

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

MILTON RUSSELL CRANFORD,

Defendant.

Case No. 18-03020-01-CR-S-RK

**UNITED STATES' MOTION TO DETAIN
DEFENDANT MILTON RUSSELL CRANFORD**

The United States of America, by and through its undersigned attorneys, moves this Court to hold a detention hearing and, after receiving the evidence, respectfully requests that it order the detention of the defendant, Milton Russell Cranford, because clear and convincing evidence establishes there is a serious risk the defendant will obstruct and attempt to obstruct justice, and threaten, injure, and intimidate prospective witnesses, and attempt to do so; a preponderance of the evidence establishes there is a serious risk the defendant will flee; and there are no conditions of release that will reasonably assure the defendant's appearance as required and the safety of prospective witnesses. In support, the United States offers the following suggestions:

I. Summary

Title 18, United States Code, Section 3142(f)(2) provides that a hearing shall be held by the appropriate judicial officer to determine whether any condition or combination of conditions will reasonably assure the defendant's appearance and the safety of any other person in the community upon a motion of the attorney for the Government or upon the judicial officer's own motion, when there is a serious risk that the defendant will flee, or when there is a serious risk that

the defendant will “obstruct or attempt to obstruct justice, or threaten, injure, or intimidate, or attempt to threaten, injure, or intimidate, a prospective witness or juror.”

The United States respectfully submits that clear and convincing evidence establishes there is a serious risk Cranford will obstruct justice, threaten, injure, and intimidate witnesses, and attempt to do so, specifically: (1) Cranford has attempted to obstruct the United States’ investigation by urging prospective witnesses against him to provide false information to investigators; (2) when Cranford’s prior attempt to tamper with one witness proved unsuccessful, in January, 2018, Cranford requested the assistance of another individual to murder that witness, in exchange for which he offered to pay that person a large sum of money and provide a gun, and gave that person \$500 as an initial payment in that endeavor; and (3) at the time of his arrest, Cranford possessed a 45-caliber derringer-style pistol, which was still in the box, and had in his backpack a large sum of cash, specifically, \$17,700.00, all in one-hundred-dollar bills.

The United States further respectfully submits that a preponderance of the evidence establishes there is a serious risk Cranford will flee, specifically the facts that: (1) in late January or early February, Cranford vacated his executive apartment in Bentonville, Arkansas, without having provided notice to his landlord, or leaving a forwarding address; (2) immediately prior to his arrest, Cranford sought to liquidate assets; (3) at the time of his arrest, Cranford was living at a house belonging to an associate, to which he could not be connected by any public records; (4) at the time of his arrest, Cranford was found to have altered his appearance by growing out and coloring his hair; (5) at the time of his arrest, Cranford had in his backpack a large sum of cash, specifically, \$17,700.00, all in one-hundred-dollar bills; and (6) in addition to the charges set forth in the Indictment, Cranford is likely to face significant additional charges in more than one federal

district, and advisory sentences of up to life imprisonment under the United States Sentencing Guidelines, should he be convicted.

There are no conditions of release that will reasonably assure the defendant's appearance as required, and the safety of the community. In addition to the factors set forth above establishing Cranford's danger and flight risk, other aspects of Cranford's history and characteristics, including his substance abuse and possession of controlled substances prescribed to other persons, demonstrate that he would not adhere to any conditions of bond.

II. Facts

The instant prosecution of defendant Milton Russel Cranford ("Cranford") comes as part of a larger set of interconnected investigations and prosecutions involving public corruption, and the misuse and embezzlement of public funds entrusted to tax-exempt charities, in the Western District of Missouri, and in the Eastern and Western Districts of Arkansas. A significant portion of this district's investigation relates to Preferred Family Healthcare, Inc. ("PFH"), formerly known as Alternative Opportunities, Inc. ("AO"), a Springfield, Missouri, non-profit public charity described more fully in the introductory section of the Indictment against Cranford.¹ For more than a decade, several of the Charity's executives and employees, and others, devised multiple schemes to steal, embezzle, and divert the Charity's funds and property to their personal use and for other unlawful purposes. Milton Russell Cranford was one of those executives.

¹Effective May 1, 2015, Alternative Opportunities, Inc. merged with Preferred Family Healthcare, Inc., of Kirksville, Missouri, with PFH being the "surviving corporation," meaning that the post-merger entity retained PFH's name and corporate registration. Herein, "the Charity" refers to the entity known as Preferred Family Healthcare, Inc., after April 30, 2015, and Alternative Opportunities, Inc., prior to May 1, 2015, disregarding the Kirksville, Missouri-based Preferred Family Healthcare, Inc., which existed prior to May 1, 2015, and is not relevant to this case.

A. Timeline of Investigation Relevant to Cranford's Detention

On June 2, 2017, when Cranford and the Charity's leadership knew the Charity was the subject of a federal investigation in the Western District of Missouri, Cranford signed a "Settlement Agreement and Partial Release" with PFH. The document provided that in connection with PFH's termination of Cranford's August 2016 contract, the Charity conferred upon Cranford the following benefits: it forgave Cranford's debt of \$35,000 (for Cranford's failure to reimburse PFH following a Missouri politician's return of an unlawful campaign contribution Cranford made on behalf of PFH), it paid \$165,000 of Cranford's personal loan that was secured by the Charity's assets; and it made three payments, totaling \$400,000, to the trust fund account of Cranford's attorney, for Cranford's legal expenses in connection with the instant investigation.²

On June 12, 2017, in Springfield, Missouri, David Carl Hayes, a former Charity board member, employee, and contractor, waived indictment and entered pleas of guilty to a three-count information.³ Count 1 of the information charged Hayes with having embezzled \$1,965,476.81 from AO, an organization receiving federal funds. At the time of Hayes's plea, certain of the Charity's executives and employees, including Cranford, knew the United States' investigation of the Charity involved allegations of their theft, embezzlement, and diversion of the Charity's funds and property to their personal use and for other unlawful purposes.

²See Exhibit 1 (Cranford-PFH settlement agreement). This exhibit demonstrates Cranford's knowledge he was under investigation, and further shows that, even with substantial funds available for his legal defense, Cranford nonetheless chose to tamper with, and solicit the murder of, a witness.

³From 2006 to 2013, Hayes, an accountant, had been the coordinator of merger and acquisition activity for AO. From 2006 to 2011, Hayes had served as a member of AO's Board of Directors. From 2011 to 2013, Hayes was AO's internal auditor. See *United States v. David Carl Hayes*, W.D. Mo. Case No. 17-03070-01-CR-S-BCW.

On October 26, 2017, attorneys and agents of the United States made a presentation to the Charity's defense counsel of some of the evidence gathered during the course of the investigation. On November 1, 2017, attorneys and agents of the United States made a presentation to Cranford and his defense counsel regarding some of the evidence gathered as to Cranford during the investigation. During this presentation, Cranford learned that a week earlier, Philadelphia political operative Donald Andrew Jones ("Jones"), who was also implicated in this district's investigation, had been indicted in the Eastern District of Pennsylvania, for a matter not related to the instant case.⁴

On November 9, 2017, the Charity's board of directors unanimously voted to separate three executives, all of whom were known to Cranford, from the Charity. Those individuals are identified as "Person #1," "Person #2," and "Person #3" in the Indictment charging Cranford. (Doc. 1.)

On November 13, 2017, Donald Andrew Jones was in Oklahoma City, Oklahoma, to discuss business with Cranford and one other person. There, Jones told Cranford he would meet with federal agents and attorneys for the government. Cranford, who Jones described to be in a very agitated mental state, attempted to persuade Jones to falsely tell agents and prosecutors his payments to Cranford were for services Cranford had provided to Jones, and were not kickbacks or bribes. On November 15, 2017, Jones informed federal agents and prosecutors of his conversation with Cranford, and also confirmed that the payments he made to Cranford were made

⁴*United States v. Donald Andrew Jones*, E.D. Pa. Case No. 17-563, indictment returned on October 24, 2017. That case, in which Jones has since entered a plea of guilty, charged Jones and one other person with causing illegal campaign disclosure statements to be filed, which concealed a \$90,000 payment made to persuade the challenger to an incumbent member of the U.S. House of Representatives to drop out of the 2012 primary election.

because Cranford demanded them, and not because of any agreement for his lobbying firm to employ Cranford.⁵

On November 16, 2017, an attorney for the United States informed counsel for Cranford that Jones had reported the conversation, and that the Government believed it constituted an attempt on Cranford's part to tamper with a prospective witness against him. The United States believes Cranford was informed of this communication from government counsel very shortly after it occurred.

On December 8, 2017, Jones entered a guilty plea in the Eastern District of Pennsylvania. On December 18, 2017, in Springfield, Missouri, Jones waived indictment and entered a plea of guilty to an indictment charging him with, from April 2011 to January 2017, participating in a conspiracy to steal from the Charity, an organization that receives federal funds. As a part of the conspiracy, Jones admitted, he paid \$219,000 in kickbacks to "Person #4" and \$45,000 to "Person #7," both of whom worked for the Charity.⁶ Based on the facts set forth, Cranford knew he was the "Person #4" included, but not named, in the information.

⁵See Exhibit 2 (IRS-CI memorandum of interview, 11/15/2017), filed under seal. See also Exhibit 3 (IRS-CI memorandum of interview, 12/18/2017), filed under seal.

⁶*United States v. Donald Andrew Jones*, W.D. Mo. Case No. 17-03142-01-CR-S-BCW. According to the information and plea agreement, the conspirators engaged in multiple schemes to unlawfully use the Charity's funds to make political contributions and for excessive and unreported lobbying and political advocacy. Further, conspirators caused the payments to be described in the records as business expenses, such as "consulting" and "training" services, and executed sham "consulting agreements." Conspirators caused the charity to engage in political outreach that violated the law. For example, they employed lobbyists and advocates (including Jones) to influence elected and appointed public officials. Also, the conspirators caused personal contributions to elected officials and their political campaigns to be reimbursed by the charity, which was unlawful. Jones admitted that he worked to provide advocacy services, for which the charity paid Jones a total of \$973,807, with some payments routed through different business entities or lobbying firms. Although his services were falsely described as "consulting" services and the payments made to Jones as payments pursuant to a "consulting agreement," they actually were payments for Jones's advocacy services, including direct contact with elected and appointed

B. Cranford's Murder-For-Hire Scheme

On or about December 18, 2017, in a telephone conversation with the individual identified herein as "Person A," Cranford told Person A he had "something real good" and Person A "would like it." Person A and Cranford arranged to meet at Person A's residence on or about December 27, 2017. Following this phone conversation, Person A contacted the FBI. Cranford has known Person A for many years, and knows that Person A has a criminal history which includes acts of violence such as robberies and shootings, and has served time in prison for said acts.

On or about December 27, 2017, when Cranford did not show up at Person A's residence, Person A called Cranford. Person A told agents that Cranford sounded sick, and discussed meeting with Person A the following Wednesday, January 3, 2018. During this phone conversation, which was not recorded, Person A stated that Cranford did not want to discuss the details of what he wanted to talk to Person A about using the telephone, however Cranford stated several times that Person A "would like it."

On or about January 2, 2018, Person A received a call from Cranford. Person A told agents that during this phone conversation, which was not recorded, Cranford indicated he wanted Person A to do something for him (Cranford), and Person A would make a lot of money. Further, Person A asked Cranford if Person A would need a "piece," referring to a gun, and Cranford stated that he would provide one.⁷

public officials. See Exhibit 4 (U.S. v. Donald Andrew Jones, Doc. 2, information) and Exhibit 5 (U.S. v. Donald Andrew Jones, Doc. 10, plea agreement).

⁷See Exhibit 6 (W.D. Ark. case no. 4:18-cm-00001-BAB, search warrant application and order) and Exhibit 7 (W.D. Ark. case no. 4:18-cm-00002-BAB, search warrant application and order). See also, Exhibit 8 (FBI FD-302, 01/02/2018 interview) and Exhibit 9 (FBI FD-302, 01/08/2018 interview), both filed under seal.

On the afternoon of January 9, 2018, Cranford met with Person A at Person A's residence.⁸ Cranford was accompanied by his adult son (herein, "Person B"), who was unaware of the subject of the meeting. During this meeting, which was monitored and recorded by FBI agents, Cranford told Person A about his ex-business partner, Don Jones, who recently pleaded guilty and was cooperating against Cranford and others in a federal criminal investigation. Cranford and Person A engaged in the following colloquy regarding Jones:

Person A: What's this son-a-b*tch? That's goin uh...

Cranford: This son-a-b*tch out of Philadelphia, he pled guilty in Missouri.

Person A: Your partner.

Cranford: Pled guilty in Missouri.

Person A: So, does he have anything on you?

Cranford: It's hearsay. It's what he-he's trying to tell.

Person A: Well that's what I'm saying though.

Cranford: He's telling the feds that he does.

Person A: Can he pin you down, I mean? What I'm trying to ask you.

Cranford: I don't know.

Person A: What do you mean you don't know?

Cranford: I don't know, shit if I said anything...

Person A: Other words, you're saying you probably done more than the f*ck then you're supposed to do and you're worried about it. Jesus Christ, Rusty.

Cranford: I mean

⁸See Exhibit 10 (disc: (A) audio/video recording of 01/09/2018 meeting, (B) audio recordings of 7 telephone conversations), Exhibit 11 (transcript of 01/09/2018 meeting), Exhibit 12 (FBI FD-1023, 01/09/2018 source reporting), and Exhibit 13 (FBI FD-302, 01/09/2018 surveillance), all filed under seal. See also Exhibit 14 (surveillance photographs of 01/09/2018 meeting).

Person A: What uh?

Cranford: This motherf*cker right here.

Person A: Where's he at?

Cranford: He's in Philadelphia. He's in South Jersey.
(Whispered) He needs to go away. He needs to be gone.

Person A: Well what do you wanna do?

Cranford: Just that. I mean this son of a b*tch, boy...

Person A: Well.

Cranford: ...He's a bad news.

Cranford told Person A, when referring to Jones, "he needs to go...he needs to be gone." While making this statement to Person A, Person A told agents that Cranford used his hand to make a gun shooting gesture. Person A, believing that Cranford wanted Person A to kill Jones, engaged in the following discussion with Cranford about whether Cranford had told anyone else about this request:

Person A: Have you-have, have you talked to anybody about?

Cranford: No, not a word. I've sealed my fate to myself.

Person A: I mean you ain't said nothing about to anybody about...

Cranford: Nothing.

Person A: ...doin' away with this guy?

Cranford: No. I know nothing'.

Person A: Don't-don't do that, because you know, you'll get.

Cranford: I know nothin'. I mean, this son-a-b*tch, he flew to my house last year in South Florida. He flew to my house in South Florida and it's like, uh, geesh, you know, so.

Person A: Did he talk to you about it, or what?

Cranford: He started talking about different stuff and I-I, this is before all this come out.

Person A: Oh, it was before it come out?

Cranford: Yeah. So, but I ain't done nothin' wrong with this guy. I mean, I don't know where-he needs to do away with, with, with, he needs to do away with the fact that he's trying to say that he knows something about me, because he don't know nothin' about me. Cause I've never done anything against the law with him, ever. Never. And he needs to do away with that. And he does.

Person A: Well you think that-he, he's going to misrepresent something...

Cranford: I think, yes.

Person A: ...And get you indicted?

Cranford: That-that-that's my thing. I think that he's going to lie to try to help his self. You know why? Cause it's kinda like this, one thing that I do believe: I think that anybody can tape record you and then can play bits and pieces, anything they want and they can splice it together and they can do anything they want to do.

Person A: Yeah, yeah.

Cranford: Over a period of conversations, well they can do their own little technology and put it all together, where it makes it sound like you're saying something that you really didn't say.

Person A: Well they'd have to have-they'd have to have some kinda facts somewhere to indict you, I think.

Cranford then discussed with Person A an individual that he assisted in getting out of prison for a murder in Fouke, Arkansas:

Cranford: ...because I mean, truthfully, I got a motherf*cker that killed somebody named [name redacted] – just got him out of prison.

Person A: [Name redacted]?

Cranford: Last year. He killed a boy in Fouke, Arkansas.

Person A: I heard that name somewhere before.

Cranford: Yeah, killed him.

Person A: When – when was this?

Cranford: About sev-six years ago.

Person A: I mean when did he kill somebody?

Cranford: About seven years ago, and I got him out of prison two years ago.

Person A: I think I read it in the paper somewhere.

Cranford: Yeah, he wrapped him up in a...

Person A: We've been here se-goin' on seven years, so.

Cranford: Yeah, well he-they wrapped up in the paper and uh, he wrapped him up in a uh, in a uh, shit, rug and threw him in Mercer Bayou down there in Fouke. They sent him to prison and uh, I got him out two, two years ago. So, those comments have been made and...

Person A: What's he to you? [Name redacted]?

Cranford: Oh nothin'. I tore up with him. I went to high school with him. That's how he knew me. So that's why his daddy and them hired me. So, those comments have been made – that there's no way that he could have-

Person A: Done anything.

Cranford: ...accomplished all this shit without being dirty.

Person A: (coughing)

Cranford: Well f*ck that. Show me where I'm dirty. I mean, yeah, have I wrote a hell of a lot of-have I paid a hell of a lot of politicians? I sure have over the years. A shit load of money.

Person A: Umm-hmm

Cranford: But I've wrote them all checks, so there's paper trail of everything I wrote.

Person A: Umm-hmm.

Cranford: If motherf*ckers tryin' to buy somebody, they ain't going to write 'em a check for it.

Cranford and Person A then discussed where Jones currently lives.

Cranford: Oh, yeah. He lives in South Jersey. So uh, so lady in Dallas

Person A: But what happens if somebody, if somethin' happens to him?

Cranford: Oh, I don't know.

Person A: I mean, they gonna to look at you, what?

Cranford: So, there's no tellin'.

Cranford related to Person A the story about a powerful woman in Dallas who had beaten corruption charges but lost everything in the process of defending herself and provided Person A with additional details about Jones and his pending case:

Cranford: Sh-yeah, so, so the uh, so anyway, the uh, I mean I think about her, shit that she had and then this son-a-b*tch turns around and pleads guilty and I'm thinking f*ck.

Person A: We need to talk outside.

Cranford: You know and I'm wondering if he rolled on her.

Person A: Aw, you know, you never know, see, the uh, I mean...

Cranford: Who knows? So...

Person A: So she didn't give up anybody?

Cranford: Nope. No. Nobody. And [name redacted], Congressman, he pled guilty.

Person A: Yeah, I read that.

Cranford: Now his other partner, he's got a partner by hisself, too. He pled not guilty and [name redacted] pled not guilty. Well see that's the same thing in Arkansas, they got a couple Senators that's already pled guilty. F*ck Arkansas, man they puttin' the hammer on probably 20 people up there. But their words to my attorney was, he, talkin' about me.

Person A: Mhm.

Cranford: He holds the keys to the kingdom. That was the words they used.

Person A: That you did.

Cranford: That I hold the keys to the kingdom.

Person A: And he...

Cranford: But they're talkin' about the kingdom being Capitol Hill. That was their term. And I looked at my attorney and said they givin' me a lot of motherf*cking credit, is all I can tell you, because I ain't near that strong. They give me a lot of, they give me credit, I don't want. And I mean really, if you google my name, that's why I ask you the other day, did y'all have internet. If you google my name, Milton Cranford...

Person A: Oh I could have done that, yeah.

Cranford: That's what I'm saying, if you google that, I'm in the f*cking paper every other week. But it's always northwest Arkansas, see? North-the Ark-northwest Arkansas version of the Arkansas Democrat?

Person A: Umm-hmm.

Cranford: That's the reason down here a lot of people don't realize it. Cuz see, northwest Arkansas, up in Rogers, they got a-there's a different version of the Arkansas Democrat. Well a lot of times, you can google Arkansas Online so, I mean, shit, I really thought that I was gonna, that 2016/17 was gonna end the year with me being one of the top three stories in the state of Arkansas – that's how f*cking much publicity I don't want, I've got.

At the end of the January 9, 2018, meeting, Cranford handed Person A five (5) one-hundred dollar bills,⁹ while stating he would return to Person A's residence on January 12, 2018, to further discuss the details that Cranford did not want to discuss in front of his son. Person A told Cranford:

Cranford: (sound like the flipping of cash) Let's talk Friday.
(whispered)

Person A: Alright.

⁹See Exhibit 15 (photograph of \$500 from 01/09/2018 meeting).

Cranford: I just assume, not. I didn't know [Person B] was coming, but I didn't want tell anybody

Cranford: That's why I said, you know, I didn't want to talk anything in front of him.

Person A: But I didn't want to tell him that.

Person B: Hey Dad, I'll be in the car.

Person A: If we're going to talk that business, brother, we've gotta, I don't want.

Cranford: I won't eit-Me neither.

Person A: I don't want any-f*cking-body knowing sh*t.

Cranford: Well that's my thing.

Person A: Sh*t.

Cranford: That-f*ck.

Person A: I mean, I don't want him-them coming to you and you telling me-them anything about me

Cranford: Oh, exactly. That ain't happening.

Person A: Cause anything that we say is going to be hearsay between us.

Cranford did not show up at Person A's residence on January 12, 2018, nor did he answer any of several calls by Person A between January 12, 2018, and January 19, 2018.¹⁰ On or about January 22, 2018, Person A placed a consensually recorded call to Cranford, which Cranford answered.¹¹ During the call, Cranford told Person A, "I'll probably be that way in about three weeks... 'cause I got the babies till then."¹² Person A then asked, "We gonna be able to talk some

¹⁰See Exhibit 16 (FBI FD-1023, 01/12/2018 source reporting) and Exhibit 17 (FBI FD-1023, 01/15/2018 source reporting), filed under seal.

¹¹See Exhibit 18 (FBI FD-1023, 01/22/2018 source reporting).

¹²Cranford referred to the fact that he would have custody of his minor children during this time-period.

business?” Cranford answered, “Oh yeah, I’m coming by myself when I come.” Cranford then began to explain the route he would travel, and Person A asked, “You know where this guy lives, right?” Cranford answered, “Oh yeah, exactly. Heck yeah, I know everything.”

On February 8, 2018, Person A placed a call to Cranford’s phone, which was not answered.¹³ On February 9, 2018, Person A placed a consensually recorded call to Cranford, which Cranford answered.¹⁴ During the call, Person A asked Cranford if he found any “medicine,” which Person A told agents referred to hydrocodone, which Cranford had mentioned in the earlier non-recorded conversation. Cranford stated that when he visits, he would have to “hit the streets of Texarkana” to try to find some. Cranford also discussed his former partner, Jones, stating that Jones “rolled” on a congressman in Pennsylvania, and then came to Missouri and pled guilty to testify against Cranford. Cranford stated that Jones “cut himself a deal,” and called Jones a “snitching motherf*cker.” Cranford also stated that “they” tried to get him to cut a deal, but he can’t because he doesn’t know anything and didn’t do anything wrong. Cranford told Person A to “Google” Senator John Woods in Arkansas and read about what’s been going on since 2013. Cranford also talked about how “they” have indicted about five people, and have tried to pull him into it, but had not indicted him yet. Cranford told Person A he would visit as soon as he could. At the end of the conversation, Cranford told Person A to call him if he ran across any “meds.”

C. Other Facts Supporting United States’ Recommendation of Detention

As charged in the Indictment against Cranford, Cranford’s other co-conspirator in the bribery scheme with Jones was Eddie Wayne Cooper (“Cooper”), who had been identified as “Person #7” in the Jones information and plea documents.

¹³See Exhibit 19 (FBI FD-1023, 02/08/2018 source reporting), filed under seal.

¹⁴See Exhibit 20 (FBI FD-1023, 02/09/2018 source reporting), filed under seal.

On February 8, 2018, while meeting with FBI agents, Cooper placed a recorded telephone call to Cranford. Cranford told Cooper that he was at the Horseshoe Casino in Shreveport, Louisiana. Cranford told Cooper that he planned to meet an individual in Batesville, Arkansas, and that he had some items from an apartment that he wanted to give to Cooper. During the recorded conversation, Cranford told Cooper that “Uncle C” said “hi,” which Cooper informed the agents was a reference to Cranford’s cocaine supplier.¹⁵

Cooper provided the United States with the following additional information relevant to the issue of Cranford’s detention:

- Cooper has known Cranford for approximately 13 years. In the past, Cooper witnessed Cranford threatening to harm himself with a handgun, and prevented Cranford from doing so by physically wresting the gun from Cranford’s grasp when Cranford was distracted and had taken his finger off the trigger.
- Cooper has also witnessed Cranford purchase cocaine on numerous occasions. Cranford’s source of cocaine supply was an individual known to both Cooper and Cranford as “Uncle C.”
- Cranford is a big gambler. Cooper used to gamble a lot with Cranford. He has seen Cranford win and lose hundreds of thousands of dollars on individual bets. Cranford is a “seven star” member of the Horseshoe Casino, in Shreveport, Louisiana.
- Cranford asked Cooper to sign a quit-claim deed to a house in North Port, Florida, which Cranford owns jointly with Cooper and one other person.

¹⁵See Exhibit 21 (FBI FD-302, 02/08/2018 interview), filed under seal.

On February 12, 2018, in Springfield, Missouri, Cooper waived indictment and entered a plea of guilty to an information charging him with conspiracy to steal from an organization receiving federal funds.¹⁶ Amongst the co-conspirators with whom he admitted to having committed the offense were Jones, and “Person #4.” Based on the facts set forth, Cranford knew he was the “Person #4” identified but not named in the information.

On February 12, 2018, at 4:12 p.m., Cooper received a text message from the third co-owner of the house in North Point, Florida, telling Cooper, “. . . you need to quit claim that you’re [sic] part of the house to me down here before that thing gets taken away,” which appears to be a reference to the forfeiture allegation set forth in the information to which Cooper had pled earlier that day.¹⁷

Until the end of January 2018, Cranford was living in an executive apartment in Bentonville, Arkansas. Cranford did not pay his rent that was due February 1, 2018. When the apartment complex personnel went to inquire about payment, they found Cranford had vacated the apartment. Moreover, Cranford left without giving notice and without leaving a forwarding address.¹⁸

D. Cranford’s Arrest

On February 20, 2018, the grand jury returned an indictment charging defendant Cranford with conspiracy, in violation of Title 18, United States Code, Section 371, and eight counts of

¹⁶*United States v. Eddie Wayne Cooper*, W.D. Mo. Case No. 18-03015-CR-S-BCW. See Exhibit 22 (Doc. 4, information) and Exhibit 23 (Doc. 12, plea agreement).

¹⁷See Exhibit 24 (screen captures of 02/12/2018 text message).

¹⁸See Exhibit 25 (IRS-CI memorandum of contact, 02/16/2018), filed under seal.

receiving a bribe as an agent of an organization receiving federal funds, in violation of Title 18, United States Code, Section 666(a)(1)(B).

On February 21, 2018, federal agents arrested Cranford without incident,¹⁹ at a residence in Bentonville, Arkansas, that is owned but not currently occupied by an associate of Cranford's. When asked if there were any weapons in the home, Cranford directed agents to a closet in which he had a Bond Arms "Defender" 45-caliber derringer-style pistol, which was still in the box.²⁰ Also, Cranford had \$17,700.00 cash in a black backpack, all in one-hundred dollar bills.²¹ Also, Cranford had a significant amount of medication that had been prescribed to him,²² and six bottles of prescription medication for which he did not appear to have a current prescription.²³ The prescription drugs in Cranford's possession included medications prescribed to two other persons, one of whom is the owner of the house at which Cranford was arrested. Also, Cranford had in his possession two undated loan request forms, which he had signed, each of which sought to borrow \$10,000 of the cash value of his life insurance policy.²⁴ Finally, Cranford was found to have

¹⁹Present with Cranford at the time of his arrest were his two minor children, whom he did not drop off at school that day.

²⁰See Exhibit 26 (two photographs of Bond Arms "Defender" 45-caliber derringer-style pistol).

²¹See Exhibit 27 (two photographs: backpack with cash visible, and \$17,700 cash).

²²See Exhibit 28 (Washington County, Arkansas Jail, medical intake for Cranford), filed under seal.

²³See Exhibit 29, filed under seal. The medications in Cranford's possession included: Alprazolam (generic for Xanax); Zolpidem (generic for Ambien); and M367 Acetaminophen/Hydrocodone, 325 mg/10 mg, 47 pills.

²⁴See Exhibit 30, filed under seal.

altered his appearance by growing out and coloring his hair.²⁵ Following Cranford's arrest, relevant evidence was seized in the execution of a search warrant for the residence.²⁶

E. The Continuing Investigation

The decision to charge and arrest Cranford was made, in large part, because with additional witnesses against Cranford being identified in public documents (e.g., Cooper), and the limits on the agents' ability to keep Cranford under observation, it was assessed that the degree of the threat warranted action.²⁷ However, the United States' investigation of Cranford's murder-for-hire scheme did not end with his arrest; it continues in the Western District of Arkansas.

Firearms trace data and witness interviews establish that the Bond Arms "Defender" 45-caliber derringer-style pistol Cranford possessed at the time of his arrest had been unlawfully purchased in Fall, 2013. The purchaser, who was prohibited from purchasing firearms due to his prior felony conviction, used his adult step-daughter as a "straw purchaser." That person, who is now incarcerated in the Federal Bureau of Prisons for an unrelated crime, gave the pistol to Cranford sometime around Christmas, 2013.²⁸

²⁵See Exhibit 31 (five photographs of Cranford). The photographs at the top of the page are believed to have been taken in 2013 (left) and 2014 (right). The photographs in the middle row were taken April 24, 2015, (left) and October 19, 2017, (right). The photograph at the bottom is Cranford's February 21, 2018, booking photo, from the Washington County, Arkansas Jail.

²⁶See Exhibit 32 (W.D. Ark. case no. 5:18-cm-00025-ELW, search warrant application, order and return).

²⁷The United States had a "ping" warrant on Cranford's known cell phone, permitting agents to obtain information regarding his location and the phone numbers he called. See Exhibits 6 and 7. However, agents had neither authorization nor resources to constantly monitor Cranford's movements, and the United States also suspected Cranford had other means of communication available. This suspicion was confirmed – at the time of his arrest, Cranford had a second cell phone, which was a pre-paid "burner" phone. See Exhibit 32.

²⁸See Exhibit 33 (FBI FD-1057, Cranford firearm trace, 03/01/2018) and Exhibit 34 (FBI FD-302, 03/06/2018 interview, and FBI FD-302, 03/09/2018 correction), filed under seal.

Additionally, agents determined that Cranford placed the pistol in a safe in his former home, in Rogers, Arkansas, from which he was absent from late 2016 until mid-February 2018, because of his separation from his wife and pending divorce proceedings. Agents further determined that on February 14, 2018, the safe, to which only Cranford had the combination, was opened in the presence of Cranford, Cranford's wife, and the civil attorneys representing each in the pending divorce, for the purpose of inspecting the contents to determine whether any valuable marital assets or records relating thereto were present. During the inspection of the safe's contents, the presence of the Bond Arms "Defender" was noted by the parties, but it was not relevant to the parties' inventory of valuable marital assets and was not inventoried or listed in any documents allocating or disposing of marital assets. At some point that day, Cranford removed the box with the Bond Arms pistol from the safe, and Cranford's wife later noticed that it was no longer there.²⁹

²⁹See Exhibit 35 (IRS-CI memorandum of interview, 03/07/2018), filed under seal. In addition to the circumstances pertaining to the pistol Cranford possessed, this Exhibit is relevant to the issue of detention in that Cranford's wife confirmed Cranford has in the past possessed large quantities of medications that had been prescribed to other persons.

III. Law and Argument

Title 18, United States Code, Section 3142(f)(2) provides that a hearing shall be held by the appropriate judicial officer to determine whether any condition or combination of conditions will reasonably assure the defendant's appearance and the safety of any other person in the community upon a motion of the attorney for the Government or upon the judicial officer's own motion, when there is a serious risk that the defendant will flee, or when there is a serious risk that the defendant will "obstruct or attempt to obstruct justice, or threaten, injure, or intimidate, or attempt to threaten, injure, or intimidate, a prospective witness or juror."

A. Clear and Convincing Evidence Establishes There Is A Serious Risk Cranford Will Obstruct Justice, Threaten, Injure, and Intimidate Witnesses, and Attempt to Do So.

The United States respectfully submits that clear and convincing evidence establishes there is a serious risk Cranford will obstruct justice, threaten, injure, and intimidate witnesses, and attempt to do so. Indeed, Cranford already did so. First, he attempted to obstruct the United States' investigation and tamper with a witness, by urging Jones, whom he knew would meet with federal agents and attorneys about the investigation, to falsely state that the kickbacks and bribes Jones paid to Cranford were for work Cranford had done for D.A. Jones & Associates.

Then, when Cranford's attempt to persuade Jones to lie was unsuccessful, and had been discovered by the United States, and after Jones pled guilty and agreed to testify against Cranford, Cranford decided to "up the ante" and have Jones murdered. Cranford promised a large payment to Person A, said he would provide a gun, and gave Person A an initial payment of \$500.

At the time of his February 21, 2018, arrest, Cranford possessed a Bond Arms "Defender" 45-caliber derringer-style pistol, which he had just retrieved from storage. Cranford did not carry the pistol for personal defense – it had not been fired, and he possessed no ammunition for it. And

that pistol, given to him by a convicted felon who had acquired it through a straw purchase, was unconnected to Cranford by any receipt or official record.

Further, Cranford had in his backpack bag cash totaling \$17,700.00, all in one-hundred-dollar bills. The most reasonable inference to be drawn from these facts is that, consistent with his statements to Person A, as soon as he dropped his two minor children off with his ex-wife, Cranford planned to meet up with Person A, give him the pistol and a large cash payment, and instruct him to proceed with the plan to kill Donald Andrew Jones.

The fact that Cranford would contemplate the murder of a witness against him, especially while represented in the investigation and having significant funds at his disposal for his legal defense, and after having been put on notice that his previous attempt to tamper with that witness had been discovered, illustrates there are no lengths to which he will not go to avoid being convicted.

B. A Preponderance of the Evidence Establishes There Is A Serious Risk Cranford Will Flee

The United States respectfully submits that a preponderance of the evidence establishes there is a serious risk Cranford will flee, specifically:

- (1) Cranford moved out of his apartment without paying his rent, giving notice to his landlord, or leaving a forwarding address.
- (2) After vacating his apartment, Cranford moved into the unused house of an associate, to which he could not be connected by any public records.
- (3) Cranford sought access to cash, through trips to casinos, by borrowing against his life insurance policy, and by attempting to liquidate assets, such as the Florida house.
- (4) Cranford was arrested with \$17,700.00 cash.
- (5) Cranford altered his appearance by growing out and coloring his hair.

(6) In addition to the charges set forth in the Indictment, Cranford is likely to face significant additional charges in this district, and perhaps elsewhere, and advisory sentences of up to life imprisonment under the United States Sentencing Guidelines, should he be convicted. Based only on the limited set of transactions in which Cranford currently stands charged, his advisory sentencing range in the is already high.³⁰ However, Cranford's ultimate exposure is orders of magnitude greater. For instance, based only on the facts set forth in the information and plea as to Cooper, Cranford may reasonably anticipate being charged in a conspiracy to divert millions of dollars from a public charity for bribery, kickbacks, and other unlawful purposes, and engaging in money laundering transactions with some of those funds. Applying the sentencing guidelines for bribery and money laundering, and probable enhancements based on the facts set forth, Cranford's advisory sentencing guidelines range will be imprisonment for life.³¹ This calculation does not include any other criminal charges that might be brought against Cranford,

³⁰The base offense level is 12. U.S.S.G. § 2C1.1(a)(2). Fourteen levels are added for the total of the transactions intended to be influenced by the bribes being greater than \$550,000, but less than \$1.5 million. U.S.S.G. § 2B1.1(b)(1)(H). Two levels are added for more than one bribe. §2C1.1(b)(1). Two levels are added for the defendant being an organizer, leader, manager or supervisor of a conspiracy involving fewer than five people. U.S.S.G. § 3B1.1(c). Two levels are added for Cranford's obstruction of justice. U.S.S.G. § 3C1.1. Two levels are added based on the defendant's abuse of position of trust, for being an executive of a public charity. U.S.S.G. § 3B1.3. Based on the foregoing, the adjusted offense level will be 36, for which the United States Sentencing Guidelines set forth an advisory sentencing range of between 188 and 235 months.

³¹The base offense level is 12. U.S.S.G. § 2C1.1(a)(2). Eighteen levels are added for the total of the transactions intended to be influenced by the bribes being greater than \$3.5 million, but less than \$9.5 million. U.S.S.G. § 2B1.1(b)(1)(J). Two levels are added for more than one bribe. §2C1.1(b)(1). Four levels are added for bribery of public officials. U.S.S.G. § 2C1.1(b)(2). Four levels are added for the defendant being a leader or organizer of a conspiracy involving more than five people. U.S.S.G. § 3B1.1(a). Two levels are added for Cranford's obstruction of justice. U.S.S.G. § 3C1.1. Two levels are added based on the defendant's abuse of position of trust, for being an executive of a public charity. U.S.S.G. § 3B1.3. One or two levels will be added depending upon the nature of the money laundering scheme charged. U.S.S.G. §2S1.1(b)(2). Based on the foregoing, the adjusted offense level will be 43 (there is no higher level), for which the United States Sentencing Guidelines set forth an advisory sentencing range of imprisonment for life.

either in this district or elsewhere, including other bribery and fraud schemes, and possible charges of witness tampering by attempting to kill another person, in violation of 18 U.S.C. § 1512(a)(1), retaliating against a witness, victim, or an informant, in violation of 18 U.S.C. § 1513(a)(1), or use of interstate commerce facilities in the commission of murder-for-hire, in violation of 18 U.S.C. § 1958.

C. There Are No Conditions of Release That Will Reasonably Assure Cranford's Appearance As Required, And The Safety of Prospective Witnesses

Title 18, United States Code, Section 3142(g), enumerates four statutory factors to be considered in determining whether there are conditions of release that will reasonably assure a defendant's appearance as required, and the safety of the community. The first factor is the nature and circumstances of the offense charged. *See* 18 U.S.C. § 3142(g)(1). While bribery is not an offense that normally would warrant detention, the circumstances of Cranford's criminal conduct are anything but normal. Those circumstances include, most notably, his solicitation of the murder of a witness against him, after his previous attempt to tamper with that witness failed and was discovered. The circumstances also include the likelihood of substantial, additional charges in this district, and possible prosecutions for both related and unrelated crimes in the Western District of Arkansas and the Eastern District of Arkansas.

The second factor to be considered is the weight of the evidence against the defendant. *See* 18 U.S.C. § 3142(g)(2). Here, the evidence of Cranford's guilt in the underlying bribery case is overwhelming, consisting of substantial documentary evidence, including checks for bribes and kickbacks written in immediate proximity to portions of the Charity's payments being kicked back to Cranford, the testimony of both of his co-conspirators, and his own recorded statements seeking to solicit the murder of one co-conspirator before that person could testify against him.

The third factor is the history and characteristics of the defendant. *See* 18 U.S.C. § 3142(g)(3). Cranford's history and characteristics demonstrate there are no conditions that will reasonably assure his appearance as required, and that he will not obstruct justice and threaten and intimidate witnesses. Indeed, the moral depravity required to contemplate and solicit murder, combined with Cranford's substance abuse (indicated by his possession of large amounts of prescription medication that had been prescribed to two other persons, and his statement to Cooper suggesting he was using cocaine), his liquidation of assets, his recent abandonment of his apartment, and his changing his appearance and possessing a large amount of cash, are all factors militating for his detention.

The fourth and final factor to be considered is the nature and seriousness to the community that would be posed by the defendant's release. *See* 18 U.S.C. § 3142(g)(4). In the instant case, Cranford has amply demonstrated the gravity of the threat he poses.

IV. Conclusion

Based upon the foregoing, the United States respectfully submits that clear and convincing evidence establishes there is a serious risk the defendant will obstruct and attempt to obstruct justice, and threaten, injure, and intimidate prospective witnesses, and a preponderance of the evidence establishes there is a serious risk the defendant will flee. Because there are no conditions of release that will reasonably assure the defendant's appearance as required and the safety of the community, the Government respectfully requests that defendant Milton Russell Cranford be detained pending trial of this matter.

Respectfully submitted,

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By: /s/ Steven M. Mohlhenrich
STEVEN M. MOHLHENRICH
Assistant United States Attorney

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was delivered on March 12, 2018, to the CM-ECF system of the United States District Court for the Western District of Missouri for electronic delivery to all counsel of record.

/s/ Steven M. Mohlhenrich
STEVEN M. MOHLHENRICH
Assistant United States Attorney