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**FEDERAL GRAND JURY INDICTS 6 EXPLO COMPANY  
OFFICIALS FOR OFFENSES RELATED TO CAMP MINDEN,  
LOUISIANA AMMUNITION DISPOSAL**

**SHREVEPORT, La.** – United States Attorney Stephanie A. Finley announced that a federal grand jury returned a 32-count indictment, unsealed today, charging six company officials of Explo Systems Inc. of defrauding the federal government and committing federal offenses relating to a munitions demilitarization contract with the U.S. Army.

Explo owner David Perry Fincher, 68, of Burns, Tenn.; owner David Alan Smith, 61, of Winchester, Ky.; Vice Present of Operations William Terry Wright, 62, of Bossier City, La.; Program Manager Kenneth Wayne Lampkin, 64, of Haughton, La.; Traffic and Inventory Control Manager Lionel Wayne Koons, 57, of Haughton; and Director of Engineering and Environmental Control Charles Ferris Callihan, 66, of Shreveport, were all charged with one count of criminal conspiracy. The indictment also charges multiple counts of making false statements to a federal agency or official and wire fraud. *See Appendix.*

Explo Systems Inc. is a private company whose primary business operations involved the demilitarization of military munitions and the subsequent resale of the recovered energetic materials for mining operations. According to the indictment, the U.S. Army awarded Explo a contract on March 24, 2010 to dispose of 450,000 155 mm artillery propelling charges designated as M119A2 for \$2,902,500. The Army and Explo officials later amended the contract on March 6, 2012 to dispose of 1,350,000 charges for \$8,617,500. Once Explo demilitarized the propelling charge, ownership of the residual components (M6 propellant or M6) transferred to Explo. The contract required Explo to properly store and dispose of the demilitarized M6. The contract also required Explo to

document the sale of the demilitarized M6 by completing an End User Certificate (EUC). On the EUC, the purchaser of the demilitarized M6 certified the purchase and compliance with applicable federal laws. Once the EUCs were certified, Explo submitted the EUCs to the Army.

On October 15, 2012, an explosion occurred at a munitions storage igloo on Camp Minden. The explosion contained approximately 124,190 pounds of smokeless powder and a box van trailer containing approximately 42,240 pounds of demilitarized M6. The damage destroyed the igloo and trailer, shattered windows of dwellings within a four-mile radius, and derailed 11 rail cars near the storage igloo.

The indictment alleges that the defendants made false statements to the Army's Joint Munitions Command (JMC) to procure and maintain the M6 demilitarization contract; caused the improper and unsafe storage of demilitarized M6 propellant and other explosive material on Explo's Camp Minden facility; obstructed and impeded government inspections and examinations of areas of the facility where the explosive materials were improperly stored; caused third parties to sign off on EUCs as purchasers when in fact no sales had occurred; caused false EUCs containing forged and fabricated signatures to be submitted to the JMC; caused the improper storage and subsequent transportation of reactive hazardous waste to unpermitted non-hazardous waste landfills in Louisiana and Arkansas to make room for storage of M6 propellant at Camp Minden; and made false statements after the October 15, 2012 explosion to government officials and others in order to conceal their illegal conduct and prevent discovery of improperly stored M6.

"Companies tasked with the demilitarization of military grade explosives are required to properly document, safely store and dispose of these materials," said U.S. Attorney Finley. "These measures are taken to protect the public and the environment. Any business that does not honor its contract or abide by federal and state laws will be prosecuted."

"We are very pleased with today's announcement," said Frank Robey, Director of the U.S. Army Criminal Investigation Command's Major Procurement Fraud Unit. "Fortunately, no one was injured, and these indictments will serve as a strong deterrent to those thinking of defrauding the government."

"These indictments demonstrate that EPA, and its law enforcement partners will hold accountable those who fail to comply with the laws that protect our communities," said Chris Brooks Special Agent in Charge, Dallas Region, EPA-Criminal Investigation Division.

The defendants face five years in prison for the conspiracy count, five years in prison for each false statement count, and 20 years in prison for each wire fraud count. They also face a \$250,000 fine and three to five years of supervised release for each count.

The Environmental Protection Agency-Criminal Investigation Division, U.S. Army Criminal Investigation, Department of Defense Criminal Investigative Service, FBI, and the Louisiana State Police-Emergency Service Unit investigated the case. Assistant U.S. Attorney Earl M. Campbell is prosecuting the case.

**An indictment is merely an accusation and a defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.**

# # #

APPENDIX OF DEFENDANTS AND CHARGES

**David Perry Fincher:** Criminal conspiracy (count 1); false statements (counts 2-24); wire fraud (counts 27-32)

**David Alan Smith:** Criminal conspiracy (count 1); false statements (counts 2-24); wire fraud (counts 27-32)

**William Terry Wright:** Criminal conspiracy (count 1); false statements (counts 2-24); wire fraud (counts 27-32)

**Kenneth Wayne Lampkin:** Criminal conspiracy (count 1); false statements (counts 2-24); wire fraud (counts 27-32)

**Lionel Wayne Koons:** Criminal conspiracy (count 1); false statements (counts 2-24; 26); wire fraud (counts 27-32)

**Charles Ferris Callihan:** Criminal conspiracy (count 1); false statement (count 25)