Four Weapon-Smuggling Executives Plead Guilty

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NASHVILLE, Tennessee (AP) — Four men accused of smuggling military weapons and parts, some of which were sold to Middle East nations, pleaded guilty Monday in federal court and have agreed to testify against a British firearms manufacturer who currently faces extradition from England.

The former executives of Sabre Defence Industries, LLC, a Nashville company that made parts for the .50 caliber M2 Browning machine guns and M16 rifles used by the military, entered their pleas during a hearing in Nashville. The company's British owner, Guy Savage, 42, will face an extradition hearing in London on Tuesday.

Sabre president Charles Shearon, 55, Chief Financial Officer Elmer Hill, 64, Michael Curlett, 44, the director of sales, and Arnold See, Jr., 54, the international shipping and purchasing manager, were arrested after a 21-count indictment was unsealed in February. They face sentencing in August and are expected to testify against Savage in court and cooperate with the ongoing investigation.

The indictment accuses Sabre officials of smuggling hundreds of weapons parts, including 5.56 mm rifle assemblies, .223 caliber rifle assemblies, AK-15 bolt catches and gun silencers, between 2003 and 2009. All of the items require a license to export and import. Recently unsealed court documents revealed that an informant told federal agents that Sabre would send rifle parts to Savage's UK factory where they were assembled and sold to countries such as the United Arab Emirates and Jordan.

Agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives have been working with police in England to search and seize documents and other materials from Savage's businesses in what they described as one of the largest international weapons trafficking cases in years.

After the indictment was unsealed last month, agents went to Savage's home in England and shot out the tires of his Mercedes during his arrest, according to a report from a British newspaper. Savage appeared in court and was later released on bond.

Sabre has been under investigation by the ATF since 2009 after a burglary was reported a Sabre employee's house. ATF officials found that an employee named Charles Kerr had been selling dozens of Sabre rifles illegally in Tennessee. U.S. Immigration and Customs Enforcement also began investigating Sabre after finding rifle assemblies that were hidden in false bottoms of shipping containers.

The indictment alleges that Sabre employees were directed by Savage to illegally export the gun parts to England after the company was denied licenses to export. The company hid the parts by making false claims on the shipping documents and

maintained two sets of accounting records to hide the illegal activities, according to the indictment. ATF agents raided both the Nashville factory and an off-site storage facility last year.

In a 2004 e-mail from Savage to Hill and Shearon, the indictment says, 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.

But the emails also showed that the Sabre executives worried about losing millions in contracts with the Department of Defense if their exporting was discovered.

"The true unintended consequences however is us losing our ability to bid on government contracts if they start looking into our internal transactions such as these," Hill wrote in a 2007 email.

ICE also discovered an e-mail between Savage, Curlett and others that discussed shipping thousands of ammunition magazines to Jordan.

An informant told ATF that the United Arab Emirates had contacted Sabre looking to purchase 50 guns, but the company was denied approval to sell the weapons by the U.S. State Department. The informant said Savage instead had the parts shipped from Tennessee to England, where they were assembled and then exported to the UAE. The informant said a similar purchase was made for 200 rifles to the country of Jordan.

The court records do not say who the purchasers were in those countries and federal officials have said they are still investigating where the weapons ended up.

An informant also told agents that Sabre was illegally importing gun silencers from a company in Finland to the Nashville facility. The silencers were stamped to look as though Sabre had manufactured them in Nashville, according to the informant.

Savage has previously been convicted of multiple firearms charges in the Knightsbridge Crown Court in England. He was convicted in 1995 on three counts of transferring a prohibited automatic weapon and two counts of possessing prohibited weapons. He was given conditional discharges and was fined.

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