

FEB 16 2022

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

Clerk, U. S. District Court
Eastern District of Tennessee
At Knoxville

UNITED STATES OF AMERICA)

v.)

DAVID HENDERSON)

No. 3:22CR14Judges: Varlan / McCook**INDICTMENT**

The Grand Jury charges as follows:

Background

1. At all times material to this Indictment, the defendant, DAVID HENDERSON, resided in the Eastern District of Tennessee and was employed by the Knox County Sheriff's Office ("KCSO").

2. At all times material to this Indictment, the KCSO was a local governmental agency located in Knoxville, Tennessee, in the Eastern District of Tennessee.

3. At all times material to this Indictment, the KCSO was fully funded by the Knox County government's General Fund. Three percent of the Knox County's General Fund revenue comes from federal grant money, including federal grants for the housing of federal detainees in the Knox County jail under the provisions set forth in 18 U.S.C. § 4002.

4. At all times material to this Indictment, as an agency of the Knox County government, the KCSO received more than \$10,000 per year in federal grant funds.

5. From in or around 2011 and continuing uninterrupted to in or around September 2018, DAVID HENDERSON was the Chief of the KCSO Narcotics Unit ("Narcotics Unit").

6. At all times material to this Indictment, DAVID HENDERSON had supervisory authority over all KCSO officers who worked in the Narcotics Unit.

7. At all times material to this Indictment, the Narcotics Unit was the KCSO's drug-enforcement unit. According to its mission statement, the Narcotics Unit's primary responsibility is fighting the war on drugs.

8. Beginning in or around 2011 and continuing uninterrupted to in or around September 2018, DAVID HENDERSON's only direct superior was the former Knox County Sheriff.

A. Narcotics Unit Cash Fund

9. At all times material to this Indictment, the Narcotics Unit maintained a cash fund ("Narcotics Cash Fund") that consisted of seized funds—that is, money seized by the KCSO in accordance with state law from criminal defendants and/or enterprises. The purpose of the Narcotics Cash Fund was to purchase equipment and supplies for KCSO operations. For example, money from the Narcotics Cash Fund was used to purchase pole cameras to conduct surveillance and to pay confidential informants.

10. KCSO officers were authorized to take money from the Narcotics Cash Fund prior to making an official purchase, or they were authorized to make the purchase first and then seek reimbursement from the Narcotics Cash Fund. In either case, the KCSO officer was required to submit a receipt for record-keeping purposes. At the end of each month, a KCSO officer would reconcile all purchases made with money from the Narcotics Cash Fund and report those purchases to an employee in the KCSO's Finance Department.

B. Narcotics Unit Covert Credit Card

11. At all times material to this Indictment, the Narcotics Unit maintained a credit card ("Narcotics Credit Card"), which was assigned to the Narcotics Unit by the Knox County government. The Narcotics Credit Card was to be used for covert purposes only, including the purchase of surveillance equipment for ongoing non-public investigations. To maintain the security and integrity of ongoing non-public investigations, purchases made with the Narcotics Credit Card

were not disclosed to the public. The Narcotics Credit Card was kept in a safe within the Narcotics Unit's building. KCSO officers who used the Narcotics Credit Card were required to return it to the safe along with all receipts of purchases.

COUNT ONE

Conspiracy to Commit Federal Program Fraud (18 U.S.C. § 371)

Between in or around 2011, and continuing uninterrupted to in or about September 2018, in the Eastern District of Tennessee and elsewhere, the defendant, DAVID HENDERSON, together with other unindicted co-conspirators, did knowingly, intentionally, and unlawfully combine, conspire, confederate, and agree with each other to commit an offense against the United States—that is, the theft of federal program funds under 18 U.S.C. § 666(a)(1)(A)—in violation of 18 U.S.C. § 371.

Object of the Conspiracy

It was the object of the conspiracy that the defendant DAVID HENDERSON and his co-conspirators would unlawfully enrich themselves and others by, among other things: (a) using the Narcotics Unit cash fund to purchase items for their own personal use; (b) using the Narcotics Credit Card to purchase items for their own personal use or benefit, or for the personal use or benefit of their family members, associates, or friends; (c) concealing and causing the concealment of purchases made with the Narcotics Cash Fund and the Narcotics Credit Card by submitting expense reports and credit-card statements to the Knox County Finance Department and representing that the purchases were made for official purposes when they knew that the purchases were solely for their personal benefit or the personal benefit of their family members, associates, or friends; (d) depriving Knox County of the right to its employees' time and labor during official hours by directing certain subordinate Narcotics Unit officers to perform renovation, remodeling, and construction projects of a purely personal nature at various locations and for the personal benefit of various individuals, including but not limited to HENDERSON's private residence, the

private residence of the former Knox County Sheriff, and the private residences of family members, associates, and friends.

Manner and Means

It was part of the conspiracy that DAVID HENDERSON and his co-conspirators formulated a plan and agreement which, among things, included the following:

1. Defendant DAVID HENDERSON controlled the Narcotics Cash Fund and use of the Narcotics Credit Card, and he authorized certain subordinate Narcotics Unit officers to make purchases using (i) money from the Narcotics Cash Fund and (ii) the Narcotics Credit Card.
2. Between in or around 2011 and continuing uninterrupted to in or around September 2018, DAVID HENDERSON and his co-conspirators used (i) money from the Narcotics Cash Fund and (ii) the Narcotics Unit Credit Card for their own personal use and benefit and for the personal use and benefit of their family members, associates, and friends.
3. It was further part of the conspiracy that defendant HENDERSON controlled the work schedules of all the Narcotics Unit officers under his command. HENDERSON exercised his authority over the Narcotics Unit officers by instructing them to perform renovation, remodeling, construction, and other manual-labor-type projects during the workday at his personal residence, the residence of the former Knox County Sheriff, and the personal residences of chosen subordinate Narcotics Unit officers. HENDERSON also directed the subordinate officers to perform remodeling, renovation, and manual-labor type projects at the residences of HENDERSON's family members and associates.
4. It was further part of the conspiracy that HENDERSON directed one or more subordinate Narcotics Unit officers to use cash from the Narcotics Cash Fund on several occasions to purchase items for HENDERSON's personal use and for the personal use of certain of HENDERSON's Narcotics Unit colleagues, including the former Knox County Sheriff.

5. It was further part of the conspiracy that HENDERSON directed one or more subordinate Narcotics Unit officers to use the Narcotics Credit Card to purchase items for (i) HENDERSON's personal use, (ii) the personal use of certain of HENDERSON's Narcotics Unit officers and their family members, friends, and associates; and (iii) for the personal use of the former Knox County Sheriff.

6. It was further part of the conspiracy that, between in or about 2011 and continuing to in or about September 2018, HENDERSON caused receipts to be submitted to the KCSO Finance Department claiming that such purchases were for official use within the Narcotics Unit when, in fact, HENDERSON and his co-conspirators knew that the purchases were for their personal benefit or the personal benefit of their family members, associates, and friends.

7. To conceal the conspiracy, defendant DAVID HENDERSON did not personally use the Narcotics Credit Card; he instead directed one or more of his subordinate Narcotics Unit officers to use the Narcotics Credit Card to make purchases for (i) HENDERSON's personal benefit; (ii) the personal benefit of HENDERSON's family members, associates, and friends; and (iii) the personal benefit of the former Knox County Sheriff.

8. It was further part of the conspiracy that HENDERSON directed subordinate Narcotics Unit officers to use the Narcotics Credit Card to purchase various Apple products and give those Apple products to Narcotics Unit officers of HENDERSON's choosing. Other units in the KCSO did not use Apple products for their day-to-day job responsibilities, but HENDERSON made sure that certain officers in the Narcotics Unit had access to the newest Apple products, especially those subordinate officers who followed HENDERSON's directions and assisted with various construction, remodeling, and renovation projects at HENDERSON's direction, including projects at the residences of HENDERSON's family members, associates, and friends.

9. It was further part of the conspiracy that HENDERSON directed his subordinates to use the Narcotics Credit Card to purchase the newest Apple products as soon as the products were commercially available, and to replace their old Apple products with new Apple products on a regular basis so that HENDERSON and his chosen subordinates had the latest Apple products, including iPads, MacBooks, iPhones, Apple Watches, and other Apple products.

10. It was further part of the conspiracy that, when HENDERSON received a new Apple product that was purchased with the Narcotics Credit Card, HENDERSON would give his old Apple products to friends, family members, and associates as gifts. HENDERSON also permitted his co-conspirators and chosen subordinate officers to give their old Apple products to family members, friends, and associates as gifts.

11. It was further part of the conspiracy that HENDERSON directed a subordinate to purchase new Apple products with the Narcotics Credit Card and give the new Apple products directly to HENDERSON's family members, associates, or friends as gifts, at HENDERSON's instruction. In those instances, the Apple product was never registered or used by a KCSO officer or employee; rather, the Apple product was purchased with the Narcotics Credit Card and immediately given to one of HENDERSON's family members, associates, or friends as a gift.

12. It was further part of the conspiracy that HENDERSON directed a co-conspirator to purchase Apple products with the Narcotics Credit Card solely for HENDERSON's and his co-conspirators' personal use, including Apple HomePods.

13. It was further part of the conspiracy that HENDERSON approved every purchase of an Apple product made with the Narcotics Credit Card; no purchases of Apple products were made with the Narcotics Credit Card without HENDERSON's approval.

14. It was further part of the conspiracy that the Narcotics Credit Card was used, at HENDERSON's direction, to purchase approximately \$138,000 worth of Apple products between in or around 2011 and in or around 2018.

15. It was further part of the conspiracy that HENDERSON directed his subordinates to do renovation, remodeling, construction, and manual-labor projects during official duty that were unrelated to HENDERSON's responsibilities as Chief of the Narcotics Unit and unrelated to the officers' job responsibilities in the Narcotics Unit. Many of the projects were completed at HENDERSON's direction and performed and supervised by HENDERSON's subordinate officers who were skilled in construction, remodeling, and renovation work. These projects were done for HENDERSON's personal benefit; the personal benefit of HENDERSON's family members, friends, and associates; the personal benefit of subordinate officers; and the personal benefit of the former Knox County Sheriff. The renovation, remodeling, and construction projects were done while the subordinate officers were on duty. In several instances, as described in further detail below, the projects took multiple days to complete. On many occasions, HENDERSON directed his subordinates to use cash from the Narcotics Cash Fund or the Narcotics Credit Card to purchase supplies for projects. HENDERSON directed his subordinates to use, and permitted them to use, KCSO-owned vehicles, supplies, and machinery to complete these projects.

Overt Acts

In furtherance of the conspiracy, and to accomplish its object and purpose, defendant DAVID HENDERSON and his unindicted co-conspirators committed and caused to be committed, in the Eastern District of Tennessee and elsewhere, the following overt acts, among others:

A. Purchases for Personal Benefit

1. Throughout the conspiracy, HENDERSON directed various subordinate officers to purchase items using the Narcotics Credit Card or cash from the Narcotics Cash Fund for his

personal benefit; for the personal benefit of his family members, associates, and friends; and for the personal benefit of the former Knox County Sheriff. HENDERSON rarely, if ever, used the Narcotics Credit Card or cash from Narcotics Cash Fund himself because he wanted to avoid any repercussions or questions from the Knox County Finance Department regarding the purchases.

2. Between on or about January 30, 2012 and February 22, 2012, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase multiple Nuvico security cameras. The subordinate did, in fact, purchase the security cameras for \$1,400. Subsequently, five Nuvico security cameras were given to one of HENDERSON's friends.

3. On or about May 4, 2012, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase one dome-style Nuvico security camera and give it to one of HENDERSON's friends. The subordinate did, in fact, purchase the security camera for \$173.33 and give it to HENDERSON's friend.

4. On or about May 8, 2012, HENDERSON directed a subordinate to use monies from the Narcotics Cash Fund to purchase a camouflage tactical optic rifle scope, and the subordinate did, in fact, use \$510.74 from the Narcotics Cash Fund to purchase the rifle scope for the former Knox County Sheriff.

5. Between in or around September or October 2012, HENDERSON directed a subordinate to use KCSO funds to purchase a camera system and install the camera system in the home of one of HENDERSON's family members who lived in Southeast Knoxville. The subordinate did, in fact, purchase the camera system with KCSO funds and install the camera system in the home of one of HENDERSON's family members.

6. On or about November 19, 2012, HENDERSON directed a subordinate to use KCSO funds to purchase a camera system and install the camera system in the home of one of HENDERSON's family members (a different family member than referenced in ¶ 5 above). The

subordinate did, in fact, purchase the camera system with KCSO funds and install the camera system in the home of one of HENDERSON's family members.

7. On or about November 1, 2013, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase two Yeti Coolers for HENDERSON's and others' personal use, and the subordinate did, in fact, purchase the two coolers for \$1,299.98.

8. On or about July 2, 2014, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase two EO Tech thermal imagers—one for HENDERSON's personal use and the other for the personal use of HENDERSON's superior—and the subordinate did, in fact, purchase the two thermal imagers for the total sum of \$6,000. One of the thermal imagers was seized at HENDERSON's residence on April 9, 2020, during the execution of a search warrant.

9. On or about August 7, 2014, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase herbicide to treat the lawn at HENDERSON's personal residence, because HENDERSON was hosting a party. The subordinate did, in fact, use the Narcotics Credit Card to purchase herbicide for \$191.40.

10. On or about February 11, 2015, HENDERSON directed a subordinate to use monies from the Narcotics Cash Fund to purchase a Kobalt seven-inch tile saw from Lowe's for \$206.48. The subordinate did, in fact, use monies from the Narcotics Cash Fund to purchase a tile saw for HENDERSON's personal use, including a renovation project at his home.

11. On or about March 30, 2015, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase a 50-quart Yeti Tundra Cooler for HENDERSON's personal use, and the subordinate did, in fact, use the Narcotics Credit Card to purchase the cooler for \$379.99. The same 50-quart Yeti Tundra Cooler was seized at HENDERSON's residence on April 9, 2020, during the execution of a search warrant.

12. On or about June 23, 2015, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase a Google Nest indoor security camera system that was installed at the residence of a friend of a KCSO Narcotics Unit officer. The subordinate did, in fact, use the Narcotics Credit Card to purchase a Google Nest camera system for \$2,199.98.

13. On or about April 14, 2016, HENDERSON directed a subordinate to use monies from the Narcotics Cash Fund to purchase a Sniper Drag Bag tactical rifle case for HENDERSON's personal use or for the personal use of the former Knox County Sheriff. The subordinate did, in fact, use monies from the Narcotics Cash Fund to purchase a Sniper Drag Bag tactical rifle case at Midway USA for \$74.99.

14. On or about May 2, 2016, HENDERSON directed a subordinate to use monies from the Narcotics Cash Fund to purchase two Thunder Struck AR-15 Speed Loader Magazines for HENDERSON's personal use. The subordinate did, in fact, use monies from the Narcotics Cash Fund to purchase two Thunder Struck AR-15 Speed Loader Magazines at Midway USA for \$210.77.

15. On or about May 2, 2016, HENDERSON directed a subordinate to use monies from the Narcotics Cash Fund to purchase two Caldwell Magazine loaders for HENDERSON's personal use. The subordinate did, in fact, use monies from the Narcotics Cash Fund to purchase two Caldwell Magazine loaders at Midway USA for \$100.77.

16. In or around November 2016, HENDERSON directed a group of subordinates to install a video camera system at a local company owned by one of HENDERSON's friends. The video camera system was purchased with KCSO funds. The subordinates did, in fact, install the video camera system at the local company.

17. On or about February 7, 2017, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase various Dewalt framing items that were used to complete a renovation project

at HENDERSON's home. The subordinate did, in fact, use the Narcotics Credit Card to purchase various Dewalt framing items at The Home Depot for \$1,010.89.

18. On or about September 12, 2017, HENDERSON directed a subordinate to use cash from the Narcotics Cash Fund to purchase a Mariner extinguisher and various camouflage cans of spray-paint that were used to outfit the former Knox County Sheriff's personal duck hunting boat. The subordinate did, in fact, use cash from the Narcotics Cash Fund to purchase the extinguisher and spray-paints for \$41.46.

19. On or about September 21, 2017, HENDERSON directed a subordinate to use cash from the Narcotics Cash Fund to purchase a post hole digger that was used to build a privacy fence at the former Knox County Sheriff's personal residence. The subordinate did, in fact, use cash from the Narcotics Cash Fund to purchase a post hole digger for \$29.49.

20. On October 27, 2017, HENDERSON directed a subordinate to use cash from the Narcotics Cash Fund to purchase a 3x5 industrial mat that was used to outfit the former Knox County Sheriff's personal duck hunting boat. The subordinate did, in fact, use cash from the Narcotics Cash Fund to purchase the industrial mat for \$21.84.

21. On or about September 17, 2018, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase two La-Z-Boy leather executive chairs for HENDERSON's and HENDERSON's associates' personal use, and the subordinate did, in fact, use monies from the Narcotics Credit Card to purchase two La-Z-Boy leather executive chairs at Staples for \$459.98.

B. The Duck Blind

22. Sometime in or around September or October 2017, HENDERSON directed several of his subordinate KCSO officers to construct a duck blind on private property owned by a former employee of Knox County for the personal benefit of the former Knox County Sheriff. One of HENDERSON's subordinate Narcotics Unit officers skilled in construction and renovation was tasked

by HENDERSON to design plans for the duck blind. HENDERSON instructed other Narcotics Unit officers to construct the duck blind.

23. Construction of the duck blind was completed sometime before November 2017 by multiple Narcotics Unit officers subordinate to HENDERSON. The construction was done while the subordinate officers were on official duty.

24. After construction of the duck blind was completed, certain purchases were made to finish, outfit, and accessorize the duck blind at HENDERSON's direction with the Narcotics Credit Card or with money from the Narcotics Cash Fund, including the following:

a. On or about November 2, 2017, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase various items at Lowe's, including a sprayer extension, paint, paint brushes, and a drop cloth, that were to be used for the duck blind. HENDERSON's subordinate did, in fact, purchase these items at Lowe's for \$670.15.

b. On or about November 10, 2017, HENDERSON directed a subordinate to use monies from the Narcotics Cash Fund to purchase Puck lights for assembly of the duck blind. The subordinate did, in fact, use monies from the Narcotics Cash Fund to purchase Puck lights at Lowe's for \$27.29.

c. On or about November 27, 2017, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase various items at Lowe's for the duck blind. The subordinate did, in fact, use the Narcotics Credit Card to purchase these items at Lowe's for \$114.59.

d. On or about November 29, 2017, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase various items at Lowe's for the duck blind. The subordinate did, in fact, use the Narcotics Credit Card to purchase these items at Lowe's for \$115.49.

e. On or about December 3, 2017, HENDERSON directed a subordinate to use cash from the Narcotics Cash Fund to purchase a steel tube, chain swagging tool, and ferrule stop kit for

the duck decoys. The subordinate did, in fact, use monies from the Narcotics Cash Fund to purchase these items at Lowe's for \$44.29.

f. In or about between December 4 and 6, 2017, HENDERSON directed a subordinate to use cash from the Narcotics Cash Fund to purchase aluminum duplex sleeves that were used for duck decoys that were to be used as accessories with the duck blind. The subordinate did, in fact, use cash from the Narcotics Cash Fund to purchase aluminum duplex sleeves for \$21.31.

25. In or around Spring of 2018, after the duck blind had been constructed, HENDERSON directed a subordinate to build a post into the riverbank next to the duck blind to hold duck decoys as they spun in the water. The subordinate built the post into the riverbank to hold the duck decoys.

C. Apple Products

26. Beginning in or around May 2011 and continuing to in or around September 2018, HENDERSON directed or permitted various co-conspirators and subordinates to use the Narcotics Credit Card to purchase Apple products for their family members, associates, and friends, as indicated in the table below, which lists purchase date, Apple product, price of the Apple product, the date it was first registered or used, and the person who first registered or used the Apple product:

Purchase date	Apple Product and Purchase Price	First Registration or Use Date	Registered User or First User
May 2, 2011	iPad Wi-Fi 3G 64GB (\$829)	May 3, 2011	Family member of Narcotics Unit Officer
May 6, 2011	iPad Wi-Fi 3G 64GB (\$829)	May 6, 2011	Wife of KCSO Employee
June 17, 2011	iPad Wi-Fi 3G 64GB (\$829)	June 18, 2011	Family member of HENDERSON
Oct. 5, 2011	iPad 2 Wi-Fi 3G 64GB (\$829)	Oct. 5, 2011	Friend of HENDERSON
Mar. 16, 2012	iPad Wi-Fi 4G 64GB (\$829)	Mar. 20, 2012	Friend of HENDERSON

Aug. 9, 2013	iPad Wi-Fi Cell. 64GB (\$812.42)	Aug. 13, 2012	Friend of HENDERSON
Aug. 29, 2013	iPad Wi-Fi Cell. 16GB (\$616.42)	Sept. 5, 2013	Family member of KCSO Employee
Sept. 19, 2013	iPad Wi-Fi Cell. 32GB (\$714)	Sept. 21, 2013	Wife of Narcotics Unit Officer
Nov. 1, 2013	iPad Mini Wi-Fi Cell. 64GB (\$623)	Nov. 7, 2013	Wife of KCSO Employee
Nov. 8, 2013	iPad Wi-Fi Cell. 64GB (\$812)	Nov. 9, 2013	Friend of HENDERSON
Dec. 9, 2013	iPad Wi-Fi Cell. 64GB (\$812)	Dec. 23, 2013	Friend of HENDERSON
Dec. 30, 2013	iPad Wi-Fi Cell. 32GB (\$714)	Jan. 11, 2014	Friend of HENDERSON
Feb. 3, 2015	iPad Wi-Fi Cell. 64GB (\$714)	Feb. 3, 2015	Friend of HENDERSON
Mar. 13, 2015	iPad Mini Wi-Fi Cell. 64GB (\$616)	Mar. 13, 2015	Family Member of KCSO Employee
Nov. 25, 2015	iPad Pro Wi-Fi Cell. 128GB (\$1,057)	Nov. 25, 2015	Friend of HENDERSON
Dec. 10, 2015	iPad Mini 4 Wi-Fi Cell. 16GB (\$518)	Dec. 24, 2015	Family member of HENDERSON
Mar. 9, 2016	MacBook 12.0 1.2GHZ (\$1,503)	June 20, 2016	Associate of HENDERSON
Apr. 4, 2016	iPad Pro 9.7 Wi-Fi Cell. 128GB (\$861)	Apr. 5, 2016	Friend of HENDERSON
Apr. 4, 2016	iPad Pro 9.7 Wi-Fi Cell. 128GB (\$861)	Apr. 6, 2016	Family member of HENDERSON
Aug. 7, 2017	MacBook Pro 13.3 3.1GHZ (\$1,673)	Nov. 6, 2017	Family member of Narcotics Unit Officer
Oct. 31, 2017	iPad Pro 10.5-inch Wi-Fi 256GB (\$892)	Oct. 31, 2017	Family member of HENDERSON
Nov. 3, 2017	iPad Pro 12.9-inch 256GB (\$911)	Nov. 19, 2017	Family member of Narcotics Unit Officer

Nov. 22, 2017	iPad Mini 4 Wi-Fi 128GB (\$383)	Dec. 25, 2017	Family member of one of HENDERSON's friends
Mar. 2, 2018	HomePod (\$349)	Mar. 2, 2018	HENDERSON
Mar. 2, 2018	HomePod (\$349)	Mar. 3, 2018	Narcotics Unit Officer
July 25, 2018	iPad Pro 10.5-inch Wi-Fi 512GB (\$1106)	Dec. 5, 2018	Family member of Narcotics Unit Officer

D. Restoration of Antique Cars

27. At all times relevant to this Indictment, Knox County owned a building located at 514 Bernard Avenue, Knoxville, TN 37921. This building, which was commonly known as the “Blue Building,” was provided by the county to the Narcotics Unit for official duties, such as assembling and maintaining undercover equipment.

28. Beginning in or around August 2015 and continuing to in or around September 2018, HENDERSON and his subordinate officers used the Blue Building to restore several classic cars that they owned.

29. HENDERSON and several of his subordinates—often at HENDERSON’s request—worked on HENDERSON’S cars during the workday and late into the evenings. They also worked on at least one classic car owned by one of HENDERSON’S subordinates, a 1968 Chevrolet Camaro. The vehicles belonging to HENDERSON that were restored in the Blue Building by Henderson and his subordinates were a 1968 Chevrolet Chevelle and a 1972 Ford F-100.

30. On at least one occasion during the conspiracy, HENDERSON directed two of his subordinate officers to pick up a frame for his Chevelle in Nashville. A KCSO trailer was used to haul the frame to Knoxville from Nashville. The KCSO gas card was used for fuel during the trip.

31. On or about October 23, 2015, HENDERSON directed a subordinate to purchase a 10,000-pound automotive lift for the Blue Building. The subordinate officer did, in fact, purchase an

automotive lift for \$3,595 with funds from a purchase order from the KCSO Finance Department. HENDERSON subsequently used the lift to restore his personal antique vehicles.

32. On or about November 18, 2015, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase various items, including a tree-style rack, that were used to hang rolls of paper and tape that were later used in the restoration of HENDERSON's classic cars. The subordinate did, in fact, use the Narcotics Credit Card to purchase various items for \$198.01.

33. On or about September 18, 2017, HENDERSON directed a subordinate to use the Narcotics Credit Card to purchase paint guns for HENDERSON's personal use, and the subordinate did, in fact, use the Narcotics Credit Card to purchase paint guns for \$643.21. HENDERSON and his subordinate officers kept the paint guns at the Blue Building and used them to paint and restore classic cars owned by HENDERSON.

E. Construction and Renovation Projects During the Workday

34. On or about August 21, 2017, HENDERSON directed a group of subordinates to do various projects at the residence of one of HENDERSON's family members, including building a swing-set, installing a refrigerator water line, hooking up a garbage disposal drain, anchoring a cabinet to the living-room wall, and moving various pieces of furniture into her residence. The subordinates did, in fact, complete these projects during their official duty, which took a full day to complete.

35. In or around November 2017, HENDERSON directed a group of subordinates to do various projects for the girlfriend of one of HENDERSON's friends, including moving the girlfriend's personal items and furniture from a condominium to a house that was located approximately 20 miles away. The subordinates did, in fact, do those tasks, and they used a KCSO-owned box truck to move the furniture. The subordinate officers were not paid by the girlfriend for their time or work.

36. On or about December 14, 2017, HENDERSON directed a subordinate to replace the glass in a cabinet at the residence of one of HENDERSON's family members, and the subordinate did, in fact, drive to the residence, measure the glass in the china cabinet, order a piece of glass to fit in the cabinet, and replace the glass in the cabinet.

37. In or around March 2018, HENDERSON directed a group of subordinate officers to build a privacy fence at the former Knox County Sheriff's personal residence. The subordinates did, in fact, purchase supplies to build the fence, including two fence panels and two fence-post caps, and construct the privacy fence. The project took one full day and was completed while the officers were on official duty.

38. On or about March 2, 2018, HENDERSON directed a group of subordinate officers to install a metal roof on a subordinate's home, and the group of subordinate officers did, in fact, install a metal roof on the home of one of the subordinate officers. The five subordinate officers who were working on the roof-installation project took a picture of themselves standing on the roof. An officer who was not participating in the roof-installation project because he was teaching a law-enforcement class at the time, sent a text message to a group of officers on a group-text chain stating, "Last time I checked tho my badge didn't say construction worker on it tho...it said Officer. So u guys can keep talking shit....I'll be here doing police stuff and u guys can do that." Another officer, who was participating in the roof-installation project, responded to the group, stating, "Two words.....Chief Henderson." Henderson's subordinate officer—the former Captain—who was superior in rank to the other officers on the group-text chain responded to the group-text chain, explaining that the officers who were participating in the roof project were doing "manual labor that they don't want to be doing either," but that, "We do what we have to do. Sometimes it isn't fun but it makes up for it on the fun days. You learn 3 things in this unit. 1. How to keep your mouth shut when needed. 2. When the Chief needs something done, we do it. 3. Take care of SIU before anyone else. You want to piss

me off? Tell me you got paperwork to do and teaching a class again next time your partners are having to put on a fucking roof. Refer to number 3 above. Let this be a lesson learned.”

39. On or about March 15, 2018, HENDERSON directed a subordinate officer to do various manual-labor projects at one of HENDERSON’S family member’s residences, including repairing a lawn mower. The subordinate did, in fact, do the projects at HENDERSON’S direction.

40. On or about July 3, 2018, HENDERSON directed a group of subordinate officers to build a screened-in porch at his personal residence, and the subordinate officers did, in fact, build a screened-in porch at HENDERSON’S residence over a five- to six-day period, including while the officers were on official duty.

41. In or around the end of July 2018, HENDERSON directed a group of subordinate officers to renovate the garage at his personal residence, and the subordinates did, in fact, renovate the garage at HENDERSON’S direction.

42. On or about July 19 and July 23, 2018, HENDERSON directed a subordinate officer to use cash from the Narcotics Cash Fund to purchase refreshments for the subordinate officers who were renovating the garage at HENDERSON’S residence. The subordinate did, in fact, use cash from the Narcotics Cash Fund to purchase refreshments for \$48.46.

All in violation of 18 U.S.C. § 371.

FORFEITURE ALLEGATIONS

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), upon conviction of a conspiracy to commit an offense under Title 18, United States Code, Section 666(a)(1)(A), in violation of Title 18, United States Code, Section 371,

the defendant, DAVID HENDERSON, shall forfeit to the United States, any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The properties to be forfeited include, but are not limited to, the following:

1. Dell laptop, blue in color, S/N: 9DTZRQ1.
2. LG CD/DVD player.
3. Graco Magnum paint sprayer.
4. Verizon Samsung Network Extender.
5. Bissell Spot Bot.
6. Streamlight Knucklehead rechargeable LED worklight.
7. LG Tone-Free wireless earbuds, S/N: 02224702024999EME000.
8. LG External DVD Writer.
9. Insignia 6ft HDMI Cable.
10. Two Insignia Advanced Memory Card Readers.
11. Apple Mac Mini, S/N: C07PG0GGG1HY.
12. Two Weldex Square Cams, S/N: WDGJ06.
13. Outers Universal Cleaning Kit
14. Two Dash Cameras- Cobra Drive HD Dual Camera Dash Cam, S/N: J704019637; Rexing Dash Cam.
15. Six digital cameras- Vivitar digital camera, S/N: 9T9VIVC61A0013X and case; Samsung digital camera HMX-W300; Sony Cyber Shot digital camera, Model: DSC-H55; Sony digital camera, Model: DSC-H20; Samsung digital camera, S/N: 165SC90ZA07429D; Nikon Cool Pix S9400 digital camera.
16. Two external hard drives- Seagate 1TB external hard drive, S/N: 9ZF2A5-500; Lacie 1TB external hard drive, S/N: NL372LHV.
17. Two video cameras- Panasonic video camera, S/N: DN7FD001607; Sony HandyCam, Model: DCR-SR47.
18. EO Tech thermal imager.
19. Apple iPad Mini 4 Smart Cover.
20. Apple iPad Pro Smart Keyboard.
21. Apple iPad Pro leather sleeve.
22. Yeti cooler, white in color.
23. Ring Camera, S/N: BHS2LH1626005981.
24. Apple TV with remote, S/N: F6LPQHM2FF54.

25. Three DropCam cameras- DropCam, Unknown S/N; DropCam, S/N: 30BCFBC1D50B; DropCam, S/N: 308CFBCB2B2B.
26. Two Apple USB-C to USB Adapters, One Apple Lightning to SD Card Camera Reader, and One USB-C Digital AV Multiport Adapter.
27. Apple iPad, S/N: DMPW7212HPT4 in box.
28. Apple iPad, S/N: GCTW3754HLJL.
29. Apple iPad, S/N: DLXML2APF4YG.
30. Apple iPad, S/N: V5035KXZA90.
31. Apple iPad, S/N: V5032XPLETU with black case.
32. Three Google Nest Indoor cameras.
33. Two Apple USB Super Drives, MD564LL/A.
34. Wyze Cam Pan, Model: WYZECP1.
35. Two Apple Pencils.
36. Apple Watch S3, S/N: FHLVH0U4J6GH.
37. Apple iPad Mini, S/N: F9FQL1PSGHK9.
38. Apple iPad Pro, S/N: DMPXK5PUKD80 with black case.
39. Apple iPad Pro, S/N: DLXTK0KQHPDV.
40. Apple iPad Pro, S/N: DLXS803FGMW5.
41. Apple MacBook, S/N: C02RR0G8GTHV.
42. Apple MacBook Pro, S/N: C02PVLV4G8WP.
43. Apple iPad, S/N: DMPVD38QHPDV with black and clear case.
44. Apple iPad Pro box, S/N: DMPVD38QHPDV.
45. Apple iPad Pro box, S/N: DLXTK0KQHPDV.
46. Apple HomePod, S/N: CC4W47Q3HQB8, Model: A1639.
47. Apple iPad, S/N: DLXR80T6GXQ4 with black case.
48. Apple iPad, S/N: DMPRC02FGXQ4 with orange case.

3. Pursuant to Title 21, United States Code, Section 853(p), the defendant shall forfeit substitute property, up to the value of the property subject to forfeiture, if by any act or omission of any of the defendant, said property, or any portion thereof:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, sold to, or deposited with a third party;
- 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 that cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

SIGNATURE REDACTED

~~GRAND JURY~~ FOR ~~PERSON~~

FRANCIS M. HAMILTON III
United States Attorney

By:

William A. Roach, Jr., FOR

Frank M. Dale, Jr.
Assistant United States Attorney

William A. Roach, Jr.

William A. Roach, Jr.
Assistant United States Attorney

CRIMINAL CASE COVER SHEET

By: <input checked="" type="checkbox"/> INDICTMENT <input type="checkbox"/> SUPERSEDING Case Number: <u>3:22-CR-</u>	
<input type="checkbox"/> INFORMATION (Requires AO 455 Waiver of Indictment for Felony Cases)	
<input type="checkbox"/> RULE 20	
USA V. <u>David Henderson</u>	
<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Class A Misdemeanor (AO86A Consent form required at Initial Appearance) <input type="checkbox"/> Misdemeanor (Not class A) <input type="checkbox"/> Petty Offense	
<input type="checkbox"/> Defendant is being added to existing criminal case Immigration Cases <input type="checkbox"/> Charges/Counts Added <input type="checkbox"/> Zone A <input type="checkbox"/> Zone B	
Name of Assigned AUSA: _____	
Matter Sealed: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Place of Offense: <u>Knox County</u>
<input type="checkbox"/> Interpreter Required Language: _____	
Issue: <input checked="" type="checkbox"/> WARRANT <input type="checkbox"/> SUMMONS <input type="checkbox"/> WRIT (Motion to be filed)	
Arresting Agency: <input type="checkbox"/> DEA <input type="checkbox"/> ATF <input type="checkbox"/> USMS <input checked="" type="checkbox"/> FBI <input type="checkbox"/> Other: _____	
Current Trial Date (if any): _____ before Judge _____	
<input type="checkbox"/> Criminal Complaint Filed	Case Number: _____
<input type="checkbox"/> Defendant on Supervised Release	Case Number: _____
Related Case/Attorney:	
Case Number _____	Attorney _____
Reason for Related Case Determination _____	
Defense Counsel (if any): <u>Robert R. Kurtz</u>	
<input type="checkbox"/> Federal Defender <input type="checkbox"/> CJA <input checked="" type="checkbox"/> Retained	
Appointed by Target Letter	Case Number: _____
Appointed in Pending Indictment	Case Number: _____

 CHARGES: Total # of Counts for this Defendant 1

	Title & Section	Description of Offense Charged	New Count? Y or N	New Count #	Old Count #
1	18:371	Conspiracy to Commit Program Fraud	N		

(Attach additional page, if needed)

Attorney Signature

William A. Panch