



Department of Justice

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FIVE INDICTED FOR FRAUD AGAINST THE U.S. GOVERNMENT AND OTHER PURCHASERS IN “MADE IN THE USA” MARKETING SCHEME

GREENEVILLE, Tenn. – On Sept. 13, 2016, a federal grand jury in Greeneville returned an indictment against Vincent Lee Ferguson, 65, of Knoxville, Tenn.; Matthew Lee Ferguson, 40, of Lenoir City, Tenn.; Kerry Joseph Ferguson, 35, of Houston, Texas; Matthew Harrison Martland, 32, of Knoxville, Tenn.; and Stephanie Lynn Kaemmerer, 44, of Knoxville, Tenn., for wire fraud, conspiracy to commit wire fraud, major fraud against the United States, and smuggling goods into the United States.

These individuals appeared in court on Sept. 15, 2016 before U.S. Magistrate Judge Clifton Corker and pleaded not guilty. All were released on bond pending trial, which has been set for Nov. 1, 2016, in U.S. District Court, in Greeneville.

If convicted, they all face a term of 20 years in prison as to each wire fraud charge and smuggling charge, and up to 10 years in prison for the charge of major fraud against the United States. Additionally, they face fines of up to \$250,000 and up to three years of supervised release as to each count. The indictment also seeks forfeiture of approximately \$8.1 million.

Details of this conspiracy are included in the indictment on file with the U.S. District Court, which alleges that these individuals, all of whom were executives and management at Wellco Enterprises, Inc., conspired from December 2008 through August 2012 to defraud the United States government and other purchasers through a scheme to fraudulently import military-style boots that were made in China into the United States and then deceptively market and sell those boots to the United States Armed Forces, government contractors, and the general public as “Made in the USA,” and as compliant with certain domestic content preference laws, including the Trade Agreements Act and the Berry Amendment.

This indictment is the result of an investigation by Homeland Security Investigations, the Defense Criminal Investigative Service, Air Force Office of Special Investigation, General Services Administration Office of Inspector General, and the Defense Contracts Audit Agency. Assistant U.S. Attorney David L. Gunn will represent the United States.

Members of the public are reminded that an indictment constitutes only charges and that every person is presumed innocent until his/her guilt has been proven beyond a reasonable doubt.

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