



# Department of Justice

United States Attorney David E. Nahmias  
Northern District of Georgia

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## **FORMER GEORGIA ATTORNEY PLEADS GUILTY TO MULTI-MILLION DOLLAR REAL ESTATE PONZI SCHEME**

### ***Over a Dozen Victims Defrauded in Georgia, Florida & Tennessee***

Atlanta, GA - STEVEN H. BALLARD, 53, of McDonough, Georgia pleaded guilty today in federal district court to committing a real estate investment scam that lasted over five and a half years and defrauded over a dozen victims in Georgia, Florida and Tennessee.

United States Attorney David E. Nahmias said, "Real estate investors in three states relied on this defendant, who was the attorney in control of their escrowed funds, to use their money to purchase properties and make investments as he represented he would. Instead, he repaid prior investors and diverted funds for his personal benefit. For that criminal violation of trust, he will soon face a prison sentence."

Clayton County District Attorney Tracy Lawson said of the plea, "I am gratified that the U.S. Attorney's Office pulled together the many victims in this fraud case. In Clayton County alone, our victims lost over \$200,000, but there were more victims spread out well beyond our county limits, and now the federal prosecution and this plea addresses the justice that these victims deserve."

According to United States Attorney Nahmias and the information presented in court: BALLARD, a former real estate and business law attorney based in McDonough, operated a fraudulent real estate investment scam, commonly known as a "Ponzi" scheme. From September 2002 through May 2006, he collected over \$2 million dollars. In Georgia alone, he solicited funds from investors in Duluth, Dunwoody, Fayetteville, Jackson, Jonesboro, Newnan, Palmetto, Peachtree City, and Whitesburg. BALLARD also solicited funds from victims in Florida and Tennessee. He told the victims that he was making "lucrative" real estate and other investments which were not actually transacted. He often used bogus HUD-1 Settlement Statements, Warranty Deeds and Sales Contracts to reflect non-existent property purchases, while using a portion of the scheme proceeds to repay former victim investors. The repayments included their principal plus substantial "returns" often exceeding 50% of the initial investment, but those repayments

were all funded with money from new victim investors. BALLARD's law license was suspended by the State Bar of Georgia in September 2005, and he was disbarred in May 2006.

BALLARD was charged in a Criminal Information in June 2009 with one count of wire fraud, which encompasses the entirety of his five and a half year scheme. He pleaded guilty to that charge today. He could receive a maximum sentence of 20 years in prison and a fine of up to \$250,000, plus full restitution to all victims who have not been repaid to date. Sentencing is scheduled for September 29, 2009, at 10 a.m., before United States District Judge Thomas W. Thrash, Jr. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders. There is no parole in the federal system.

This case is being investigated by Special Agents of the Federal Bureau of Investigation and the Clayton County District Attorney's Office, assisted by the Henry County Police Department and the Peachtree City Police Department.

Assistant United States Attorney Gale McKenzie is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).