

# Kehoes May Face Racketeering Charges

Bill Morlin | The Spokesman-Review | September 11th, 1997

Investigators are building a federal racketeering case against Chevie Kehoe and his associates for alleged involvement in crimes in several states.

The crimes include attempted murders of police in Ohio, killings in Idaho and Arkansas, a kidnapping-extortion in Colville, Wash., and the theft of weapons.

Three witnesses from Spokane, including Kehoe's brother, Cheyne Kehoe, recently testified in secret before a federal grand jury in Little Rock, Ark.

Investigators are expected to ask the grand jury to return a racketeering indictment this fall, possibly as early as mid-October, federal authorities said.

"We're heading that direction, and we hoped to have something by now, but it's slow, tedious work sorting out these various crimes," one law enforcement official said.

Targets of the investigation include Chevie Kehoe, 24, formerly of Colville; Cheyne Kehoe, 21; their father, Kirby Kehoe, 49, who now lives near Yaak, Mont.; and several friends of the family.

One of their associates is self-described racist Faron Lovelace, a 40-year-old federal prison escapee who is on trial for murder in Sandpoint.

He reportedly met the Kehoes at Elohom City, a white separatist compound in eastern Oklahoma.

Lovelace has confessed to the shooting death in Bonner County, Idaho, of neo-Nazi skinhead Jeremy Scott.

Another target of the probe is Paul Edward Humphrey, of Russellville, Ark., who ended up with a Jeep owned by gun dealer William Mueller, a federal investigator said.

Humphrey recently was sentenced to 41 months in prison for a federal firearms violation. He was convicted of possessing illegal weapons unrelated to the Mueller investigation.

Mueller, 58; his wife, Nancy, 28; and her 8-year-old daughter disappeared in January 1996 after leaving their Tilly, Ark., home for a gun show. An arsenal of assault rifles, 500,000 rounds of ammunition and militia gear were stolen from the Muellers.

The arsenal ended up in a garage at The Shadows Motel and RV Park in north Spokane, according to witnesses and authorities.

The manager of that RV park and Sean Haines, a Spokane skinhead who was a friend of the Kehoes, have testified before the Arkansas grand jury.

The Muellers' bodies were recovered in June 1996 from an Arkansas bayou. An autopsy revealed they died from suffocation after plastic bags, secured with duct tape, were pulled over their heads.

After Cheyne Kehoe surrendered in June, investigators took paint sample from his recently painted pickup truck.

Those paint samples matched small traces of paint found on the duct tape on the Arkansas murder victims, law enforcement sources confirmed.

The federal investigation was well under way even before Cheyne Kehoe returned to Colville from southern Utah to surrender.

He had lived there with his wife and fugitive brother and his family since they fled Ohio after a February shoot-out with police, captured on video.

Cheyne Kehoe has been held in the Spokane County Jail, resisting extradition to Ohio where he faces attempted murder charges for the shoot-out. But he signed papers Wednesday agreeing to be returned to Ohio.

The Bureau of Alcohol, Tobacco & Firearms became involved in the Mueller case because Mueller was a federally licensed gun dealer and the stolen firearms were taken across state lines.

RICO stands for Racketeering Influenced Corrupt Organization, a federal law which allows authorities to pursue a single case in U.S. District Court instead of bringing an assortment of cases in state courts.

The racketeering law was used successfully in Seattle in 1985 against two dozen members of a neo-Nazi organization called The Order, whose members committed murders, bombings, robberies and other crimes.