

# Hennessey Faces Additional Federal Criminal Charges

Barnesville native Jerome "Jerry" Hennessey got a couple of additional lumps of coal in his Christmas stocking courtesy of the U. S. Federal Government. On Tuesday, December 18, more federal charges were added to criminal charges that he already was facing.

The U.S. Attorney's office for Minnesota has filed three additional charges against the former general manager of the Ashby Farmers Coop Elevator. Added to the one count of mail fraud that he originally was charged with, the government added two additional mail fraud charges as well as a new federal tax evasion charge.

Federal authorities continue to investigate allegations that Hennessey diverted coop funds to bankroll a lavish life style, take expensive hunting trips around the world and pay personal bills with coop funds.

In announcing the additional charges, U. S. Assistant Attorney John Kokkinen stated that Hennessey "used his position as manager of the coop to obtain a line of credit for the coop in the amount of approximately \$8 million dollars". Contained in the complaint are the charges that Hennessey used the CoBank credit line to cover fraudulent payments that he allegedly made out of the Ashby Elevator's checkbook.

Kokkinen further stated in



Jerome "Jerry" Hennessey had additional federal charges filed against him on December 18. A civil lawsuit continues regarding \$5 million dollars in fraudulent checks.

his complaint, "Hennessey made numerous misrepresentations to the lender (CoBank) regarding the coop's assets that were to serve as collateral for the line of credit including the amount of grain the coop had in storage."

Kokkinen filed the charges on behalf of U. S. Attorney Erica McDonald who represents Minnesota criminal actions. The filing does not specify what the misrepresentations were, or in what amounts.

The original federal mail fraud charges were filed on December 3 at which time Hennessey turned himself in to federal authorities. He has remained free on his own recognizance but is monitored electronically and is restricted in

where he can go. He is not allowed to leave the State of Minnesota.

The new charges of federal tax evasion were made regarding a 2014 federal tax return filed jointly with his wife Rebecca. That joint tax return claimed taxable income in 2013 of \$97,329 with total tax due of \$16,189. The complaint alleges that Hennessey knew that their income was greater than that and there was, in fact, at least \$270,000 in additional tax due.

The complaint would seem to indicate that the defendant did not pay taxes on income derived from the fraudulently issued checks. The fact that this was a joint tax return might also drag his wife Becky deeper into the legal quagmire.

In wrapping up his statement on the case, Kokkinen indicates that well over 100 checks were issued through the coop's checking account to pay Hennessey's personal credit cards. The checks were apparently used to make personal purchases for domestic and international hunting trips, taxidermy, freight for shipments back to Minnesota on numerous animals he had killed during overseas hunting trips, home improvements, jewelry and other expenses.

In addition to the federal criminal charges, there are civil lawsuits filed against Jerry Hennessey and his wife Becky. Those lawsuits have been filed by Fergus Falls Attorney Kent Ahlgren representing the defunct Ashby Farmers Coop Elevator. That civil lawsuit alleges that \$4.9 million dollars was misappropriated by Hennessey between 2003 and the present time.

Since the filing of the civil lawsuit, there have been further checks revealed that take the total to well over \$5 million dollars but the \$4.9 figure was never amended since there is little chance of recovering much more than a small portion of the missing funds.

Jerry Hennessey is a 1980 graduate of Barnesville High School. He had been employed as the general manager of the Ashby Elevator for about 30 years. During that period of time he had adopted a lavish life style that included a home and significant acreage near Dalton. He also owned acreage in Kennebec County. He regularly took expensive hunting trips to various parts of the world. He attributed his discretionary income to day trading in grain futures.

Neither the Ashby Farmers Coop nor the CoBank lenders who are on the hook for \$8 million dollars, ever requested or demanded a full audit of the books.

The huge embezzlement scheme began to unravel in September of this year. Jerry and Becky Hennessey had returned from an Australian hunting trip before Labor Day. But he never returned to work.

Hennessey had been notified in June that the CoBank of Colorado, who carried a \$8 million dollar note with the coop was calling the loan in. They wanted payment by September 1. When CoBank personnel did not receive payment by the due date nor could they reach Hennessey, they began calling Ashby Elevator board members.

That board called a special emergency meeting for September 10 to discuss the looming financial mess. Hennessey was to attend the

morning meeting. Instead the board members found his company pickup parked in the elevator driveway. Following the meeting of the board Hennessey was dismissed as general manager of the coop.

But that was just the beginning of the bad news. The \$8 million dollar note to CoBank was still due. The roughly 300,000 bushels of corn and soybeans that were supposed to be in the bins to be used as collateral was missing. There was less than 5,000 bushels of each commodity actually in storage.

The Ashby Farmers Coop Elevator, after a century long run was bankrupt. By September 15 the doors were closed for the final time on the coop. Since that date the Wheaton Dumont Elevator system has leased the equipment and buildings from the coop as the board moves forward with the intent of dissolving the coop.

Hennessey spent September 10 riding around with a friend until the morning of September 11. At that time he was left at a location south of Alexandria with only a backpack. He disappeared from that point until he turned himself in to federal authorities nearly three months later.

There will be huge losses involved by all parties involved in the massive embezzlement. The farmers who had dividend equity in the coop have lost everything. The buildings and equipment have value but the CoBank is in a first position for a million dollars on most of that.

Through the civil legal process, the bankruptcy proceedings have included an inventory of property owned by the Hennesseys. Becky Hennessey has been cooperating in that effort as well as on other legal matters. The inventory will include home, land, buildings, sheds full of taxidermy work, guns, sporting equipment and vehicles.

It will be a long, winding path that will take months and perhaps years to unravel. What needs to be sorted out is what was purchased with legitimately earned income and what may have been acquired through fraudulent checks issued through the Ashby coop.

Up to \$420,000 in home and property can be protected in a bankruptcy proceeding further complicating the matter.

As the civil and federal criminal investigations continue, Rebecca Hennessey has filed for divorce from Jerome Hennessey, effective September 10 when he left the area. She has also filed a petition to reclaim her maiden name.

## Water Quality Analysis Reports Now Available

2018 was another successful year for the Otter Tail Coalition of Lake Associations (OTC COLA) water quality sampling and analysis program! Thanks to COLA Members and dedicated volunteers who take the samples, the data from 2009 to 2018 has been compiled, analyzed and now has been integrated into a multi-year trend analysis report for each member lake.

This information is valuable to lake property owners and is an important resource for state and county agencies for making beneficial decisions on lake management.

The OTC COLA water quality sampling and analysis program currently covers 56 lakes in the County and has been running for over 20 years. OTC COLA Members include Lake Associations, Lake Improvement Districts and individuals. COLA member lakes cover 70% of lake acreage in Otter Tail County. The program provides organization and education of volunteers and also includes discounted rates for water sample analysis.

The reports include averaged phosphorus, chlorophyll and Secchi (water clarity) readings. Lake health evaluation tools help with recognition of adverse trends. Also included are suggestions for improving lake health and a directory of organizations and agencies to contact for more information, education and even potential funding assistance.

Along with reports created for COLA member lakes, OTC COLA has also compiled data and created water quality reports for 49 additional, appropriately-sized lakes in Otter Tail County.

The individual reports for over 100 lakes in Otter Tail County are available to the public at no cost by visiting the OTC COLA website, [www.ottertailcountycola.org](http://www.ottertailcountycola.org)



## Trying To Put It All Together...

The plans for the 2017 Colorado elk season had all been made. Coming in from Wisconsin would be Larry and Jonathon Wolf. I met Larry on a Manitoba moose hunt several years before. He turned out to be the only successful hunter that year on moose. It had been only a spike but it was better than the rest of us did. The only other hunter in camp shot a bear but the bears and I declared a truce many years ago and I had no desire to kill another one even though it was offered at no charge.

The Wolfs and I had stayed in contact and a couple of years later Larry drove out and hunted with us in Colorado. Again it was only a spike that he took but he was happy. In 2016 he was supposed to return to Colorado and hunt with his son Jonathon, Tom Schultz and myself. Back surgery, however, threw a wrench into his gears. His son Jonathon did make the trip alone and hunted with Tom and I. He took a decent bull early in the hunt.

Under most circumstances Larry would have just had to forfeit the deposit that he had down which is half the cost of the hunt. The remaining balance is to be paid upon arrival at camp.

In any event, Russ Behrman did what most outfitters don't do and that is to carry over the deposit to the next year. That has been known to happen but generally only when the hunt can be sold by the outfitter or the client to someone else. In this case, the hunt had not been resold but Behrman gave him credit anyway. Jonathon wanted to accompany his dad so they were making the trip from a small town near Green Bay, Wisconsin. Hunt time would be my usual reservation which is right before Thanksgiving.

This has not proven to be the best time of the year for big bulls but it definitely is the time when there are the most elk on the ranch. Most years I have seen decent bulls on that later season but had failed to connect on any of the big boys since 2008. This could be the year. Actually, my best bulls have been taken during October back when we hunted the regular seasons instead of the present Ranching for Wildlife which allows a much longer season that extends from August through December or when the tags allowed for the ranch have been used.

Original plans called for the Wolfs to drive in from Wisconsin and I would round up another hunter on my end. We would meet at Spearfish, South Dakota and continue on with two rigs. In the meantime I was to try to round up another hunter to accompany me to the halfway point at Spearfish. That was actually coming along pretty well.

I have an acquaintance who is in a seasonal recreation business that keeps him extremely busy from early spring until freeze-up on the lakes. He and a friend were trying to arrange schedules to make the trip west with me. The prospective hunter was also interested in booking a mountain lion hunt for later in the season for which Behrman feeds a big pack of hounds year-around.

All of those plans simply blew up in a single day. The Wolfs were still going to head to Colorado the weekend before Thanksgiving. In my household something came up that simply would not allow me to make that trip at Thanksgiving time. Life got in the way and I found out that the entire world did not revolve around my elk hunting schedule. It was hard to believe, but it does not.

It was just one of those priority things in life that don't fit your lifestyle when you're not the one making the schedules. I suppose I could have just skipped the mandatory appearance in November. But I have been married for a lot of years and was not stupid enough to say I would miss this appointment. Sometimes you just have to do what the proverbial doctor prescribes, take your medicine, do the politically correct thing and be present.

It wasn't something I wanted to do but I decided to do my share for maintaining world peace and called Behrman to see what could be done, if anything, about moving my hunt dates. If he held me to my original dates, there could be a lot of unpleasant world repercussions.

I think the Evil Behrman may be mellowing with age. He was actually helpful when I presented him with my dilemma. "You know what it's like here in October. There just aren't a helluva lot of elk on the ranch by that time. There will be some but it will be tough going. I'm pretty much full up early in the month but I might be able to squeeze you in after mid-month. It looks like there might be room if you could start hunting on October 21."

"How many slots are open?", I questioned. "Two at the most. If you can find someone, anyone that will hunt with you, I think I can work two hunters in. No more than that though."

It had been difficult enough getting a party of four hunters together when I knew the dates were for Thanksgiving week. It was nearly impossible to put together a group in only a matter of a couple of weeks. With the tight limitations on available spots, I had some arrangements to make.

While I worked to find one more hunter, I contacted Larry and Jonathon Wolf in Wisconsin to let them know for sure that I would not be hunting with them in November. I did tell them that all of their arrangements had been made and there should be no problems for them. Both had hunted there before and knew how to get there. I told them to keep me posted on how they did.

I went through the list of "usual suspects" one more time to see if the change in dates made it easier for someone to slip away for a Colorado elk hunt. There were no takers. I contacted an old friend, Lee Anderson, who now lives in Arizona. He used to own a grocery store in town. He has a ton of hunting experience as a bush pilot and guide in Alaska but had never hunted elk seriously. He was interested but was slated to give some flight instructions to the people who had purchased the lodge that he once had an interest in at Homer, Alaska. So he was out. I've done it a few times in the past but it's a dog gone long solo drive to Colorado alone. But it sure beats not hunting at all.



The area of western Colorado that I hunt does not have the rugged good looks of the mountains or the easy access of the Great Plains. But the country holds a lot of elk and grows on you. Or at least it has grown on me for 17 years now.

## REGIONAL REPORT

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## Samuelson Sez



Orion Samuelson

*Orion Samuelson*

### THE SECRETARY SEZ

Once a year I change the title of this column from 'Samuelson Sez' to 'The Secretary Sez'. This is the week that happens, when I share with you the thoughts that Secretary Perdue discussed with me in his USDA office in Washington, D.C. two weeks ago.

Secretary Perdue, in his words - "It's great this time of the year to celebrate the holidays, and I am delighted to be in this job. It is a real honor to serve the American citizens of American Agriculture, here as the Secretary of Agriculture. I have traveled to 48 states since May of last year. I found delightful friends all over the country and we were welcomed everywhere. It is wonderful to see different production techniques everywhere, but the people are so much the same. These people embody the American spirit, their work ethic and family values, their heart for one another, their passion and their environmental concerns, so it is really a great constituency. There is not another job I would like to have in the United States government other than this one."

It is also a delight to work with President Trump who has a heart and affinity for farmers as well. He has asked me on many occasions "Sonny, are we taking care of our farmers?" and he means it. The other thing is the inter-agency efforts that we have done - you mentioned WOTUS, Waters of the U.S., and we talked about that, where the EPA has agreed to re-define what we mean there, to reasonable common-sense standards, not a mud puddle or not a little ditch that's always dry. This will be huge and relieve farmers of the fear of the confiscatory action of the Federal Government in that way. We are delighted to have the relationship with the Corps of Engineers, the EPA, and the Department of Labor as well.

So, I just want to tell you what a joy it is to have this job; I am honored to represent agriculture here in Congress and on the Hill, and to the President."

Those are the thoughts and words of the 31st U. S. Secretary of Agriculture, Sonny Perdue, on the "Secretary Sez".

## We Need Your News...

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## Rothsay Regional Report

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