

FEB 27 2008

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF NORTH CAROLINA  
ASHEVILLE DIVISION

U.S. DISTRICT COURT  
W. DIST. OF N.C.

UNITED STATES OF AMERICA

DOCKET NO. 1:07 CR 122-02

vs.

JOHN D. HARRISON

STATEMENT OF FACTS

Were this matter to go to trial, the United States of America would prove the following facts beyond a reasonable doubt:

1. Between October 1, 2000, and May 31, 2005, in Buncombe County and elsewhere within the Western District of North Carolina, the defendant JOHN D. HARRISON knowingly and willfully combined, conspired, confederated and agreed with persons known and unknown to commit certain offenses against the United States, namely: to obstruct, delay, and affect in any way and degree commerce and the movement of articles and commodities in commerce by extortion, as those terms are defined in Title 18, United States Code, Section 1951; that is, that the defendant and others conspired to obtain property not due the defendant or his co-conspirators or their office, under color of official right, from illegal video poker machine ("VPM") owners and operators, with those owners' and operators' consent, all in violation of Title 18, United States Code, Section 1955.

2. This Statement of Facts does not contain each and every fact known to the defendant and to the United States concerning the defendant's or others' involvement in the charges set forth in the plea agreement.

3. During the conspiracy period, the defendant was a lieutenant with the Buncombe County Sheriff's Office ("BCSO"). Starting in 2001, he had responsibilities, among other things, for handling VPM registrations for the BCSO. In that capacity, he received cash on multiple occasions from numerous VPM owners or operators in connection with their registering the VPMs in Buncombe County. Some of these cash payments were delivered directly to the defendant by the VPM owner or operator. Other payments were delivered to him through Guy Penland. Under North Carolina law, when VPMs were lawfully registered, the sheriff's office would issue a registration

sticker which must be displayed on the particular machine that had just been registered. From time to time, the defendant would provide the VPM owners or operators with quantities of registration stickers, unconnected with particular registrations.


4. The defendant assisted Sheriff Bobby Medford in obtaining money, for Medford's use, from VPM operators through the means of twice-yearly golf tournaments. Starting in the late 1990s, and continuing through May 2005, the defendant assisted in organizing these golf tournaments and in raising money from participants. The money came from payments in order to sponsor teams (ordinarily 25 to 30 teams), and from payments by sponsors of individual holes. On October 1, 2000, a VPM law went into effect in North Carolina requiring all VPMs to be registered by the sheriff of the county in which they were to be operated, and giving the sheriff discretion to allow or to refuse to allow VPMs to be registered in his county. After that law went into effect, the defendant, at the instruction of and with the knowledge of Sheriff Medford, began soliciting payments from VPM operators as "donations" to the golf tournaments. Even in non-election years, these "donations" were purported to be campaign contributions to the sheriff, although, as the defendant knew, most of the money actually went to the sheriff and to Penland. When the defendant received payments in the forms of checks, he and others involved in this activity would take the checks, usually endorsed by Medford, to a store in Buncombe County (which also operated VPMs), where the store owner would cash the checks and would include them in his business deposits. The defendant would then ordinarily give the cash thus obtained to Medford, although on some occasions Medford directed the defendant to deposit some of the cash into the credit union accounts of Medford and of another person close to Medford.

5. In addition to obtaining cash from illegal VPM operators through the means of these golf tournaments, between in or about 2002 and 2005, the defendant also participated in obtaining cash directly from VPM operators at the direction of Medford. On these occasions, Medford would direct the defendant to contact certain VPM operators and to instruct those operators that they needed to deliver a particular quantity of cash to the defendant or directly to Medford. If the VPM operator delivered the cash to the defendant, he would in turn deliver it to Medford. In the spring of 2005, Medford directed the defendant to contact a certain Buncombe County VPM operator and to tell the

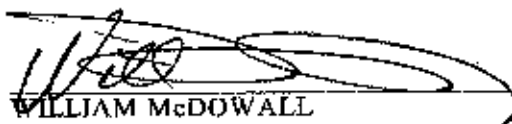
operator that Medford needed a particular quantity of cash. The defendant then drove to the operator's store in his BCSO vehicle, picked the operator up, and drove him to a rendezvous with Medford in an Asheville shopping center parking lot. There, the operator handed the envelope of cash to the defendant, who handed it immediately to Medford.

6. These VPM operators were involved in interstate commerce. Their VPM machines were manufactured outside the state of North Carolina, some of the VPM operators who paid cash to the defendant and his co-conspirators were based outside of North Carolina and transported their illegal profits outside of the state. Some of the people who gambled on the VPMs registered by the BCSO came from outside of North Carolina. The payments made to or handled by the defendant and his co-conspirators affected this interstate commerce, by allowing these machines to be operated in Buncombe County. Although the VPM operators consented to the paying of money to the defendant and his co-conspirators, they did so because of the law enforcement offices held by the defendant and his co-conspirators. The defendant and his co-conspirators therefore were not due this money, and they acquired the cash from these VPM operators under color of official right.

Defendant's Signature: After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, JOHN D. HARRISON, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

  
JOHN D. HARRISON  
Defendant

Defense Counsel's Signature: I am the attorney for JOHN D. HARRISON. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

  
WILLIAM McDOWALL  
Counsel for Defendant