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 (<http://www.facebook.com/sharer.php?u=http://www.ballstatedaily.com/article/2018/09/news-fbi-arrests-two-muncie-individuals>)
  (<http://twitter.com/intent/tweet?url=http://www.ballstatedaily.com/article/2018/09/news-fbi-arrests-two-muncie-individuals&text=Two Muncie individuals arrested on fraud charges by FBI>)
  (<mailto:?subject=Ball%20State%20Daily:%20Two Muncie individuals arrested on fraud charges by FBI&body=Hi%20there.%20%20Check%20out%20this%20article%20from%20Ball%20State%20Daily:%20http%3A%2F%2Fwww.ballstatedaily.com%2Farticle%2F2018%2F09%2Fnews-fbi-arrests-two-muncie-individuals>)

## Two Muncie individuals arrested on fraud charges by FBI

by Mary Freda (<http://www.ballstatedaily.com/staff/mary-freda>) / 3:13 p.m. Sep. 18, 2018

**PD**ATE

**U** Muncie Sanitary District Superintendent of Sewer Maintenance/Engineering Tracy Barton and local businessman Jeffrey Burke were charged in two separate – but related – indictments in federal court, according to a press release.

Both men had their initial federal court appearance at 2:30 p.m. Tuesday.

Barton, 49, faces charges for conspiracy to commit wire fraud, falsification of documents in a federal investigation and witness tampering, according to the press release. Burke, 57, faces charges for bank fraud, making false statements to an FBI agent and obstruction of grand jury proceedings.

The grand jury charged Barton, who has been with the Muncie Sanitary District since 2013, with abusing his position of authority and influence by fraudulently steering contracts to preferred contractors and soliciting and accepting kickbacks in the form of cash, cash equivalents, or contributions, to Barton and other Muncie employees, according to a press release.

The Muncie Sanitary District placed Barton on paid administrative leave – until the FBI case is over or “his accrued vacation time runs out” – Tuesday pending the outcome of a federal criminal case, according to a press release provided by McKinney & Malapit Law.

The grand jury charged Burke, who owns Burke Rentals 1, LLC, and McGalliard Guns & More Inc., with bank fraud, making false statements to FBI agents and obstruction of grand jury proceedings. According to the press release, the charges arose out of Burke’s fraudulent purchase of the Muncie Flea Market located at 1706 E. Main St., from the Muncie Sanitary District.

Tuesday's indictment is only a charge and not evidence of guilt.

## **EARLIER**

Federal Bureau of Investigation Indianapolis Public Affairs Specialist Chris Bavender confirmed to The Daily News there was law enforcement activity in the Muncie area. Bavender referred any additional questions to the Department of Justice.

Tuesday morning, FBI agents arrested two Muncie individuals on fraud-related charges, said Tim Horthy, public information officer for the U.S. Attorney’s Office.

Horthy said more information will be released later this afternoon.

**READ MORE:** FBI Investigation: More than two years into the probe of the City of Muncie (<http://www.ballstatedaily.com/article/2018/07/news-fbi-investigation-timeline>)

In May 2016, news reports about the FBI’s investigation into Muncie began. At the time, an article (<http://tspne.ws/1TdrQE8>) by The Star Press reported the FBI was looking into actions at the Building Commissioner's office, Muncie Sanitary District and Muncie

Community Development, among other things.

Just two months later, The Star Press reported (<http://tspne.ws/29IS05b>) the FBI sent more agents to Muncie, who were looking into contracts for work performed for the city, including work done by Craig Nichols, the city building commissioner.

In February 2017, Nichols was arrested and preliminarily charged with wire fraud, theft and money laundering. More than a year later, Nichols agreed to plead guilty to two out of his 34 charges.

*This story will be updated.*

Contact Mary Freda with comments at [mafreda@bsu.edu](mailto:mafreda@bsu.edu) (mailto:mafreda@bsu.edu) or on Twitter [@Mary\\_Freda1](https://twitter.com/Mary_Freda1) ([https://twitter.com/Mary\\_Freda1?lang=en](https://twitter.com/Mary_Freda1?lang=en)).

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