



Department of Justice

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ROME MAN CHARGED WITH TRICKING EMPLOYER INTO PAYING MORE THAN \$4 MILLION FOR NON-EXISTENT TIMBER

Scale Operator Allegedly Conspired with Eight Co-Defendants

ROME, GA - AARON FREEMAN, 49, of Rome, Georgia, and eight other Georgia men have been indicted by a federal grand jury for allegedly taking part in a scheme that caused FREEMAN's employer, Temple Inland Inc., to pay more than \$4.8 million for timber that did not exist. FREEMAN and seven of his co-defendants made their initial appearances in federal court in Rome today before United States Magistrate Judge Walter E. Johnson.

“Temple Inland operates a paper mill outside of Rome that processes hundreds of truckloads of timber every day,” said Acting United States Attorney Sally Quillian Yates. “FREEMAN was a scale house operator who allegedly manipulated the scales at the paper mill to credit cooperating drivers with delivering non-existent truckloads of timber. Temple Inland, a major employer in northwest Georgia, was defrauded into paying more than \$4.8 million for these phantom deliveries of timber, and the drivers shared that money with FREEMAN.”

According to Acting United States Attorney Yates, the charges, and other information presented in court, FREEMAN was a scale house operator at the Temple Inland paper mill in Floyd County between June 2003 and June 2006. FREEMAN allegedly learned how to manipulate the scale house computer system to produce two weight readings when a single truck passed through the paper mill's scale – a reading for the weight of the timber actually delivered, and a second reading for a phantom load. FREEMAN then recruited drivers to take credit for the phantom loads, and the drivers shared their payments with FREEMAN. The defendants are charged as follows:

FREEMAN and KEVIN FIELDS, 31, of Forsyth, Georgia; CURTIS HART, 52, and JASON JOSEPH, 32, both of Macon; ROGER CARTHERN, 63, and ANDREW CARTHERN, 40, both of Jefferson; J. DAVID CARTHERN, 64, of Commerce; ROBERT FRANK FERGUSON, JR., 56, of Maysville; and GEORGE TATE, 40, of Hartwell, are charged with conspiracy to commit wire fraud. The offense of wire fraud

conspiracy is punishable by up to 20 years in prison and a fine of \$250,000 per count. FREEMAN, FIELDS, HART, and JOSEPH are also charged with several counts of aiding and abetting each other to commit wire fraud, which is punishable by up to 20 years in prison and a fine of \$250,000 per count. 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.

The indictment charges that between September 2004 and June 2006, as the result of FREEMAN's manipulation of the scale house computer at the Temple Inland paper mill, the corporation paid approximately \$3.35 million for phantom deliveries that FIELDS claimed to have delivered. The indictment charges that FIELDS shared this money with FREEMAN. The indictment further charges that FIELDS recruited JOSEPH, whom Temple Inland paid over \$910,000 for phantom deliveries – when in fact, JOSEPH never made a single delivery. The indictment alleges that FIELDS instructed JOSEPH to keep 15 percent of that money for personal benefit and another 20 percent to pay his state and federal income taxes, and to give him the remaining 65 percent, which FIELDS shared with FREEMAN. The indictment also charges that FIELDS recruited his father, HART, whom Temple Inland paid approximately \$111,000 for phantom deliveries.

Regarding other members of the conspiracy, the indictment charges that as the result of FREEMAN's creation of phantom loads of timber, Temple Inland paid more than \$313,000 to ROGER and ANDREW CARTHEN; more than \$112,000 to DAVID CARTHEN and ROBERT FRANK FERGUSON; and more than \$160,000 to GEORGE TATE, and all whom shared their money with FREEMAN.

FREEMAN, FIELDS and JOSEPH are also charged with conspiracy to commit money laundering. The money laundering charge is punishable by up to 20 years in prison and a fine of \$500,000. The indictment charges that among other money-laundering activities, FIELDS bought a certificate of deposit in the amount of \$850,000 using his share of proceeds from the conspiracy.

JOSEPH is the only defendant who did not make his initial appearance in federal court today. He is scheduled to be arraigned at 10:00 a.m. on November 9, 2009.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

This case is being investigated by Special Agents of the FBI.

Assistant United States Attorneys William G. Traynor and David M. Chaiken are prosecuting the case.

For further information please contact Sally Q. Yates, Acting 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.