

IN THE CRIMINAL COURT OF HAMILTON COUNTY TENNESSEE

IN RE: CHATTANOOGA POLICE DEPARTMENT
COMPLAINT NUMBER: 79-8071

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CASE NO: 311550

HAMILTON COUNTY GRAND JURY FINDINGS

THIS MATTER came before the Grand Jury of Hamilton County, Tennessee, on June 7, 2021. After hearing all the relevant facts and information, the Grand Jury makes the following findings:

1. There is sufficient proof to believe that William Edward Alley (Alley), formerly of Chattanooga, Tennessee, caused the death of Samuel Pettyjohn (Pettyjohn), and that but for Alley's own death in 2005, this Grand Jury would return an indictment charging him with First Degree Premeditated Murder of Pettyjohn.

2. This finding is based on a substantial number of facts.

3. On February 1, 1979, Pettyjohn was discovered at the Beverage Center located at 2001 1/2 Market Street, Chattanooga, Hamilton County Tennessee, deceased from multiple gunshot wounds. Pettyjohn was the proprietor of the Beverage Center, which sold alcoholic beverages, non-alcoholic beverages, food, and other items.

4. Pettyjohn's cause of death was determined to be homicide and the

manner of death was multiple gunshot wounds.

5. The Chattanooga Police Department (CPD) was the original investigating agency of this homicide. In 2015, the Hamilton County District Attorney General's Office Cold Case Unit (CCU) began reviewing this unsolved cold case homicide.

6. At the Beverage Center crime scene, CPD located seven (7) .45 caliber shell casings. A .38 caliber pistol was located near the body of Pettyjohn. The .38 caliber pistol had not been fired.

7. Pettyjohn had cash money on his person as well as jewelry valued in excess of One-Hundred Thousand Dollars (\$100,000.) on his hands. Neither the items on his person nor the Beverage Center's cash register were disturbed during the homicide. In addition, CPD located an attache case owned by Pettyjohn that contained a recording device with approximately 4-5 recordings in the attache case. The attache case, the recording device, and the recordings were removed from the Crime Scene and have never been located. Some witnesses indicate there were at least 40-50 total recordings.

8. CPD discovered eyewitnesses identified as Cooperating Individuals 1 and 2 who had been present in the parking lot of the Beverage Center during the homicide. Cooperating Individuals 1 and 2 described the suspect as a heavy set African-American male with a beard and glasses standing over Samuel Pettyjohn and shooting him. After the homicide, the suspect wearing a trench coat exited the Beverage Center and fired approximately one to two (1-2) shots into the air. The suspect traveled out of sight and disappeared.

9. No suspect was ever arrested by CPD until 1982.

10. Pettyjohn was a Chattanooga businessman who owned the

Beverage Center but had also previously owned a number of nightclubs and stores on 9th Street in Chattanooga, Tennessee. 9th Street in Chattanooga is now known as Martin Luther King Boulevard. In addition, Pettyjohn maintained strong ties with the Teamsters Union and was a personal friend of James Riddle Hoffa, Sr, also known as Jimmy Hoffa.

11. Pettyjohn was also active with a number of prominent Chattanooga business owners who engaged in both legal and illegal activities. He also assisted individuals in the local and state Democratic Political Party.

12. In 1974, Pettyjohn owned a number of nightclubs on 9th Street in Chattanooga, Tennessee that were insured by Lloyds of London. On August 8th, 1974, a bomb exploded at the 300 block of 9th Street, destroying all of Pettyjohn's businesses as well as other buildings. One individual was killed in the blast. Local, state, and federal law enforcement agencies began an investigation into the bombing.

13. In and around 1976, illegal activities began between citizens of the State of Tennessee and then Governor of Tennessee, Ray Blanton. Leonard Ray Blanton was the 44th Governor of the State of Tennessee and served Tennesseans from 1975 to 1979. The illegal activities constituted citizens paying Governor Ray Blanton or his designees amounts of cash money in exchange for prisoners in the Tennessee Department Of Corrections (TDOC) to receive an early parole.

14. A Chattanooga businessman known as William Aubrey Thompson (Thompson) engaged in various gambling ventures as well as was a local county Democratic boss for the

election campaign of Ray Blanton for Governor of Tennessee. Thompson was also known as Bob Rountree (Rountree).

15. Beginning in 1976, Rountree raised cash monies and paid those monies to Governor Blanton's office in exchange for the early release of TDOC prisoners to include but not limited to: Tommy Prater (Prater), Larkin Bibbs (Bibbs) , and William Cole (Cole). Pettyjohn assisted Rountree in securing the early release of Bibbs. . Records reflect Rountree and Pettyjohn would visit inmates ostensibly for the purposes of indicating that money would secure their early release from TDOC. After such meetings, Rountree and Pettyjohn would secure the monies and pay accordingly to the Governor's office.

16. Due to investigative findings and cooperating defendants, the Federal Bureau of Investigation (FBI) began a criminal investigation into Governor Blanton exchanging pardons and/or early parole for cash. This investigation became known as Operation TennPar and was headed by FBI Agent Hank Hillin (Hillin). Years after the investigation, Hillin authored a book about the investigation entitled "FBI Codename TENNPAR."

17. During the investigation, Pettyjohn was subpoenaed to testify before the federal grand jury regarding the Pardons and Parole scheme. On at least once occasion, Pettyjohn offered testimony to the federal grand jury. On a subsequent appearance, Pettyjohn met with Hillin and other FBI Agents and instead of testifying, Pettyjohn agreed to cooperate with the federal investigation.

18. Subsequent to his federal grand jury appearance, Pettyjohn met with Hillin and other FBI Agents in an abandoned building near downtown Chattanooga, Tennessee. Pettyjohn provided Hillin with a list of names of individuals who secured money to pay

Governor's Office for the early release of various prisoners. This list was maintained as an exhibit in the FBI Investigative file. Despite open records requests, CCU has been unable to secure a copy of this list.

19. The culmination of Operation TennPar began in December of 1978 when individuals of the Blanton Administration and Thompson were indicted in the Pardons and Parole scheme. Governor Blanton was never indicted in the Pardons and Parole scheme, but was later federally indicted for issues surrounding the issuance of liquor licenses.

20. Thompson was later convicted in the Pardons and Parole scheme. Before his conviction, Thompson agreed to cooperate with federal authorities upon one condition that the FBI could ask Thompson any questions except about the homicide of Pettyjohn. CCU never found any record that Thompson spoke about the Pettyjohn homicide. At the conclusion of Operation TennPar, five (5) witnesses had either been murdered or committed suicide.

21. On July 24, 1978, ATF re-opened the 9th Street investigation with Pettyjohn as file title due to new investigative leads that were uncovered, showing an organized group engaged in interstate and foreign travel set the explosion to collect insurance money on the buildings that were destroyed or damaged. The organization has threatened or intimidated witnesses who could testify against them in court making it difficult for investigators to obtain statements from witnesses. After the bombing, Pettyjohn and other Chattanooga business owners received insurance payouts from Lloyds of London.

22. Due to his untimely death, Pettyjohn was never brought to trial on the arson case.

23. After his cooperation with federal authorities and the Operation TennPar arrests, Pettyjohn was killed in an execution style hit inside the Beverage Center located on Market

Street in Chattanooga. Hours before his execution, Pettyjohn told various individuals he needed to discuss important business with them after the Beverage Center closed. In addition, Pettyjohn told two (2) CPD officers who came by the Beverage Center on February 1, 1979 to leave the Beverage Center because "they were across the street " surveilling Pettyjohn. Close friends of Pettyjohn indicated he seemed very anxious and nervous on this day.

24. CPD's homicide investigation ended in 1979 without arresting anyone for the murder of Pettyjohn. In 1982, the Chattanooga Police Department arrested William "Butch" Smith (Smith) and William "Billy" Cameron (Cameron) with the homicide of Pettyjohn.

25. The arrests of Smith and Cameron were primarily based upon the statements of Smith and Cooperating Individual 3. Smith gave his statement to CPD while he was incarcerated at the TDOC Facility known as Brushy Mountain State Prison. Soon after his statement, Smith was transferred to a jail in Chattanooga, Tennessee. The two statements were virtually identical and implicated Smith and Cameron.

26. After being charged with murder, Smith and Cameron were each given legal counsel. Smith recanted his statement and indicated he only implicated himself so he could be transported back to jail in Chattanooga. Authorities administered a polygraph on Cameron and concluded he was being truthful when he stated he was in the metro Detroit area when Pettyjohn was murdered.

27. In 1983, legal counsel for each defendant filed a notice of alibi. Smith contended he was incarcerated in TDOC when Pettyjohn was murdered and Cameron

contended he was in Detroit, Michigan at the time of the homicide. The State of Tennessee could not disprove either alibi and as such, the homicide charges against each defendant were dismissed. The case remained unsolved.

28. CCU was able to interview Cooperating Individual 3 on two occasions and Cooperating Individual 3 indicated CPD told Cooperating Individual 3 what to say in the statement given to CPD in 1982.

29. In 1987, CPD renewed an investigation into Pettyjohn's homicide but it yielded negative results.

30. For many years, the Pettyjohn case remained unsolved and no investigative efforts were undertaken to find the identity of his murderer(s).

31. In 2015, CCU began a review and investigation of all events surrounding the homicide of Pettyjohn. CCU's investigation included the review of all known previous investigations and investigative reports into the murder of Pettyjohn, new information developed based on old statements, old interviews, and more current interviews of close associates of Alley.

32. During the 1990s, Alley and his close associates committed a number of bank robberies all across the southeastern United States. The FBI investigated these bank robberies and resulted in the arrest of Alley and other individuals. During the course of the investigation, several individuals cooperated with the FBI. Hereinafter, these individuals will be identified as Cooperating Individuals 4, 5, and 6.

33. In 1993, an investigator with the Hamilton County District Attorney General's Office (HCDA) interviewed Cooperating Individual 4 and Cooperating Individual 4

indicated Alley admitted to the murder of Pettyjohn. It is unknown what HCDA did with this information. FBI agents shared this information with former CPD Chief Ralph Cothorn who replied "be careful who you share this information with."

34. CCU was able to interview Cooperating Individuals 3, 4, and 5. Cooperating Individual 6 is now deceased but CCU was able to review Cooperating Individual 6's previous statement to the FBI.

35. Alley admitted to Cooperating Individuals 4 and 5 in different capacities that Alley was hired by various individuals to murder Pettyjohn. The murder contract price was between \$25,000 and \$50,000. Alley also admitted to Cooperating Individuals 4 and 5 he entered the Beverage Center on February 1, 1979, and murdered Pettyjohn. Alley admitted to dressing in disguised to include face paint, a false beard, and glasses to hide his true identity. He murdered Pettyjohn by shooting him twice in the head, once in the neck and once in the chest with a .45 caliber firearm. After Alley exited the Beverage Center, he fired at least one random shot into the air to intimidate two witnesses he saw in the Beverage Center parking lot.

36. Several of the cooperating individuals were approached by Alley to participate in the Pettyjohn murder. They declined but one Cooperating Individual assisted Alley by disguising his appearance and may have also acted as a getaway driver after the homicide.

37. For days leading up to the homicide, Alley was housed at the Admiral Benbow Inn (Inn) in Chattanooga to surveill Pettyjohn. The Inn was located across the street from the Beverage Center.


38. Cooperating Individual(s) indicated Alley admitted Pettyjohn was murdered for various reasons including he was a source of cooperation for the FBI in investigations of Governor Ray Blanton.

39. Cooperating individual(s) stated Alley was paid for the contract murder from various Chattanooga sources as well Cooperating Individual 5 indicated an undisclosed third party may have paid some of the contract money on behalf of Governor Blanton's administration.

40. Pettyjohn knew too much about illegal activities and his cooperation with federal authorities placed other individuals' freedom, including that of Governor Ray Blanton, at severe risk.

THEREFORE, the Hamilton County Grand Jury finds that if William Edward Alley was alive today it would return an indictment charging with the First Degree Premeditated Murder of Samuel Pettyjohn.

ENTERED this the 7 day of June 2021.


Grand Jury Foreperson

Approved for Entry:



Neal Pinkston
District Attorney General