐ Place Into Official Use *(If other than Cash)*

V. Contribution *(If any answer to A thru E is yes, provide details in Part VI)*

	Yes	No	
A. Did your agency originate the information leading to the seizure?	☒	☐	Joint investigation with theh IRS
B. Were any other assets seized under state law?	☐	☒	
C. Were extraordinary expenses incurred?	☐	☒	
D. Did your agency supply any unique or indispensable assistance?	☒	☐	
E. Are there any assets located in foreign countries associated with this case?	☐	☒	

F. How many hours were expended? 1 year ~~hours~~

FORM DAG-71
DEC. 90

Case Number: _____

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(Page 2)

VI. Additional space for detailed answers *(Indicate Part to which answer(s) apply)*

This was joint investigation with IRS, re Marshall E. Honaker, Sheriff, City Bristol, VA., involving Money Laudering, Program Fraud, IRS Tax Violation and etc.

(If more space is required, use a separate sheet of paper and attach.) Attachment: ☐ Yes ☒ No

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Robert M. Satkowski, Special Agent in Charge, Richmond — Signature / Title

6/25/92 — Date

B. As legal counsel, I have reviewed this Application for Transfer of Federally Forfeited Property and I certify that the contact person identified in Part II has the authority to accept forfeited property and is the official to whom transfer documents and/or mone[illegible]

U.S. Attorney — Signature / Title

7/17/92 — Date

Address: _____

b7C

Telephone Number: (___) _____

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/16/92

TO : SAC, RICHMOND (46A-RH-40962)

FROM : SAC, WMFO (46A-RH-40962) (RUC) (C-2)

SUBJECT : MARSHALL E. HONAKER
SHERIFF
BRISTOL SHERIFF'S OFFICE
BRISTOL, VIRGINIA;
FRAUD AGAINST THE GOVERNMENT
OO: RICHMOND

Re Richmond airtel to WMFO dated 1/7/92, and telephone call of SA [redacted] RH Division, to SA [redacted] WMFO, on 1/14/92.

Enclosed for the Richmond Division are the following:

1. Original of [redacted] on 1/10/92.

b3
b7C

2. Original and two (2) copies of an FD-302 regarding [redacted]

3. Original and two copies of an FD-302 regarding contact on 1/13/92 with [redacted]

46A-RH-40962-105

SEARCHED INDEXED FILED
NOV 25 1992
FBI - RICHMOND

3- Richmond (Enc. 9)
1- Package Copy
1- WMFO
TF:smb
(4)

b7C

C/A

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

4. Two FD-340b 1A exhibit envelopes containing original notes regarding (2) and (3) above.

Being forwarded via FEDERAL EXPRESS REGISTERED MAIL direct to the Roanoke Resident Agency is one box containing the [redacted] b3 b7C (Package copy of FD-192 prepared by WMFO regarding these documents is enclosed with this box.)

Memorandum

To : SAC, RICHMOND (46A-RH-0040962) (C)#4 Date 12/9/92

b7C

From : [redacted]

Subject: MARSHALL E. HONAKER,
SHERIFF BRISTOL, VA.,
FAG - DOJ
OO:RH

On 12/8/92 AUSA KEN SORENSON, Western District of Virginia, advised that the United States Marshals Service, Western District of Virginia, was attempting to sell the HONAKER house in Bristol, Virginia. As soon as this is accomplished steps will be taken to return monies to the City of Bristol, Virginia, that were stolen by the subject.

A review of this file revealed that the only work left is to report the forfeiture of properties - monies. Because there is no active investigation to be conducted it is recommended this case be closed administratively.

2 - Richmond

NCH/csr (2)

b7C

46A RH-40962-106

SEARCHED INDEXED
SERIALIZED FILED
DEC 11 1992
FBI-RICHMOND

C/A

INSTRUCTED
WORK

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Page C7

Richmond Times-Dispatch
Richmond, VA
Date: 1/17/93
Edition: Sunday

Title: Marshall Honaker

Character: or
Classification: 46A RH-40962
Submitting Office:

Indexing:

Bristol gets $239,450 in Honaker case

Liquidated assets form partial settlement

THE ASSOCIATED PRESS

ABINGDON — Federal authorities have awarded the city of Bristol nearly $240,000 as a partial settlement in an embezzlement case involving the late Sheriff Marshall Honaker.

Assistant U.S. Attorney Ken Sorenson Friday presented city officials four checks totaling $239,450.70 at the U.S. attorney's office in Abingdon.

The funds represent most of the liquidated assets of the estate of Honaker, who committed suicide during a federal investigation into charges he embezzled money from the city.

Authorities estimate $750,000 was diverted from the city. Honaker never was charged in the case.

The total represents such liquidated items as an automobile, a checking account, certificates of deposit and cash found in Honaker's office at the time of his death on Jan. 22, 1992.

"This money will be put to good use," Mayor Jerry Wolfe said. "It's something we have looked forward to for a long time."

Wolfe said there are no specific plans for the money other than to use it in the city's general operation.

When all assets are liquidated, the city can collect up to $515,000 under an agreement between City Council and federal authorities. Yet to be liquidated are Honaker's former home, jewelry and coin collections.

"We see this as being the first step in recovering ... a substantial amount of what we lost," Wolfe said.

The General Services Administration will auction off Honaker's 5-bedroom home on Feb. 19. The property is assessed at $245,300.

The checks Bristol received Friday were dated last September because federal authorities had hoped to first sell the home and then release the remaining assets, City Attorney Walt Bressler said. But when the auction was set for late February, the city asked for the money from already-liquidated assets, and the U.S. attorney's office complied.

1) [redacted]

46A RH 40962-107
SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
JAN 9 19[illegible]

b7C

2) SA [redacted] - TWC
Sent

Memorandum

To : SAC, RICHMOND Date 12/22/92

From : SA [redacted]

b7C

Subject: RETENTION OF 1989 TOYOTA CELICA SUPRA IN LYNCHBURG, VIRGINIA

The captioned vehicle was forfeited to the FBI as part of the final forfeiture proceedings and agreement with the widow of MARSHALL E. HONAKER (deceased) former Sheriff of Bristol, Virginia.

At the present time this vehicle is housed in Lynchburg, Virginia and is needed for surveillance and covert investigation in 281F-RH-41382 and 194D-RH-41479. The subjects of these two cases are associated and in fact one of the subjects photographed SA [redacted] FBI vehicle. The subjects of 281F-RH-41382 have been involved in illegal gambling, distribution of illegal narcotics and money laundering for over 15 years. They have inroads into the law enforcement community in Amherst County and Lynchburg, Virginia. They are extremely surveillance conscious and through their law enforcement contacts have conducted illegal license plate checks on undercover police vehicles.

b7C

The captioned vehicle is a clean vehicle with no connection with law enforcement and due to the type of vehicle it is can be utilized successfully to surveil these subjects. This type of vehicle or a 4-wheel drive or pickup truck are essential for a successful surveillance on the subjects. This vehicle will also be utilized in a 194D matter in Halifax, Virginia, which involves a Virginia State Police person who is extremely surveillance conscious as he was the prior head of the narcotics task force in Halifax County. It can also be utilized in other investigations in a covert capacity in Lynchburg and Roanoke, Virginia.

It is requested that this vehicle be retained in the Richmond Division, that it be assigned to SA [redacted] in Lynchburg, Virginia, and that Virginia license plates in SA [redacted] undercover identity to be obtained.

2 - Richmond

NCH/csr (2)

461-RH-40962-108

DEC 22 1992

FBI - RICHMOND

Rec'd in Mailbot 2/9/93

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

AUG 17 92
A. Cook

ENTERED
8/17/92

UNITED STATES OF AMERICA :
Plaintiff :
:
v. : Civil Action No. 92-0080-A
:
CERTAIN ASSETS OF THE ESTATE OF :
MARSHALL E. HONAKER :
Defendant :

ORDER OF FORFEITURE AND DISMISSAL

THIS DAY came the United States of America, by counsel, and moved the Court for an Order setting forth the respective rights of all of the parties to this cause, and dismissing this case with prejudice. In consideration thereof, it appearing to the Court, based upon a review of the settlement agreement submitted by the parties, that the parties have reached a compromise that is fair, reasonable and adequate, and it further appearing to the Court that certain assets of the Estate of Marshall E. Honaker were involved in violations of Title 18 U.S.C. Sections 1956(a)(1)(A) and (B), it is hereby ORDERED AND ADJUDGED that these assets (more fully described in Attachment A and fully incorporated herein), any and all appurtenances thereto and any and all proceeds from the sale thereof, are hereby forfeited to the United States of America pursuant to Title 18 U.S.C. §981, and the proceeds of liquidation of said property shall be disposed of by the United States Marshals Service pursuant to the terms of the Settlement Agreement dated June 29, 1992.

The United States Marshal is hereby ORDERED to dispose of the defendant property according to law, subject only to any liens or judgments of record existing prior to date of seizure. Any such liens or judgments determined to be valid, shall be satisfied by the U.S. Marshal for this district at the time the defendant property is disposed of from the net proceeds derived from disposition of the defendant property.

The United States Marshal is further ORDERED to comply with the terms of the settlement agreement between the parties hereto dated June 29th, 1992 compromising this case, the provisions of which being incorporated herein by reference, which provides for recognition of the claim filed on behalf of the City of Bristol, Virginia, and the payment of said claim, in whole or in part, from the net proceeds of disposition of the property up to the amount of Five Hundred and Fifteen Thousand Dollars ($515,000.00).

It is further ORDERED that the Memorandum of Lis Pendens recorded in Deed Book 295, Page 696, in the Circuit Court Clerk's Office, City of Bristol, Virginia, shall be released upon recordation of this Order in said Clerk's office. This Order shall be recorded in the name of the United States Marshal, John B. Metzger, III, on behalf of the United States of America as grantee and in the name of Brenda J. Honaker as grantor.

There remaining nothing further to be done this action is dismissed and stricken with prejudice from the docket of this Court and each party shall bear its own costs. The Clerk of this Court is directed to certify copies of this Order to G. Nelson Mackey,

Jr., Franklin Plaza, Suite 240, 111 Franklin Road, S.W, P.O. Box 1371, Roanoke, Virginia 24007, counsel for Brenda J. Honaker and the Estate of Marshall E. Honaker, U.S. Marshal, P.O. Box 2280, Roanoke, Virginia 24009, G. Walter Bressler, P.O. Box 1478, Bristol, Virginia 24203, counsel for the City of Bristol, and shall certify three copies to Kenneth M. Sorenson, Assistant United States Attorney, P.O. Box 1709, Roanoke, Virginia 24008.

ENTERED THIS 17th OF AUGUST, 1992.

UNITED STATES DISTRICT JUDGE

A TRUE COPY, TESTE:
Joyce F. Witt, Clerk
By: Deputy Clerk

Seen and agreed to:

Kenneth M. Sorenson, Esq.
Assistant United States Attorney
Counsel for the United States of America

G. Nelson Mackey, Esq.
Attorney for Brenda J. Honaker and
the Estate of Marshall E. Honaker

G. Walter Bressler, Esq.
Counsel for the City of Bristol, Virginia

ATTACHMENT A
CIVIL ACTION NO. 92-0080-A

DESCRIPTION OF CERTAIN ASSETS OF THE
ESTATE OF MARSHALL E. HONAKER

(a) real property located at 7 Woodland Drive, Bristol, Virginia, and any and all appurtenances thereto, more particularly described as follows:

Lots No. 14, 15, and 16, in Block 27, as shown by plat designated "Replat of Blocks 14, 15, 16, 17 and parts of blocks 12, 13, and 18, Plat 4, Virginia Heights and 18.73 acre tract subdivided", dated September 6, 1946, and of record in the Clerk's Office of the Circuit Court of the City of Bristol, Virginia, in Plat Book 1A, page 64, and more particularly shown by resurvey thereof of Frank T. Holbrook, dated October 23, 1989, a copy of which is attached hereto and made a part hereof and described according to said survey as follows:

BEGINNING at an iron pin in the line of Woodland Drive, corner to Lot 16; thence with the northerly line of said Woodland Drive S 56 16 W 118.97 feet to an iron pin; N 76 15 W 178.67 feet to an iron pin; thence with a curve to the right of said drive in an northwesterly direction a distance of 112.82 feet to an iron pin, the radius of said curve being 167.10 feet; thence N 37 34 W 89.77 feet to an iron pin; thence N 37 34 W 91.32 feet to an iron pin in the line of Lots 13 and 14; thence with the division line of said lots N 13 45 E 231.47 feet to an iron pin; thence S 75 05 E 356.68 feet to an iron pin and S 60 37 E 100 feet to an iron pin; thence with the division line of Lots 16 and 17, S 29 10 W 140.0 feet to an iron pin and S 22 18 E 152.16 feet to the point of BEGINNING;

BEING the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

(Rev. 11-17-88)

FBI

TRANSMIT VIA:
☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:
☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:
☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2/9/93

TO : DIRECTOR, FBI
ATTN: [redacted] AUTOMOTIVE UNIT, ASD

FROM : SAC, RICHMOND (46A-RH-40962) C

SUBJECT : 1989 TOYOTA, VIN: JT2MA70L3K0120050,
IRS SEIZURE NUMBER: CA92-0080-A,
ESTATE OF MARSHALL E. HONAKER
OO: RH

The captioned vehicle was awarded to the FBI as part of the sharing of assets that were seized in the MARSHALL E. HONAKER case, which was worked jointly by IRS and the FBI.

The Richmond Division is requesting captioned vehicle for use in surveillances and covert investigations in 281F-RH-41382 and 194D-RH-41479. The subjects in the these cases are associated and involved in the illegal activities, and in fact, one of the subjects photographed an Agent's Bureau vehicle which was being used in the on going investigation. The subjects in the 281F case have been involved in illegal gambling, distribution of illegal narcotics and money laundering for approximately fifteen years. The subjects of this case have inroads with the law enforcement community in Amherst County and Lynchburg, VA. They are extremely suspicious by nature and surveillance conscious. It is alleged that through their law enforcement contacts, they have received license plate information on undercover police vehicles. b7C

Secondly, this office is working a 194D matter, involving a VIRGINIA STATE POLICE Special Agent supervisor, who was the narcotics task force coordinator in Halifax County, VA. An undercover vehicle is much needed in this case.

2 - Bureau
1 - Richmond
/mrs
(3)

46A-RH-40962-109

SEARCHED
SERIALIZED
INDEXED
FILED
Per

Approved: _____ Transmitted _____ (Number) _____ (Time)

b7C b7C

It is requested that captioned vehicle be awarded to the Richmond Division, to be used in these covert investigations and surveillances. Upon completion of aforementioned cases this vehicle will be available for other placement as the Bureau deems appropriate.

FD-36 (Rev. 11-17-88)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 7/13/93

TO : DIRECTOR, FBI
ATTN: [redacted] AUTOMOTIVE UNIT, ASD

FROM : SAC, RICHMOND (46A-RH-40962)

SUBJECT : 1989 TOYATO, VIN: JT2MA70L3K0120050,
IRS SEIZURE NUMBER: CA92-0080-A
ESTATE OF MARSHALL E. HONAKER
OO:RH

Re conversation between [redacted] Automotive Unit, FBIHQ and PS [redacted] on 7/7/93, and RHairtel to Bureau, 2/9/93.

Enclosed are the DAG 71 and 72 forms and the Final Forfeiture Order from USA, WDVA, for captioned vehicle.

Honaker Case - SA [redacted]

Paperwork from USM awarding Vehicle to FBI

MRS - Contacted [redacted] auto unit, FBIHQ & he advised to hold everything rec'd from USM in RH, [redacted] a decision was made at HQ.

Paperwork from USM

Note: Orig DAG 71-72 forms [redacted] send to FBIHQ - [redacted] 7/13/93 [redacted]

b7C

b7C

2 - Bureau (Enc. 3)
1 - Richmond
/mrs
(3)

SA [redacted]

46A-RH-40962-110

Approved: _____ Transmitted _____ (Number) (Time) Per _____

Date: 06 23 92

Investigative Agency: FBI

Case Number: 46A-RH-40962

U.S. Department of Justice

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Address: P. O. Box 28060, Richmond, VA. 23228

b7C

NCIC Code: VAFBIRH00

Contact Person: PS [redacted] Telephone Number: [redacted]

III. Asset Requested 1989 Toyota, 2dr. Sedan,

Property Description
VIN: JT2MA70L3K0120050

☒ Other assets in this case. *(Attach list).*

Request Type See DAG-71
one half of proceeds 87 Chev.P/u

☒ Item ☐ Cash / Proceeds 100 %

IV. Specific Intended Law Enforcement Use:

☐ Salaries ☐ Purchase of Equipment ☐ Other *(Please Explain)*:

☐ Purchase of Vehicles ☒ Place Into Official Use *(If other than Cash)*

V. Contribution *(If any answer to A thru E is yes, provide details in Part VI)*

	Yes	No	
A. Did your agency originate the information leading to the seizure?	☒	☐	Joint investiga
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C. Were extraordinary expenses incurred?	☐	☒	
D. Did your agency supply any unique or indispensable assistance?	☒	☐	
E. Are there any assets located in foreign countries associated with this case?	☐	☒	

F. How many hours were expended? 1 yea hours

FORM DAG-71
DEC. 90

Case Number: _____

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(Page 2)

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(If more space is required, use a separate sheet of paper and attach.) Attachment: ☐ Yes ☒ No

VII. Certifications:

A. The requester certifies that the above information is true and accurate, that the property transferred will be used for the law enforcement purpose stated, and that all monies received pursuant to this request will be deposited and accounted for consistent with applicable state laws, regulations and orders. The requester agrees to report on the actual use of equitably transferred property upon request. The requester agrees to pay fees and expenses necessary to effect transfer of title not later than the time of transfer. The requester understands that if it is unable to pay the necessary fees and expenses at the time of transfer, the asset will be sold and the maximum percent of net sale proceeds will be awarded in lieu of the asset.

Signature / Title

Robert M. Satkowski, Special Agent in Charge, Richmond

Date 6/25/92

B. As legal counsel, I have reviewed this Application for Transfer of Federally Forfeited Property and I certify that the contact person identified in Part II has the authority to accept forfeited property and is the official to whom transfer documents and/or mone

Signature / Title U.S. Attorney

Date 7/17/92

Address: _____

b7C

Telephone Number: ( ) _____

Date: 06 23 92

Investigative Agency: FBI

Case Number: 46A-RH-4096

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(For Use By United States Law Enforcement Agencies Only)

For Federal Use Only

I.

Asset #:

Seizure Date:

Judicial District:

Case Type: Adoption ☐ Joint ☐ *(Check One)*

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Address: P. O. Box 28060, Richmond, Virginia 23228

NCIC Code: VAFBIRH00

b7C

Contact Person: PS [redacted] Telephone Number: [redacted]

III. Asset Requested 1987 Chevrolet Pickup truck

Property Description
VIN: 1GCCT14R8H2157925

☒ Other assets in this case. *(Attach list).*
Request Type DAG-71- 1989 Toyota

☐ Item ☒ Cash / Proceeds 50 %

IV. Specific Intended Law Enforcement Use:

☐ Salaries ☐ Purchase of Equipment ☒ Other *(Please Explain)*: To be deposited in th

☐ Purchase of Vehicles ☐ Place Into Official Use *(If other than Cash)*

NASF for the FBI

V. Contribution *(If any answer to A thru E is yes, provide details in Part VI)*

	Yes	No	
A. Did your agency originate the information leading to the seizure?	☒	☐	Joint investigation with theh IRS
B. Were any other assets seized under state law?	☐	☒	
C. Were extraordinary expenses incurred?	☐	☒	
D. Did your agency supply any unique or indispensable assistance?	☒	☐	
E. Are there any assets located in foreign countries associated with this case?	☐	☒	

F. How many hours were expended? 1 year

FORM DAG-71
DEC. 90

Case Number: _____

U.S. Department of Justice

Application for Transfer of Federally Forfeited Property
(Page 2)

VI. Additional space for detailed answers *(Indicate Part to which answer(s) apply)*

This was joint investigation with IRS, re Marshall E. Honaker, Sheriff of City of Bristol, VA., involving Money Laudering, Program Fraud, IRS Tax Violation and etc.

(If more space is required, use a separate sheet of paper and attach.) Attachment: ☐ Yes ☒ No

VII. Certifications:

A. The requester certifies that the above information is true and accurate, that the property transferred will be used for the law enforcement purpose stated, and that all monies received pursuant to this request will be deposited and accounted for consistent with applicable state laws, regulations and orders. The requester agrees to report on the actual use of equitably transferred property upon request. The requester agrees to pay fees and expenses necessary to effect transfer of title not later than the time of transfer. The requester understands that if it is unable to pay the necessary fees and expenses at the time of transfer, the asset will be sold and the maximum percent of net sale proceeds will be awarded in lieu of the asset.

Signature / Title

Robert M. Satkowski, Special Agent in Charge, Richmond

6/25/92
Date

B. As legal counsel, I have reviewed this Application for Transfer of Federally Forfeited Property and I certify that the contact person identified in Part II has the authority to accept forfeited property and is the official to whom transfer documents and/or money should be delivered.

U.S. Attorney
Signature / Title

7/17/92
Date

b7C

Address: _____

Telephone Number: (___) _____

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

AUG 17. 92

A. Cook

ENTERED

UNITED STATES OF AMERICA Plaintiff	:	
v.	:	Civil Action No. 92-0080-A 8/17/
CERTAIN ASSETS OF THE ESTATE OF MARSHALL E. HONAKER Defendant	:	

ORDER OF FORFEITURE AND DISMISSAL

THIS DAY came the United States of America, by counsel, and moved the Court for an Order setting forth the respective rights of all of the parties to this cause, and dismissing this case with prejudice. In consideration thereof, it appearing to the Court, based upon a review of the settlement agreement submitted by the parties, that the parties have reached a compromise that is fair, reasonable and adequate, and it further appearing to the Court that certain assets of the Estate of Marshall E. Honaker were involved in violations of Title 18 U.S.C. Sections 1956(a)(1)(A) and (B), it is hereby ORDERED AND ADJUDGED that these assets (more fully described in Attachment A and fully incorporated herein), any and all appurtenances thereto and any and all proceeds from the sale thereof, are hereby forfeited to the United States of America pursuant to Title 18 U.S.C. §981, and the proceeds of liquidation of said property shall be disposed of by the United States Marshals Service pursuant to the terms of the Settlement Agreement dated June 29, 1992.

The United States Marshal is hereby ORDERED to dispose of the defendant property according to law, subject only to any liens or judgments of record existing prior to date of seizure. Any such liens or judgments determined to be valid, shall be satisfied by the U.S. Marshal for this district at the time the defendant property is disposed of from the net proceeds derived from disposition of the defendant property.

The United States Marshal is further ORDERED to comply with the terms of the settlement agreement between the parties hereto dated June 29th, 1992 compromising this case, the provisions of which being incorporated herein by reference, which provides for recognition of the claim filed on behalf of the City of Bristol, Virginia, and the payment of said claim, in whole or in part, from the net proceeds of disposition of the property up to the amount of Five Hundred and Fifteen Thousand Dollars ($515,000.00).

It is further ORDERED that the Memorandum of Lis Pendens recorded in Deed Book 295, Page 696, in the Circuit Court Clerk's Office, City of Bristol, Virginia, shall be released upon recordation of this Order in said Clerk's office. This Order shall be recorded in the name of the United States Marshal, John B. Metzger, III, on behalf of the United States of America as grantee and in the name of Brenda J. Honaker as grantor.

There remaining nothing further to be done this action is dismissed and stricken with prejudice from the docket of this Court and each party shall bear its own costs. The Clerk of this Court is directed to certify copies of this Order to G. Nelson Mackey,

Jr., Franklin Plaza, Suite 240, 111 Franklin Road, S.W, P.O. Box 1371, Roanoke, Virginia 24007, counsel for Brenda J. Honaker and the Estate of Marshall E. Honaker, U.S. Marshal, P.O. Box 2280, Roanoke, Virginia 24009, G. Walter Bressler, P.O. Box 1478, Bristol, Virginia 24203, counsel for the City of Bristol, and shall certify three copies to Kenneth M. Sorenson, Assistant United States Attorney, P.O. Box 1709, Roanoke, Virginia 24008.

ENTERED THIS 17th OF AUGUST, 1992.

UNITED STATES DISTRICT JUDGE

A TRUE COPY, TESTE:
Joyce F. Witt, Clerk
By: Deputy Clerk

Seen and agreed to:

Kenneth M. Sorenson, Esq.
Assistant United States Attorney
Counsel for the United States of America

G. Nelson Mackey, Esq.
Attorney for Brenda J. Honaker and
the Estate of Marshall E. Honaker

G. Walter Bressler, Esq.
Counsel for the City of Bristol, Virginia

ATTACHMENT A
CIVIL ACTION NO. 92-0080-A

DESCRIPTION OF CERTAIN ASSETS OF THE
ESTATE OF MARSHALL E. HONAKER

(a) real property located at 7 Woodland Drive, Bristol, Virginia, and any and all appurtenances thereto, more particularly described as follows:

Lots No. 14, 15, and 16, in Block 27, as shown by plat designated "Replat of Blocks 14, 15, 16, 17 and parts of blocks 12, 13, and 18, Plat 4, Virginia Heights and 18.73 acre tract subdivided", dated September 6, 1946, and of record in the Clerk's Office of the Circuit Court of the City of Bristol, Virginia, in Plat Book 1A, page 64, and more particularly shown by resurvey thereof of Frank T. Holbrook, dated October 23, 1989, a copy of which is attached hereto and made a part hereof and described according to said survey as follows:

BEGINNING at an iron pin in the line of Woodland Drive, corner to Lot 16; thence with the northerly line of said Woodland Drive S 56 16 W 118.97 feet to an iron pin; N 76 15 W 178.67 feet to an iron pin; thence with a curve to the right of said drive in an northwesterly direction a distance of 112.82 feet to an iron pin, the radius of said curve being 167.10 feet; thence N 37 34 W 89.77 feet to an iron pin; thence N 37 34 W 91.32 feet to an iron pin in the line of Lots 13 and 14; thence with the division line of said lots N 13 45 E 231.47 feet to an iron pin; thence S 75 05 E 356.68 feet to an iron pin and S 60 37 E 100 feet to an iron pin; thence with the division line of Lots 16 and 17, S 29 10 W 140.0 feet to an iron pin and S 22 18 E 152.16 feet to the point of BEGINNING;

BEING the same property conveyed to Marshall E. and Brenda J. Honaker, husband and wife, by deed dated April 7, 1989, from Betty J. Painter, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

AGREEMENT

THIS AGREEMENT, made and entered into this 29th day of June, 1992, by and between the United States of America (hereinafter United States), Brenda J. Honaker, the Estate of Marshall E. Honaker, and the City of Bristol, Virginia.

WHEREAS, the parties hereto having as their intent the creation of an agreement among themselves setting forth their respective rights and obligations pertaining to the forfeiture and disposition of certain property involved in violations of federal law, to wit: Title 18 U.S.C. Section 1956 (a)(1)(A) and (B); and

WHEREAS, it appearing to the parties that one Marshall E. Honaker, while acting in his official capacity as Sheriff of the City of Bristol, Virginia, did knowingly and willfully embezzle, misappropriate and divert funds paid to him in his official capacity as the Sheriff of the City of Bristol, Virginia, said monies being placed into his care and custody pursuant to contract by the United States Marshals Service, and other state and local governmental entities for the housing of federal and state prisoners in the Bristol City Jail pursuant to contract; and

WHEREAS, it appearing that Marshall E. Honaker did divert said official funds paid to his custody as the Sheriff of the City of Bristol, Virginia by depositing checks made payable to the Bristol City Jail to a personal checking account (hereinafter diversion account) in the name of Marshall E. and Brenda J. Honaker; and

WHEREAS, it appearing that Marshall E. Honaker deposited approximately $651,000 of public monies into the diversion account and in turn paid over to the City of Bristol approximately $136,000, for a net loss to the City of Bristol, and gain to Marshall Honaker, of $515,000; and

WHEREAS, it appearing that Marshall E. Honaker used diverted funds to either purchase, or assist in purchasing or acquiring, inter alia, the following property:

(a) All that particular parcel of residential property located at 7 Woodland Drive, Bristol, Virginia, and any and all appurtenances thereto, more particularly described in a deed dated April 7, 1989, from Betty J. Painter to Marshall E. and Brenda Honaker, of record in the Clerk's Office of the Circuit Court of Bristol, Virginia, in Deed Book 274, Page 766.

(b) $63,881.00 in U.S. Currency;

(c) One 1991 Ford Explorer, VIN 1FMDU34XOMUB49713;

(d) One 1989 Toyota Supra, VIN JT2MA70L3K0120050;

(e) One 1987 Chevrolet Pickup, VIN 1GCCT14R8H2157925;

(f) One gold coin collection;

(g) Miscellaneous articles of jewelry:

(h) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595128;

(i) $12,347.79 in certified funds from Dominion Bank Certificate of Deposit No. 096213595129;

(j) $6,755.32 in certified funds from Dominion Checking Account No. 0923144580;

(k) All monies in the amount of $140,000.

WHEREAS, it appearing that Marshall E. Honaker died testate on the 22nd day of January, 1992; and

WHEREAS, it is the wish of the parties hereto that all assets above listed should properly be forfeited to the United States through the use of a civil in rem forfeiture proceeding, and that they should then be liquidated by the United States Marshals Service and the proceeds dispersed to the City of Bristol, Virginia in recognition of the claim

contemplated by the terms of this agreement to be filed on behalf of Bristol, Virginia to restore the diverted funds to the citizens of that city for the loss to their public treasury.

NOW THEREFORE, upon consideration of the mutual covenants contained herein, the parties do hereby agree as follows:

1. The United States will commence a civil in rem forfeiture proceeding against all assets of Marshall E. and Brenda J. Honaker listed above in this agreement.

2. Upon receipt of service of process, Brenda J. Honaker and the Estate of Marshall E. Honaker, will file respective claims to the property and a legally sufficient answer to the complaint admitting each and every allegation contained in said complaint. The parties stipulate herein that they have reviewed a proposed draft of the complaint and based upon the allegations contained therein agree to the terms of this paragraph.

3. Upon receipt of service of process the City of Bristol, Virginia, by and through its counsel shall file a claim to the property as the lawful owner thereof and requesting that said property be returned to the City of Bristol, Virginia pursuant to the provisions of Section Title 18 U.S.C. §981(a)(2). Contemporaneous with the filing of the Claim, the City of Bristol shall file an answer admitting to each and every allegation in the Verified Complaint for Forfeiture.

4. The parties hereto agree that this document can and shall be used as a Stipulation of Compromise in the forfeiture proceeding contemplated by its terms.

5. Brenda J. Honaker shall cooperate fully and completely with any and all further federal investigations pertaining to the diversion of public funds by Marshall E. Honaker,

or any and all other criminal conduct of Marshall E. Honaker. The United States agrees that Brenda J. Honaker shall enjoy full use immunity from any and all prosecution which may result from information given by or derived from her pursuant to the provisions of this agreement.

6. The City of Bristol, Virginia, shall not attempt to collect or institute any judicial process to collect any indebtedness from either Brenda J. Honaker, the Estate of Marshall E. Honaker, or any lawful issue of Marshall E. and Brenda J. Honaker, which may have as its basis the diversion of public funds by Marshall E. Honaker more fully described in above.

7. The United States shall not make any adjustments to federal adjusted gross income or taxable income, nor assess any income taxes, related penalties or interest against either Brenda J. Honaker, or the estate of Marshall E. Honaker, relative to any and all applicable tax years, as a result of the income derived by Marshall E. Honaker from the criminal diversion of funds above described. This provision is based upon the consensual nature of the forfeiture proceedings and the cooperation of Brenda J. Honaker in any continuing investigation of the activities of Marshall E. Honaker. However, the Internal Revenue Service may conduct, at its discretion, a civil examination of the tax returns jointly filed by Marshall E. and Brenda Honaker for tax years 1986 through 1991 to verify and make any necessary adjustments relating to income deductions, expenses and/or expenditures not connected to the diversion of public monies by Marshall E. Honaker. It is understood by the parties hereto that if this agreement is nullified or compromised by the Estate of Marshall E. Honaker or Brenda J. Honaker, this particular provision is likewise terminated and the United States, by and through its lawful agent, the Internal Revenue Service, shall

be allowed to exercise any and all rights accorded to it by law for the investigation of tax related offenses, and the assessment of outstanding tax liability.

8. All property listed above which is the subject of the civil in rem forfeiture action shall be forfeited to the United States pursuant to the requirements of law, and liquidated by the United States Marshal Service pursuant to the terms contained in this agreement. The parties expressly understand that pursuant to federal law, the interest of the United States in the property named in the forfeiture complaint arose as of the time of the illegal acts giving rise to the forfeiture. The net proceeds of sale, after payment of all related costs, shall be dispersed to the City of Bristol, Virginia by the United States Attorney, or his duly authorized representative up to the total amount of their loss of $515,000. It is specifically understood by the parties hereto that one 1991 Ford Explorer, VIN 1FMDU34X0MUB49713, and one 1989 Toyota Supra, VIN JT2MA0L3K0120050, shall not be liquidated by the United States Marshal but shall instead by placed into official use by the Internal Revenue Service Criminal Investigation Division and the Federal Bureau of Investigation. It is further specifically understood by the parties that these two vehicles are not considered as assets comprising the $515,000 figure to be returned to the City of Bristol, Virginia.

9. It is understood that the figure of $515,000 is a goal amount which the parties believe liquidation of the assets, absent the vehicles described in paragraph eight (8), will realize upon sale. The City of Bristol, Virginia fully recognizes that it will accept those funds realized from the liquidation of the forfeited assets without recourse against the Estate of Marshall E. Honaker, Brenda J. Honaker, any lawful issue of the union of Marshall E. and

Brenda Honaker, or the United States. It is further understood that should the liquidation of the forfeited assets result in an amount in excess of $515,000, those amounts in excess of this figure shall remain the property of the United States and be deposited by the United States Marshal into the Asset Forfeiture Fund and be disposed of pursuant to the requirements of federal law. Finally, it is specifically understood that any amounts collected upon unilaterally by the City of Bristol, Virginia from any moneys or objects of value due to the estate of Marshall E. Honaker shall be deducted from the lesser of $515,000 or the total amount of funds collected from the liquidation of the forfeited property minus expenses.

10. The City of Bristol, Virginia covenants that it shall not utilize all or any portion of the forfeited proceeds for the erection of any monument, or the establishment of any scholarship or endowment of any kind, memorilizing Marshall E. Honaker.

11. The parties willingly stipulate that each and every item of property in the forfeiture complaint is lawfully subject to forfeiture pursuant to the provisions of Title 18 U.S.C. Section 981(a)(1)(A).

12. The parties each agree and understand that the terms of settlement herein contained must be confirmed and ratified by the United States District Court for the Western District of Virginia. If for any reason the Court rejects any portion of the material terms of the agreement, any party hereto may consider the agreement at that time void, and may take any and all action necessary at that time to protect its interest.

13. It is the express understanding of the parties hereto that additional funds paid by the United States Marshals Service for the housing of federal prisoners was tendered to

Marshall E. Honaker as the custodian of the Bristol City Jail and subsequently diverted by Marshall E. Honaker into an additional account from which some improper deductions were made by Marshall E. Honaker. It is the understanding of the parties hereto that this agreement is made with full knowledge of these apparent additional amounts of moneys diverted by Marshall E. Honaker, and the financial settlement contained herein takes these additional funds into account.

Acknowledged and entered this 24th day of June, 1992.

Kenneth M. Sorenson, Esq.
Assistant United States Attorney
Counsel for the United States of America

G. Nelson Mackey, Esq.
Attorney for Brenda J. Honaker and
the Estate of Marshall E. Honaker

G. Walter Bressler, Esq.
Counsel for the City of Bristol

0-9 (Rev. 8-16-79)

TRANSMIT VIA: AIRTEL

CLASSIFICATION: _____ **DATE:** 7/20/93

b7C

FROM: Director, FBI

TO: SAC, Richmond (46A-RH-40962)

AUTOMOTIVE MATTERS
RETENTION OF SEIZED AND/OR EXCESS VEHICLES
FOR OFFICIAL USE BY THE FBI

Re Richmond (RH) airtel's to Director, FBI dated 7/13/93 and 2/9/93.

The 1989 Toyota Supra, Vehicle Identification Number JT2MA70L3K0120050, acquired from the IRS, is temporarily assigned to the RH Division. This vehicle is assigned Bucar Number [redacted] and is to be utilized for undercover and surveillance purposes. RH is to ensure this vehicle is maintained in a covert manner.

b2

When the need for this vehicle terminates, RH is to immediately notify the Automotive Management Unit, Administrative Services Division and the Criminal Investigative Division. At that time, FBIHQ will reassign this vehicle.

RH should ensure this vehicle is serviced and repaired in conformance with the guidelines as set forth in the Manual of Administrative Operations and Procedures, Part II, Section 6-8.3, Page 469. All costs associated with this vehicle, along with the monthly odometer reading, must be forwarded to the RH Automotive Clerk. This is to ensure that the appropriate information is recorded on the Monthly Motor Vehicle Report.

46A RH 40962-111

SEARCHED _____ INDEXED _____
SERIALIZED _____ FILED _____
JUL 23 1993
FBI — RICHMOND

b7C

(1) Supra
(2)
(3)
(4) [redacted]

Work copy to Supra

U.S. Department of Justice

United States Attorney
Western District of Virginia

Poff Federal Building
210 Franklin Road, S.W., Rm. 456
Roanoke, Virginia 24011

Mailing Address
Post Office Box 1709
Roanoke, Virginia 24008-1709
Telephone: (703) 982-6250
Fax: [redacted]

August 3, 1993 b2

Stanley J. Klein, Special Agent-in-Charge
Federal Bureau of Investigation
Post Office Box 28060
Richmond, Virginia 23228

Re: Distribution of Honaker Proceeds

Dear Mr. Klein:

Please be advised that we have selected the date of August 11, 1993, for the check presentation ceremony in the above-referenced case. We expect the ceremony to commence at 11:00 a.m. at an as yet unknown location in Bristol, Virginia.

We wish to cordially invite both you, and interested members of your agency to attend, and speak if you wish. I ask that you please advise me at your earliest convenience as to who will be attending.

I will get back with you regarding further details on location. If you have any questions please do not hesitate to contact me.

With best regards, I am

Very truly yours,

MORGAN E. SCOTT, JR.
United States Attorney

Kenneth M. Sorenson
Assistant United States Attorney

KMS

cc: [redacted] Special Agent, FBI, Lynchburg, VA

[redacted] Supv. Special Agent, FBI, Richmond, VA

b7C

AUSA Sorenson advised 8/5/93 that SSA [redacted] would represent FBI - pls. respond

46A RH-40962 -112
SEARCHED INDEXED
SERIALIZED FILED
AUG 0 4 1993
FBI—RICHMOND

U.S. Department of Justice
United States Attorney
Western District of Virginia
P.O. Box 1709
Roanoke, VA 24008

Official Business
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ADDRESS CORRECTION REQUESTED

ROANOKE, VA 240
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U.S. Department
of Justice
JUS-431

Stanley J. Klein, Special Agent-in-Charge
Federal Bureau of Investigation
Post Office Box 28060
Richmond, Virginia 23228

23228-0060

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Bristol recovers more than half of stolen money

BRISTOL — The city recovered more than half the money embezzled by a former sheriff, who killed himself days after federal agents raided his home.

Marshall Honaker stole about $750,000 from city accounts before taking his own life Jan. 22, 1992, federal officials said.

Assistant U.S. Attorney Ken Sorenson presented two checks Wednesday to Mayor Jerry Wolfe — one for $6,995.54 from the sale of a jewelry collection and one for $209,505.50 from the sale of Honaker's house.

The money is in addition to about $240,000 the city received in January. Those funds represented liquidated items including an automobile, a checking account, certificates of deposit and cash found in Honaker's office at the time of his death. The city does not expect to recover anything more.

(Indicate page, name of newspaper, city and state.)

B4, Richmond Times Dispatch

Date: Friday, August 13, 1993
Edition: Daily

Title: BRISTOL RECOVERS MORE THAN HALF OF STOLEN MONEY
Character:
or
Classification:
Submitting Office:

Indexing:

X

46A RH-40962-113

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
AUG 13 1993
FBI - RICHMOND

AGENT INSTRUCTED TO INDEX ON WORK COPY

FBI/DOJ