

RRAD employs a workforce of approximately 4,500, most being Department of the Army civilians or contractors. As part of its mission of repairing tactical vehicles, RRAD maintains a large fleet of trucks and tractor-trailers for the purpose of transporting tactical vehicles to and from RRAD for maintenance and repair.

3. Benny Woodard was a Department of the Army civilian employee at RRAD who was responsible for the maintenance of RRAD's fleet of trucks and tractor-trailers. Benny Woodard was authorized to procure parts and repair services from vendor businesses in the Texarkana area and invoice the parts and services to a government purchase card at RRAD. Benny Woodard died of a single gunshot wound on April 2, 2013.

4. **Rodney Glen Cornelius** and **William Randall Scott** are two RRAD Department of the Army civilian employees who reported directly to Benny Woodard until his death, and served as "runners" for Benny Woodard, picking up and delivering vehicles, trailers, and parts between RRAD and vendors in the area.

5. **Kenneth Ray Shackelford** is co-owner of Advantage Distributors, a truck and trailer repair business in Texarkana, Texas. **Shackelford** conducted business directly with Benny Woodard and also with his runners, **Cornelius**, **Scott**, and others.

6. **Shaun Dennis Knorr** is a former employee of **Kenneth Ray Shackelford's** at Advantage Distributors, who left Advantage Distributors to open his own truck and trailer repair business. His first business was named Northeast Texas Truck and Trailer, which he closed and then opened Cass County Truck and Trailer, both

located in Cass County, Texas. **Knorr** conducted business directly with Benny Woodard and **Cornelius** at both of his own businesses.

7. **Anthony Paul Vera** is owner of Triple P Enterprises, a tire supply business in Dekalb, Texas. **Vera** conducted business directly with Benny Woodard, and also his runners, **Cornelius** and **Scott**.

8. **William Robert Barr** is co-owner of B Truck and Trailer, parts and vehicle supply business in Texarkana, Texas. **Barr** conducted business directly with Benny Woodard.

9. **Patrick Ray James** is owner of Hooks Tire, a tire supply business in Hooks, Texas. **James** conducted business directly with Benny Woodard, and also his runners, **Cornelius** and **Scott**.

COUNT 1

Violation: 18 U.S.C. § 371
(Conspiracy to commit offense or defraud the
United States)

The Conspiracy and its Objects

10. Beginning on or about January 1, 2007, the exact date being unknown to the United States Grand Jury, and continuing thereafter until at least March 2013, in the Eastern District of Texas, the defendants, **Kenneth Ray Shackelford, Anthony Paul Vera, Shaun Dennis Knorr, Patrick Ray James, William Robert Barr, Rodney Glen Cornelius, and William Randall Scott**, knowingly and willfully conspired and agreed

together and with each other, and with other persons known and unknown to the grand jury, to:

(1) commit an offense against the United States, that is: theft of public money and other things of value, in violation of Title 18, United States Code, Section 641, and

(2) defraud the United States of and concerning its governmental functions and rights, that is, of and concerning its right to have its business and its affairs, and particularly the transactions of the official business of the Department of Defense and the Department of the Army, conducted honestly and impartially, free from corruption, fraud, improper and undue influence, dishonesty, unlawful impairment, and obstruction.

In violation of 18 U.S.C. § 371.

Manner and Means of the Conspiracy

11. It was a part of the conspiracy that the defendants would by deceit, craft, trickery and dishonest means, defraud the United States by interfering with and obstructing the lawful governmental functions of the Department of the Army by fraudulently billing the Department of the Army at RRAD for services never rendered and goods never provided.

12. It was further a part of the conspiracy that **Kenneth Ray Shackelford**, as co-owner of Advantage Distributors of Texarkana, Texas, on various occasions and various dates during the course of the conspiracy, billed RRAD for parts and repair services that were never delivered to or completed for RRAD. **Shackelford** would then

use the proceeds from the fraudulent invoices to (1) purchase items such as fence posts, fencing wire, and cattle feed for Benny Woodard to use on his personal property, (2) split the proceeds directly with Benny Woodard, or (3) some combination of (1) and (2).

13. It was further a part of the conspiracy that **Kenneth Ray Shackelford**, on various occasions and various dates during the course of the conspiracy, billed RRAD for repair services that, instead of being rendered on a vehicle owned by the Department of the Army, were actually rendered on personal vehicles belonging to Benny Woodard.

14. It was further a part of the conspiracy that **Anthony Paul Vera**, as owner of Triple P Enterprises of Dekalb, Texas, on various occasions and various dates during the course of the conspiracy, billed RRAD for tires that were never delivered to or received by the Department of the Army. Some tires were sold at other businesses in the Texarkana area with the proceeds being split between **Vera, William Randall Scott, Rodney Glen Cornelius**, and Benny Woodard.

15. It was further a part of the conspiracy that **Shaun Dennis Knorr**, as owner of Cass County Truck and Trailer and also Northeast Truck and Trailer, both in Cass County, Texas, on various occasions and various dates during the course of the conspiracy fraudulently billed RRAD for repair services to tractor-trailers that were never rendered.

16. It was further a part of the conspiracy that **Patrick Ray James**, as owner of Hooks Tire of Hooks, Texas, on various occasions and various dates during the course of the conspiracy, fraudulently billed RRAD for tires that were never delivered or received by

the Department of the Army, but instead were sold at other businesses in the Texarkana area by **Rodney Glen Cornelius**, with proceeds going to Benny Woodard.

17. It was further a part of the conspiracy that **Patrick Ray James**, as owner of **Hooks Tire** of Hooks, Texas, fraudulently billed RRAD for tires or services to cover the cost of gravel for which **James** wrote two checks to **William Randall Scott** to purchase gravel.

18. It was further a part of the conspiracy that **William Robert Barr**, as co-owner of B Truck and Trailer of Texarkana, Texas, fraudulently inflated multiple invoices to RRAD to cover the cost of two Neckover trailers that **Barr** delivered to Benny Woodard for his personal use.

19. It was further a part of the conspiracy that **Rodney Glen Cornelius**, an employee of Red River Army Depot who reported directly to Benny Woodard, on various occasions and various dates during the course of the conspiracy, picked up tires that had been billed to RRAD from **Anthony Paul Vera** and **Patrick Ray James** and delivered them to Cass County Truck and Trailer (owned by **Knorr**) and Young's Tire Shop in Atlanta, Texas, with proceeds from the sales being split between **Cornelius**, **Vera**, and Benny Woodard.

20. It was further a part of the conspiracy that **Rodney Glen Cornelius**, on various occasions and various dates during the course of the conspiracy, picked up fraudulent invoices billed to RRAD at Cass County Truck and Trailer generated by **Shaun**

Dennis Knorr and returned them to Benny Woodard for payment by RRAD of services never rendered.

21. It was further a part of the conspiracy that Benny Woodard would order tires from Southern Tire Mart, a tire supply business in Texarkana, Texas, and bill them to RRAD. **Rodney Glen Cornelius** and **William Randall Scott**, employees of Red River Army Depot who reported directly to Benny Woodard, on various occasions and various dates during the course of the conspiracy picked up tires from Southern Tire Mart of Texarkana, Texas, and delivered them to a trailer located on the premises of Advantage Distributors (owned by **Shackelford**). The tires were never delivered to or received by the Department of the Army.

22. It was further a part of the conspiracy that **William Randall Scott**, on various occasions and various dates during the course of the conspiracy, picked up tires fraudulently billed to Red River Army Depot from Triple P Enterprises (owned by **Vera**) and delivered them to a trailer on the premises of Advantage Distributors (owned by **Shackelford**) and to Benny Woodard's personal property. The tires were never delivered to or received by the Department of the Army.

Overt Acts in Furtherance of the Conspiracy

23. In furtherance of and to achieve the objects thereof, the defendants, **Kenneth Ray Shackelford, Anthony Paul Vera, Shaun Dennis Knorr, Patrick Ray James, William Robert Barr, Rodney Glen Cornelius, and William Randall Scott**, and other

persons known and unknown to the grand jury committed the following overt acts in the Eastern District of Texas and elsewhere:

24. **Kenneth Ray Shackelford**, as co-owner of Advantage Distributors, on April 17, 2012, invoiced RRAD \$2,963.40 for wheel weights that were never received by or delivered to RRAD.

25. **Anthony Paul Vera**, as owner of Triple P Enterprises, on June 20, 2011, invoiced RRAD \$2,975.84 for tires that were never received by or delivered to RRAD.

26. **Shaun Dennis Knorr**, as owner of Northeast Texas Truck and Trailer, on November 23, 2011 invoiced RRAD \$2,368.45 for parts and services never rendered.

27. **Shaun Dennis Knorr**, as owner of Cass County Truck and Trailer, on February 10, 2012 invoiced RRAD \$2,374.40 for parts and services never rendered.

28. On February 23, 2011, Benny Woodard ordered 8 tires billed to RRAD, totaling \$2,888.00, from Southern Tire Mart in Texarkana, Texas, that were picked up by **William Randall Scott**, but never delivered to RRAD.

29. On June 23, 2011, Benny Woodard ordered 8 tires billed to RRAD, totaling \$2,960.00, from Southern Tire Mart in Texarkana, Texas, that were picked up by **Rodney Glen Cornelius**, but never delivered to RRAD.

30. **William Robert Barr**, on January 15, 2010, purchased a Neckover trailer that he delivered to Benny Woodard for personal use and then fraudulently inflated multiple invoices to RRAD to cover the \$6,481 cost of the trailer.

31. **William Robert Barr**, on June 1, 2010, purchased a Neckover trailer that he delivered to Benny Woodard for personal use and then fraudulently inflated multiple invoices to RRAD to cover the \$10,854 cost of the trailer.

32. **Patrick Ray James**, in March of 2011, billed RRAD for 32 tires totaling \$6,384.00.

33. **Patrick Ray James**, on May 16 and 17, 2011, uttered two checks drawn on Hooks Tire Service's Bancorp South account, totaling \$2000, payable to **William Randall Scott**, which **Scott** negotiated each on the same day it was uttered, in order to cover the cost of gravel.

COUNT 2

Violation: 18 U.S.C. § 641 and 18 U.S.C. § 2
(Theft of Government Property and Aiding and Abetting)

34. Beginning on or about January 1, 2007, the exact date being unknown to the United States Grand Jury, and continuing thereafter until at least March 2013, in the Eastern District of Texas, the defendants, **Kenneth Ray Shackelford, Anthony Paul Vera, Shaun Dennis Knorr, Patrick Ray James, William Robert Barr, Rodney Glen Cornelius, and William Randall Scott**, did knowingly embezzle, steal, and purloin money of the Department of the Army, a department or agency of the United States, and aided and abetted each other in doing so, namely U.S. currency, tires, other parts, and repair services to which the defendants knew they were not entitled, having a value exceeding \$1,000.

In violation of 18 U.S.C. § 641 and 18 U.S.C. § 2.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

Pursuant to 18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. §2461

As the result of committing one or more of the foregoing offenses alleged in this indictment, the defendants herein shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461:

1. any property constituting, or derived from, and proceeds the defendants obtained, directly or indirectly, as the result of such violations;
2. any of the defendants' property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violations, and/or;

CASH PROCEEDS

\$2,000,000.00 in United States currency and all interest and proceeds traceable thereto, in that such sum in aggregate is proceeds obtained directly or indirectly as a result of the commission of the aforesaid violations.

Substitute Assets

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with a third person;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 981(a)(1)(C), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property, including but not limited to all property, both real and personal owned by the defendants.

By virtue of the commission of the offenses alleged in this indictment, any and all interest the defendants have in the above-described property is vested in the United States

and hereby forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

A TRUE BILL

Bk
GRAND JURY FOREPERSON

JOHN M. BALES
UNITED STATES ATTORNEY

D. Ryan Locker
D. RYAN LOCKER
Assistant United States Attorney

9-17-14
Date

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

UNITED STATES OF AMERICA	§	
	§	
V.	§	CRIMINAL NO. 5:14CR_____
	§	JUDGES CRAVEN/SCHNEIDER
	§	
KENNETH RAY SHACKELFORD (01)	§	
ANTHONY PAUL VERA (02)	§	
SHAUN DENNIS KNORR (03)	§	
PATRICK RAY JAMES (04)	§	
WILLIAM ROBERT BARR (05)	§	
RODNEY GLEN CORNELIUS (06)	§	
WILLIAM RANDALL SCOTT (07)	§	

NOTICE OF PENALTY

COUNT 1

Violation:	18 U.S.C. § 371 (Conspiracy to commit offense or to defraud the United States);
Penalty:	Imprisonment for a term of not more than 5 years; a fine not to exceed \$250,000, or both; and a term of supervised release of not more than 3 years.
Special Assessment:	\$100.00

COUNT 2

Violation: 18 U.S.C. § 641 and 18 U.S.C. § 2 (Theft of Government Property and Aiding and Abetting)

Penalty: Imprisonment for a term of not more than 10 years; a fine not to exceed \$250,000, or both; and a term of supervised release of not more than 3 years.

Special Assessment: \$100.00