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**FORMER ARKANSAS STATE TREASURER MARTHA SHOFFNER
SENTENCED TO 30 MONTHS IN PRISON FOR EXTORTION AND BRIBERY**

Little Rock—Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas, and David Resch, Special Agent in Charge of the Little Rock Field Office of the Federal Bureau of Investigation (FBI), announced today that former Arkansas State Treasurer Martha Ann Shoffner, 71, of Newport, was sentenced to 30 months incarceration in the Bureau of Prisons following her conviction on six counts of extortion under color of official right, one count of attempted extortion under color of official right, and seven counts of receipt of a bribe by an agent of a state government receiving federal funds.

In addition to the term of imprisonment, as part of that sentence handed down Friday by United States District Judge J. Leon Holmes, Shoffner was ordered to pay \$31,980 in restitution to the State of Arkansas and a \$100 special assessment on each count, for a total assessment of \$1,400. The \$4,020 in bribe money seized at the time of her arrest was forfeited. Shoffner's prison term will be followed by two years of supervised release.

"When a public official abuses his or her office and is personally enriched, the trust given by the citizens of Arkansas is violated," Thyer said. "We are satisfied that the Court carefully weighed all appropriate factors in determining the sentence in this case."

"Public corruption betrays the trust that is necessary for our democracy," Resch stated. "The FBI will continue to work with the United States Attorney's Office to ensure those that participate in public corruption will be held accountable for their actions."

Martha Shoffner was elected as Treasurer for the State of Arkansas in 2006 and 2010. The United States presented testimony that historically, the Treasurer's Office had used between 8 and 12 bond brokers throughout the state to purchase federal agency

bonds for investment. During Shoffner's first term in office, the bond inventory levels between the brokers was relatively comparable. In mid-2010, Shoffner and Steele Stephens, a broker with St. Bernard Financial, began an arrangement where Stephens made \$6,000 payments to Shoffner every six months.

In mid-2010, Stephens made the first \$6,000 payment to Shoffner at the State Capitol, resulting in Stephens' bond inventory increasing above that of other brokers for the State of Arkansas, ultimately reaching over \$600 million in bond inventory in August 2012. In total, Stephens received approximately \$2 billion in bond business, earning approximately \$1,714,889.35 in commissions. Stephens made a total of six payments of \$6,000 to Shoffner from mid-2010 through December 2012. Two payments were made at the Capitol, two payments were made at Shoffner's Little Rock residence, and two payments were made at Shoffner's home in Newport, Arkansas. Stephens concealed the \$6,000 payments in a pie box when he delivered money to Shoffner in Newport.

In January 2013, Stephens began cooperating with the FBI. As part of his cooperation, he recorded a meeting with Shoffner at her home in Newport. In May 2013, Stephens delivered a pie to Shoffner with \$6,000 in FBI funds in the pie box. After the broker left Shoffner's house, Special Agents with the FBI executed a search warrant at the house. Shoffner had taken the cash out of the pie box and placed it in a cigarette box in a kitchen drawer. She also told the FBI that she still had \$4,020 from the December 2012 payment hidden in a cigarette box.

Shoffner also received contributions for her November 2010 re-election campaign for Treasurer which she deposited in her campaign account. She had a personal credit card which she used to pay for personal expenses. Shoffner used contributors' campaign funds to pay for her personal items on her credit card. Ten payments were made to pay her personal credit card between November 5, 2010, and October 9, 2011, ranging in amounts from \$200 to \$5,000. Shoffner concealed the expenditure of her campaign funds for her personal use.

The charges stemmed from an investigation by the FBI's ArkTrust Public Corruption Task Force. The ArkTrust Public Corruption Task Force is comprised of FBI Agents, and Task Force Officers from the Arkansas State Police Department, Pulaski County Sheriff's Office, and the Little Rock Police Department. If you think you see public corruption contact the public corruption hotline at (501) 221-8200.

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