

IN THE UNITED STATES DISTRICT COURT
FOR THE
WESTERN DISTRICT OF VIRGINIA
AT ROANOKE
JULY 2000 SESSION

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UNITED STATES OF AMERICA

Plaintiff

v.

Criminal No. 7:00CR00074

WILLIAM LEWIS HELMS, a/k/a "Bill"
RALPH WOODROW WILSON
GRAYLON McLAMB
RICKY JAMES BAREFOOT
DELMON LEE, a/k/a "Junior"
LARRY FITCH CLARKE
WILLIAM GRAY STANLEY, a/k/a "Dee"
JASON BRENT STANLEY
WILLIAM KENNETH COBLER, a/k/a "Kenny"
STEVEN ALLEN MOTLEY
LEROY MARSHALL
WILLIAM CURTIS MOSLEY, a/k/a "Curtis"
RALPH DWAN HALE, Sr.
JUDY RAKES HALE
RALPH DWAYNE HALE, Jr., a/k/a "Dwayne"
SHIRLEY HALE WHITLOW
WILLIAM MITCHELL HALE, a/k/a "Willie"
BARBARA ELLEN HALE
BENJAMIN FRANKLIN GEARHART
AUTREY LEE COOPER

Defendants

INDICTMENT

UNSEALED
11:00 A.M.
7/19/00

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INTRODUCTION

The Grand Jury charges, at all times relevant to this indictment:

Background on the Moonshine Industry

1. "Moonshine" commonly refers to "home-brewed," illegal liquor on which federal and state excise taxes have not been paid. Other words commonly used to describe untaxed liquor include "shine," "corn," "corn liquor," and "bootleg."

2. Moonshine liquor is manufactured in stills, which consist of one or more pots. Still pots are typically made from galvanized metal or aluminum and have wooden sides. The size of the pots vary, but a typical pot holds an average of about 800 gallons. Some moonshine stills are located in remote areas and use untreated creek water, with little if any sanitation available.

3. At a minimum, a still pot requires sugar, yeast, malt, water, and heat to produce liquor. Sugar is the primary ingredient used in making moonshine, and an average of 100 pounds of sugar is added for each 100 gallons of pot capacity. Thus, an 800-gallon still pot would use up to eight, 100-pound sacks of sugar, which typically cost between \$33 and \$38 per 100-pound sack.

4. When all the ingredients are mixed into the pot, the pot has been "mashed in." The pot is monitored for temperature and stirred periodically, usually by "still hands" hired by the owner/operator of the still. When the yeast has converted the sugar to alcohol, the pot is "run" by boiling off the alcohol into a cooling box. The alcohol is transferred to a proofing barrel, where batches of moonshine are mixed to adjust the final "proof" (concentration) of the alcohol. Moonshine is typically 100 proof, which is 50% alcohol. A run typically takes between five to nine days, and then the pot is mashed back in again.

5. Most stills produce at least 12 gallons of liquor for every 100-pound sack of sugar.

Thus, an 800-gallon still pot would produce at least 96 gallons of liquor for each run, at a typical cost of less than \$4.00 per gallon. The federal tax owed on each gallon of liquor is \$13.50, or at least \$1,296 per typical run per pot.

6. Once the alcohol is in final form, it is usually transferred to one-gallon plastic jugs. The plastic jugs used for moonshine appear similar to ordinary milk jugs, but are made with heavier plastic and are known as industrial gallons. The heavier plastic is necessary so that the jugs, when full of moonshine, can be stacked into trucks and transported without breaking.

7. The jugs containing the liquor are transported to wholesalers in Virginia and elsewhere, and then to retailers for sale to the public in what are commonly known as “shot houses” or “nip joints.” Untaxed liquor is typically sold in case lots to the wholesaler. A case lot consists of six gallons of liquor. In Virginia, a case lot usually sells for about \$48.00, for a profit of at least \$24.00. In Philadelphia, Pennsylvania, for example, a case lot usually sells for between \$75.00 and \$100.00, for a profit of between \$54.00 and \$76.00. For this reason, a significant portion of moonshine is trucked to customers in Pennsylvania and other places outside Virginia.

Laws Governing the Manufacture of Alcohol

8. The term “distilled spirits” is defined as the substance known as ethyl alcohol, ethanol, or spirits of wine in any form, and a “distiller” is defined as any person who produces distilled spirits from any source or substance (26 U.S.C. § 5002(a)). The term “untaxed liquor” as used in this indictment means the same as the term untaxed “distilled spirits.”

9. Any person can engage in the business of distilling distilled spirits by obtaining a basic permit from the Bureau of Alcohol, Tobacco and Firearms (27 U.S.C. § 203(b)), and complying

with all requirements such as registration (26 U.S.C. § 5179), providing bond (26 U.S.C. § 5173), paying the requisite taxes (26 U.S.C. § 5001(a)), and other requirements.

10. All distilled spirits produced in the United States are taxed at a federal rate of \$13.50 per proof gallon and a proportionate tax at the same rate on all fractional parts of a proof gallon (26 U.S.C. § 5001(a)).

11. The tax attaches to distilled spirits as soon as the distilled spirits are made (26 U.S.C. § 5001(b)). The distiller is responsible for paying the tax (26 U.S.C. § 5005(a)), which is payable to the Bureau of Alcohol, Tobacco and Firearms (26 U.S.C. § 5061). The tax owed must be paid at the time the distilled spirits are removed from the bonded premises (26 U.S.C. § 5007).

12. The Commonwealth of Virginia also imposes a tax on distilled liquor. The Commonwealth purchases liquor for sale in ABC Stores at wholesale prices and charges an additional 20% as the tax due the Commonwealth.

13. The State of North Carolina also imposes a tax on distilled liquor at a rate of \$12.50 per proof gallon.

History and Operation of Farmers Exchange

14. Farmers Exchange is a small store located in Rocky Mount, Franklin County, Virginia, which was a sole proprietorship begun in approximately 1966 by Ramsey W. Helms (now deceased). Farmers Exchange included a warehouse at a separate location about two miles from the store.

15. Ramsey Helms operated the business with his brother, BILL HELMS. BILL HELMS worked regularly at Farmers Exchange in virtually all aspects of the business from its inception, including working with customers, ordering supplies, delivering supplies, giving instructions to

employees of Farmers Exchange, authorizing payments, and giving directions to the bookkeeper.

16. Harold Poindexter was employed by Farmers Exchange from 1979 until 1999. He also lived in a trailer furnished by the Helms on property adjacent to the Farmers Exchange Warehouse so that he could readily assist customers any time of the day or night. A primary aspect of Poindexter's job was to load sugar, jugs, and other supplies ordered by customers.

17. Farmers Exchange ostensibly operated as a seed and farm supply store, but the majority of its business income came from supplying materials for the manufacture of moonshine. The Helms brothers operated Farmers Exchange not only as a sugar brokerage company, ordering and purchasing sugar, but also as a supplier of one-gallon plastic containers, yeast, meal, malt, bran, and an assortment of other items used and needed for the production and distribution of liquor.

18. For example, during the calendar year 1987, Farmers Exchange purchased approximately 5 million pounds of sugar. During an inventory in 1989, the Farmers Exchange warehouse contained approximately 58,000 one-gallon plastic jugs; 80,000 pounds of sugar; 3,336 one-half-gallon glass jars; 35,000 pounds of wheat bran; 12,500 pounds of rye grain; 900 pounds of barley; and 388 pounds of yeast, all of which are ingredients used in the manufacture of untaxed liquor.

19. During the following years, Farmers Exchange purchased the approximate amounts of sugar and jugs set forth in the following table. For comparison, Farmers Exchange reported the following gross cost of all goods and gross sales of all goods sold by Farmers Exchange for the years noted, indicating that the cost of sugar and jugs comprised the majority of the business conducted by Farmers Exchange.

Year	Sugar		Jugs		Gross Cost of all Goods Sold	Gross Sales of all Goods Sold
	Amount (pounds)	Cost	Number	Cost		
1992	1,727,200	\$ 518,173.24	81,486	\$ 15,638.80	not avail.	not avail.
1993	1,853,800	\$ 553,724.95	143,641	\$ 26,652.72	\$ 776,741	\$ 825,316
1994	1,944,200	\$ 565,724.05	229,895	\$ 39,052.11	\$ 735,078	\$ 689,836
1995	1,886,400	\$ 548,226.70	195,387	\$ 40,046.72	\$ 665,140	\$ 733,203
1996	1,740,700	\$ 534,086.95	236,237	\$ 43,659.24	\$ 678,721	\$ 734,914
1997	1,224,700	\$ 396,756.96	165,120	\$ 34,074.73	\$ 455,315	\$ 514,978
1998	1,374,200	\$ 440,411.33	211,152	\$ 40,343.01	not avail.	not avail.
1999 (thru 5/7)	345,600	\$ 103,475.29	63,312	\$ 12,125.91	not avail.	not avail.
Totals	12,096,800	\$ 3,660,579.47	1,326,230	\$ 251,593.24		

20. Based upon the 12,096,800 pounds of sugar purchased by Farmers Exchange, as set forth in the previous table, and a typical yield of 12 gallons of liquor per 100 pounds of sugar, a total of approximately 1,451,616 gallons of liquor could be made by the individuals to whom Farmers Exchange sold the sugar. The federal tax owed on this amount of liquor by these individuals would be \$19,596,816.00. Additional tax would be owed to the Commonwealth of Virginia and/or the State of North Carolina.

21. On May 7, 1999, Farmers Exchange warehouse was searched pursuant to a search warrant and the approximate number of the following items were found: 2,900 pounds of sugar; 9,648 one-gallon plastic jugs; 12 cases of one-quart mason jars with bands and lids; and 54 one-quart mason jars with bands and lids containing illegally distilled liquor.

22. Individuals who needed supplies to make untaxed liquor would contact BILL HELMS or Ramsey Helms in person or by telephone to place an order. These individuals

included RALPH HALE, DWAYNE HALE, DEE STANLEY, JASON STANLEY, STEVE MOTLEY, KENNY COBLER, RALPH WILSON, GRAYLON McLAMB, RICKY BAREFOOT, and JUNIOR LEE, among others, as described in the next section.

23. BILL HELMS or Ramsey Helms would contact by telephone the sugar and jug companies, as well as companies providing other supplies, and order supplies to be delivered to the Farmers Exchange warehouse in Franklin County, Virginia.

24. Sugar purchased by BILL HELMS and Ramsey Helms included brands such as "Dixie Crystals," "Flo-Sweet," "Jack Frost," and "Florida Crystal," from companies such as Savannah Foods in Savannah, Georgia, Florida Crystals in Palm Beach County, Florida, Midatlantic in Ft. Mill, South Carolina, and Refined Sugar in Medford, New Jersey.

25. Plastic jugs were purchased by BILL HELMS and Ramsey Helms from out-of-state companies such as CKS Melville Plastics Inc. in North Carolina; Carlisle Plastics Inc. in Maryland; and Plastic Technologies of Maryland, Inc., dba Shelburne Plastics. When BILL HELMS or Ramsey Helms placed their special order for these heavy-duty jugs, the workers at Shelburne Plastics would just write an "F" on the batch to signify the order was for Farmers Exchange.

26. After the order for raw materials had been placed, either BILL HELMS or Ramsey Helms would pay for the supplies either by writing a check drawn on the Farmers Exchange bank account or by authorizing a wire transfer from the bank account.

27. The supplies were kept at the Farmers Exchange warehouse for distribution to the individuals who ordered them. The supplies were distributed to the individuals either at the Farmers Exchange warehouse or at some other location, depending on factors such as

convenience and concerns about surveillance by law enforcement. The individuals would have the supplies loaded into their own vehicles, or at times BILL HELMS and Ramsey Helms would arrange for the transportation and delivery of the supplies on a large Chevrolet truck or other vehicles owned by Farmers Exchange to provide an aura of legitimacy for the purchases. The supplies were often distributed outside of normal business hours to avoid detection.

28. BILL HELMS and Ramsey Helms kept track of a large number of the orders placed by individuals by using code names for the individuals and codes for the items ordered, which were written in bound calendar journals. The calendar journals for the years 1992, 1993, 1994, 1997, and 1998 were recovered during a search of Farmers Exchange on May 7, 1999. No calendar journals were located for the years 1995 and 1996.

29. Some of the code names listed in the calendar journals for some of the individuals included the following:

- | | |
|----------------------------------|----------------------|
| (a) Amos Law | A, A&D |
| (b) Ralph Wilson | Big Old Man, Old Man |
| (c) Kenneth Cobler | Cobler, Cob, KC, K&M |
| (d) Dee Stanley | D, Greek, A&D |
| (e) North Carolina | East |
| (f) Nelson Giles | Giles |
| (g) Ralph Hale | Hat Man, R, Hat |
| (h) Jimmy Lee Furrow | JL, J. Lee |
| (i) Steve Motley | K&M |
| (j) Ricky Barefoot | Rick |
| (k) Archie Bradshaw/Claude Craig | West |

30. Some of the codes listed in the calendar journals for the items ordered by the individuals included the following:

- (a) Sugar S, 1
- (b) Jugs P (plastic), J (jugs), 2

31. The individual receiving the supplies either paid for them at the time of receipt or at some later time. Payment was usually in cash and sometimes in untaxed liquor.

History of the Charged Moonshine Operations

32. RICKY BAREFOOT, GRAYLON McLAMB, JUNIOR LEE, LARRY CLARKE, Archie Bradshaw, Claude Craig, Douglas Tart, Snag Tart (now deceased), and Shelton Davis operated illegal distilleries in North Carolina, at times independently, and at other times may have operated the illicit distilleries at the direction of others. These individuals obtained, directly or indirectly, much of their materials and supplies used in the production and distribution of untaxed liquor from Farmers Exchange. RALPH WILSON resides in Burlington, North Carolina, and was a liquor broker "middleman" who purchased the materials and supplies used in the production and distribution of untaxed liquor from Farmers Exchange on behalf of the others. RALPH WILSON also purchased the untaxed liquor manufactured by the others for further distribution.

33. DEE STANLEY and KENNY COBLER reside in Franklin County, Virginia, and have been in the business of making and/or distributing untaxed liquor in Virginia and elsewhere. DEE STANLEY and KENNY COBLER from time to time would work with other individuals, such as Stanley's sons JASON STANLEY and Scott Stanley (now deceased), as well as STEVE MOTLEY and Jimmy Lee Furrow, to operate illegal distilleries, to purchase untaxed liquor from the illegal distilleries, and/or to distribute the untaxed liquor. DEE STANLEY and KENNY

COBLER obtained, directly or indirectly, much of their materials and supplies used in the production and distribution of untaxed liquor from Farmers Exchange. As part of the operation, DEE STANLEY, JASON STANLEY, and Scott Stanley would also make arrangements to purchase finished liquor from other persons, such as Douglas Bethune in Dunn, North Carolina, and KENNY COBLER in Virginia. DEE STANLEY, sometimes accompanied by JASON STANLEY, would drive to Dunn to pick up the untaxed liquor, drive to Philadelphia to deliver it, and then return to Virginia.

34. RALPH HALE resides in Franklin County, Virginia, and has been in the business of making and/or distributing untaxed liquor in Virginia and elsewhere. RALPH HALE from time to time would work with other individuals, such as WILLIE HALE (no relation), as well as his son DWAYNE HALE, BEN GEARHART, and AUTREY COOPER to operate illegal distilleries, to purchase untaxed liquor from the illegal distilleries, and/or to distribute the untaxed liquor. RALPH HALE obtained, directly or indirectly, much of his materials and supplies used in the production and distribution of untaxed liquor from Farmers Exchange. Although most illegal distilleries are heated with propane gas, RALPH HALE preferred to use fuel oil as a source of heat for his stills, which he often ordered from Hub Oil Company.

35. Arrangements for the manufacture and distribution of the untaxed liquor were most often made by telephone calls. The untaxed liquor produced by these individuals was distributed in Virginia, North Carolina, Pennsylvania, and elsewhere. Persons receiving the liquor, or who arranged for others to receive liquor, included LEROY MARSHALL and CURTIS MOSLEY, among others in the Philadelphia area. After arrangements had been made, the finished liquor

was transported by a vehicle designed to conceal its contents, such as a van, a truck with a camper shell, or a farm-type truck with high sides.

COUNT 1
(18 U.S.C. § 371)
(Conspiracy to Violate the Travel Act)

The Grand Jury charges:

Beginning at a time unknown to the Grand Jury, but by approximately 1985, and continuing until on or about May 7, 1999, in the Western District of Virginia and elsewhere, **WILLIAM LEWIS HELMS, a/k/a "Bill,"** defendant herein, and Ramsey Helms and others not indicted herein, both known and unknown to the Grand Jury, did knowingly, willfully and unlawfully conspire, confederate and agree with each other and with other persons, and did aid and abet each other in so doing, to commit the following offenses against the United States, to wit:

to knowingly travel and cause other persons to travel in interstate commerce and to knowingly use and cause others to use a facility in interstate commerce, specifically the telephone and wire transfers, all of which acts were done with the intent to promote, manage, establish, carry on, and to facilitate the promotion, management, establishment and carrying on of an unlawful activity, the unlawful activity being a business enterprise involving liquor on which the Federal excise tax has not been paid (in violation of 26 U.S.C. §§ 5001, 5006, & 5601(a)), in violation of 18 U.S.C. § 1952(a)(3).

GOAL OF THE CONSPIRACY

The goal of the conspiracy was to supply sugar, plastic jugs, and other supplies needed to make untaxed liquor in the Western District of Virginia and in North Carolina, receiving cash and untaxed liquor in payment, as a means of supporting the business Farmers Exchange.

MEANS AND METHODS OF THE CONSPIRACY

The means and methods the conspirators used to carry out the goals of the conspiracy are set forth in the Introduction to this Indictment, which is fully incorporated herein by reference.

OVERT ACTS

In furtherance of the conspiracy, and to effect and accomplish the objects of the conspiracy, conspirators committed the following overt acts, among others, within the Western District of Virginia and elsewhere:

1. On or about October 23, 1985, a Farmers Exchange truck was located on the property of Trinkle Woody, an uncle of Ramsey and BILL HELMS, and found to be loaded with sugar and jugs, which were transferred to another vehicle that traveled on October 25 to an illicit distillery located off of Route 619 in Franklin County, Virginia.
2. On or about July 20, 1986, a Farmers Exchange truck delivered supplies to a barn located off of Mill Creek Road, Franklin County, Virginia. At a later date, an illicit distillery was seized after the supplies were observed being moved from this location to the distillery site.
3. On or about July 29 & 31, 1986, Doug Dudley, an employee of Farmers Exchange, picked up approximately 45,900 pounds and 43,200 pounds of sugar from Savannah Foods, Inc., in Savannah, Georgia.
4. On or about August 23, 1988, DEE STANLEY was followed from his residence driving a vehicle to Farmers Exchange, where the vehicle was loaded with raw materials and followed to a location near a dead-end road in the Burnt Chimney section of Franklin County, Virginia. On September 1, 1988, an illicit distillery was found near this site and destroyed, and DEE STANLEY was found in possession of 246 gallons of untaxed liquor in his truck after leaving his residence.
5. On a date unknown in 1988, William Brown provided Ramsey and BILL HELMS with approximately 5,520 one-gallon plastic jugs.
6. On or about August 3, 1988, a vehicle was followed from Farmers Exchange to a residence, and was then followed on August 5 to an illicit distillery located on Route 718 in Franklin County, Virginia.
7. Between 1992 and May 1999, BILL HELMS and Ramsey Helms, doing business as Farmers Exchange, ordered large amounts of sugar totaling approximately 12,096,800 pounds at

an approximate cost of \$3,660,579.47, usually by way of a telephone call, from suppliers outside the Commonwealth of Virginia, which were then transported to Farmers Exchange.

8. Between 1992 and May 1999, BILL HELMS and Ramsey Helms, doing business as Farmers Exchange, ordered large quantities of one-gallon plastic containers totaling approximately 1,326,230, at an approximate cost of \$251,593.24, usually by way of a telephone call, from suppliers outside the Commonwealth of Virginia, which were then transported to Farmers Exchange.

9. Between approximately June 14, 1993, and March 10, 1999, BILL HELMS and Ramsey Helms, doing business as Farmers Exchange, ordered large quantities of plastic container caps totaling approximately 1,002,351 at an approximate cost of \$18,466.44, usually by way of a telephone call, from Package Supply & Equipment Company, Inc., in South Carolina, and Blackhawk Molding Company, Inc., in Illinois, which were then transported to Farmers Exchange.

10. Between approximately June 28, 1991, and September 10, 1996, BILL HELMS and Ramsey Helms, doing business as Farmers Exchange, ordered large amounts of malt, totaling approximately 130,000 pounds at an approximate cost of \$53,436.45, usually by way of a telephone call, from Briess Malting Company, in Wisconsin, which were then transported to Farmers Exchange.

11. Between approximately February 12, 1992, and November 14, 1997, BILL HELMS and Ramsey Helms, doing business as Farmers Exchange, ordered large amounts of bran, totaling approximately 318,080 pounds, at an approximate cost of \$25,764.87, usually by way of a telephone call, from Roanoke City Mills, Inc., which were then transported to Farmers Exchange.

12. On or about August 15, 1998, at approximately 1:15 AM, a Chevrolet truck owned by Ramsey Helms left Farmers Exchange warehouse loaded with sugar and jugs and drove to the property of GRAYLON McLAMB and RICKY BAREFOOT, in Dunn, North Carolina. On that same date, at approximately 8:20 AM, the Chevrolet truck, occupied by BILL HELMS and Harold Poindexter, arrived back at Farmers Exchange warehouse.

13. On or about August 29, 1998, a Chevrolet truck owned by Ramsey Helms traveled from Virginia to North Carolina, loaded with sugar and jugs.

14. On or about December 17, 1998, at approximately 3:45 AM, a Chevrolet truck owned by Ramsey Helms left Farmers Exchange warehouse loaded with sugar and jugs and drove to a the property of LARRY CLARKE, in Spring Lake, North Carolina.

15. On or about January 9, 1999, at approximately 12:45 AM, a Chevrolet truck owned by Ramsey Helms left Farmers Exchange warehouse and drove to the property of GRAYLON

McLAMB in Dunn, North Carolina. On that same date, the Chevrolet truck arrived back at Farmers Exchange warehouse, at which time BILL HELMS and Harold Poindexter were seen in the parking lot.

16. On or about March 15, 1999, at approximately 12:50 AM, a Chevrolet truck owned by Ramsey Helms left Farmers Exchange warehouse loaded with sugar and jugs and drove to the property of GRAYLON McLAMB in Dunn, North Carolina, where bags of sugar were unloaded into an outbuilding on the property. On that same date, after the sugar was unloaded, the Chevrolet truck traveled back to Farmers Exchange in Virginia, at which time Harold Poindexter was observed driving the truck and BILL HELMS was the passenger.

17. On or about May 7, 1999, BILL HELMS possessed approximately 10 gallons of untaxed liquor at his residence.

18. Overt acts 1, 10, 15, and 27, in Count 19, are fully incorporated herein by reference, regarding sales of supplies to RALPH WILSON, GRAYLON McLAMB, RICKY BAREFOOT, JUNIOR LEE, LARRY CLARK, and other individuals located in North Carolina.

19. Overt acts 1 and 2, in Count 38, are fully incorporated herein by reference, regarding sales of supplies to DEE STANLEY and individuals associated with DEE STANLEY.

20. Overt act 1, in Count 55, is fully incorporated herein by reference, regarding sales of supplies to RALPH HALE and individuals associated with RALPH HALE.

All in violation of Title 18, United States Code, Section 371.

COUNT 2
(18 U.S.C. § 1956(h))
(Conspiracy to Launder Money)

The Grand Jury charges:

Beginning at a time unknown to the Grand Jury, but by approximately 1985, and continuing until on or about May 7, 1999, in the Western District of Virginia and elsewhere, **WILLIAM LEWIS HELMS, a/k/a "Bill,"** defendant herein, and Ramsey Helms and others not indicted herein, unknown to the Grand Jury, did knowingly, willfully and unlawfully conspire, confederate and agree with each other and with other persons, and did aid and abet each other in so doing, to commit the following offenses against the United States, to wit:

knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, to conduct and attempt to conduct such a financial transaction (1) with the intent to promote the carrying on of specified unlawful activity (to wit: travel in interstate commerce and use of a facility in interstate commerce to promote the production and sale of liquor on which the Federal excise tax has not been paid (18 U.S.C. § 1952)); and (2) knowing that the transaction was designed in whole or in part to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of said specified unlawful activity, in violation of 18 U.S.C. § 1956(a)(1); and (3) to avoid a transaction reporting requirement under federal law, in violation of 18 U.S.C. § 1956(a)(1).

GOAL OF THE CONSPIRACY

The goal of the conspiracy included using the proceeds from the sale of sugar, plastic jugs, and other supplies to persons who make untaxed liquor as a means of supporting the business known as Farmers Exchange, as well as further promoting the manufacture of untaxed liquor, and using various means of disguising the source of the cash received.

MEANS AND METHODS OF THE CONSPIRACY

The means and methods the conspirators used to carry out the conspiracy included, but were not limited to, the following:

1. The Introduction to this Indictment is fully incorporated herein by reference.
2. The majority of the business conducted by Farmers Exchange generally was the result of the sale of sugar and other supplies to persons manufacturing untaxed liquor. The money received from these sales of liquor supplies was used to further promote the manufacture of untaxed liquor through the purchase of additional supplies and was used to support the business known as Farmers Exchange.
3. BILL HELMS and Ramsey Helms used Farmers Exchange, their primary business entity, as a vehicle to channel money to themselves that they had received from the sale of sugar

and other supplies. Since most payments for liquor supplies were in cash, BILL HELMS and Ramsey Helms had the opportunity to fail to report all income received from these sales and under-report the amount of income personally received from the businesses. For example, BILL HELMS reported the following income received from Farmers Exchange for the listed years:

Tax Year	Income Reported	Tax Year	Income Reported
1990	\$3,315	1995	\$3,380
1991	\$3,380	1996	\$845
1992	\$3,380	1997	\$0
1993	\$3,445	1998	\$0
1994	\$3,380		

4. BILL HELMS and Ramsey Helms also disguised cash received from the sale of sugar and other supplies by regularly cashing third-party checks for individuals. These checks had been written by one individual or company and made payable to another individual or company, and were then endorsed over to Farmers Exchange. These checks were then deposited into Farmers Exchange's bank account, instead of cash, thereby reducing the amount of cash that might otherwise generate a currency transaction report.

OVERT ACTS

In furtherance of the conspiracy, and to effect and accomplish the objects of the conspiracy, the co-conspirators committed the following overt acts, among others, within the Western District of Virginia and elsewhere:

A. Each of the following overt acts listed below set forth the amount of sugar and jugs purchased by BILL HELMS and Ramsey Helms, largely using proceeds from the sale of untaxed

liquor, in order to further promote the sale of sugar and jugs for the manufacture of untaxed liquor:

Overt Act	Year	Sugar		Jugs	
		Amount (pounds)	Cost	Number	Cost
1.	1992	1,727,200	\$ 518,173.24	81,486	\$ 15,638.80
2.	1993	1,853,800	\$ 553,724.95	143,641	\$ 26,652.72
3.	1994	1,944,200	\$ 565,724.05	229,895	\$ 39,052.11
4.	1995	1,886,400	\$ 548,226.70	195,387	\$ 40,046.72
5.	1996	1,740,700	\$ 534,086.95	236,237	\$ 43,659.24
6.	1997	1,224,700	\$ 396,756.96	165,120	\$ 34,074.73
7.	1998	1,374,200	\$ 440,411.33	211,152	\$ 40,343.01
8.	1999 (thru 5/7)	345,600	\$ 103,475.29	63,312	\$ 12,125.91

B. Each of the following overt acts listed below describe a payment date, payee, and the amount of the payment for supplies used in the production of untaxed liquor, which BILL HELMS personally paid by check or wire transfer from the account of "Farmers Exchange," located at Crestar Bank, under account number 006701205, largely using proceeds from the sale of untaxed liquor:

Overt Act	Date	Company	Amount
9.	10/13/98	Plastic Technologies of Maryland, Inc. dba Shelburne Plastics	\$ 2,947.85
10.	10/22/98	Florida Crystals Sugar Co.	\$12,806.64
11.	10/29/98	Plastic Technologies of Maryland, Inc. dba Shelburne Plastics	\$ 2,947.84
12.	11/10/98	Florida Crystals Sugar Co.	\$12,806.64

Overt Act	Date	Company	Amount
13.	11/30/98	Florida Crystals Sugar Co.	\$12,806.64
14.	12/07/98	Florida Crystals Sugar Co.	\$12,806.64
15.	12/14/98	Florida Crystals Sugar Co.	\$12,806.64
16.	12/16/98	Florida Crystals Sugar Co.	\$12,806.64
17.	12/31/98	Florida Crystals Sugar Co.	\$12,806.64
18.	01/04/99	Florida Crystals Sugar Co.	\$12,806.64
19.	01/22/99	Florida Crystals Sugar Co.	\$12,806.64
20.	02/05/99	Florida Crystals Sugar Co.	\$12,806.64
21.	02/16/99	Florida Crystals Sugar Co.	\$12,990.72
22.	02/24/99	Florida Crystals Sugar Co.	\$12,806.63
23.	03/12/99	Florida Crystals Sugar Co.	\$12,806.64
24.	04/06/99	Florida Crystals Sugar Co.	\$12,806.64

C. Each of the overt acts listed below is an example of some of the third-party checks that were endorsed over to Farmers Exchange in exchange for cash and then deposited into Farmers Exchange's bank account:

Overt Act	Date Check Written	Date Check Deposited	Payee	Amount
25.	03/23/90	04/12/90	Ed Crum	\$ 1,262.87
26.	04/20/90	04/23/90	Bill McGhee	\$ 2,255.06
27.	05/04/90	05/07/90	Ed Crum	\$ 3,074.37
28.	06/01/90	06/06/90	Bill McGhee Ed Crum	\$ 1,083.82 \$ 1,083.83
29.	06/21/90	06/22/90	Ed Crum	\$ 3,298.80
30.	09/19/90	09/24/90	Ed Crum	\$ 2,091.60
31.	10/05/90	10/10/90	Ed Crum	\$ 1,437.25

Overt Act	Date Check Written	Date Check Deposited	Payee	Amount
32.	01/11/91	02/01/91	Edward Crum	\$ 1,139.55
33.	12/12/91	12/13/91	Ed Crum	\$ 3400.25
34.	01/03/92	01/06/92	Dillard Nolen	\$ 500.00
35.	06/03/92	06/05/92	Dillard Nolen	\$ 500.00
36.	11/03/92	11/06/92	Dillard Nolen	\$ 500.00
37.	04/02/93	04/05/93	Dillard Nolen	\$ 511.00
38.	06/03/93	06/07/93	Dillard Nolen	\$ 511.00
39.	08/03/93	08/05/93	Dillard Nolen	\$ 511.00
40.	10/01/93	10/04/93	Dillard Nolen	\$ 511.00
41.	02/05/94	02/08/94	Harold Poindexter	\$ 1,421.00
42.	02/22/94	06/01/94	Marsha Shively	\$ 650.00
43.	03/17/94	04/13/94	Parkview Auto	\$ 950.00
44.	05/01/94	06/13/94	Vera Nolen	\$ 1,500.00
45.	04/11/95	04/14/95	Lawson Nolen	\$ 500.00
46.	09/20/95	09/22/95	Lawson Nolen	\$ 600.00
47.	07/02/96	07/11/95	Dillard Nolen	\$ 2,228.90
48.	09/27/96	10/21/95	Vera Nolen, Dillard Nolen, Betty Willis	\$ 2,843.00
49.	08/30/97	09/03/97	Brooks Painting	\$ 2,250.00
50.	11/18/97	11/24/97	Lawson Nolen	\$ 551.78
51.	05/4/98	05/22/98	Dillard Nolen	\$ 1,150.09
52.	05/18/98	05/26/98	Dillard Nolen	\$ 2,500.00

All in violation of Title 18, United States Code, Section 1956(h).