

Alabama Firm Buys Weapon Manufacturer Under Investigation

NASHVILLE, Tenn. (AP) — An Alabama company has bought the assets of a Nashville weapons manufacturer whose former owner and operators face federal charges of illegally exporting weapon parts overseas.

Manroy USA, headquartered in Scottsboro, Ala., finalized the \$4.95 million sale this week in a federal bankruptcy court auction for Sabre Defence Industries, LLC, which has current contracts with the military to provide parts for the .50 caliber M2 Browning machine guns and M16 rifles.

An indictment unsealed in February said the British owner of Sabre, Guy Savage, directed his employees in Tennessee to illegally export firearms components to the United Kingdom. Savage was arrested and is facing an extradition hearing in England on March 29.

Manroy outbid major firearms manufacturer Colt Defense, LLC for Sabre's assets. According to bankruptcy files, Sabre had gross revenues of \$14.6 million for the last three quarters of 2010.

Manroy President John Owens said the purchase of the Nashville factory will help his small business of just 15 employees expand into the firearms manufacturing market. The company is also looking to take over Sabre's defense contracts, he said.

"Hopefully within a few weeks, we can begin production on the defense contracts," he said.

Owens said they are starting to call back Sabre employees that were laid off, but he said since most of the factory's top officials have been indicted, there will likely be a learning curve to restarting production.

"The entire front line of management is not there to help you understand what you just bought," he said.

Meanwhile, investigators from Scotland Yard and the Bureau of Alcohol, Tobacco, Firearms and Explosives are sorting through seized evidence from Savage's home and a factory for Savage's related company called Sabre Defence Industries LTD, based in Northolt, England.

Sabre filed for Chapter 11 bankruptcy in February after the grand jury returned the indictments against Savage and four employees in Tennessee. Those indicted are Charles Shearon, 55, who was president of the company in Tennessee; Chief

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Financial Officer Elmer Hill, 64; Director of Sales Michael Curlett, 44; and Arnold See Jr., 54, who was the international shipping and purchasing manager.

Attorneys for the four did not immediately return messages left by The Associated Press on Thursday.

According to the indictment, between 2003 and 2009, Sabre officials were accused of smuggling hundreds of weapons parts, including 5.56 mm rifle assemblies, .223 caliber rifle assemblies, AR-15 bolt catches and A-2 flash hiders, all of which require a license to export.

The indictment says the officials were hiding the weapons parts in false bottoms of containers and maintaining two sets of records to hide their exports. In a 2004 e-mail described in the indictment from Savage to Hill and Shearon, Savage explained there was a big interest in the weapons as the war in Iraq started heating up. But he said he didn't want U.S. bureaucrats telling him how to run his business.

"This Iraq situation has companies banging on our doors for M16s because we are the only supplier outside the US..." he wrote.

ATF officials have been investigating the company since 2009 and searched and seized evidence from the Nashville factory in 2010. Federal officials in the U.S. reached out to Scotland Yard to arrest Savage in February and take evidence from the British factory.

Sgt. Nathan Coutts, from the International Assistance Unit of Scotland Yard, described the Sabre case as one of the largest international weapons trafficking cases his office has worked on.

"This is without a doubt the biggest one we've ever done," Coutts said. "We probably had upward of 100 police officers deployed on the day in addition to the ATF agents that have come over as well."

ATF Special Agent in Charge Glenn "Andy" Anderson praised the work of his agents and investigators overseas in working together on the case.

"In all of these types of cases, our main objective is to protect the public," Anderson said. "Anytime there are times when guns are being manufactured, imported or trafficked, it can get into the stream of the public, get out into the streets. In this particular case, I think there were opportunities where that could have happened."

Anderson declined to comment on where investigators think the gun parts were going after being exported.

Coutts has traveled to Tennessee with the seized evidence, which has to be sorted through and analyzed.

"We've got a huge amount of data to go through," Coutts said. "Because the ATF has put so many resources into this and I've got my team coming out as well, we

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hope to get this knocked out in about a week or two."

Coutts said Savage has been released on bail and his passport has been seized, but he said the process could take a while because Savage can appeal if he is ordered to be extradited to Tennessee to face the federal charges.

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