



Department of Justice

United States Attorney Sally Quillian Yates
Northern District of Georgia

FOR IMMEDIATE RELEASE

11/03/10

<http://www.justice.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

ROME MAN PLEADS IN MULTI-MILLION DOLLAR TIMBER FRAUD

Freeman Caused Temple-Inland Inc. to Pay More Than \$4 Million for Timber that Did Not Exist Between 2003-2006

ROME, GA - AARON WILBERT FREEMAN, 50, of Rome, Georgia, pleaded guilty before Senior United States District Judge Robert L. Vining in federal district court late yesterday to multiple charges relating to a \$4 million scheme involving timber that did not exist. A jury had been selected and FREEMAN's trial was set to begin today when FREEMAN pleaded late yesterday.

United States Attorney Sally Quillian Yates said of yesterday's guilty plea, "Paper is made from trees, but in this case, Freeman created trees out of paper. He did so by manipulating his employer's computer system to create phony receipts for timber deliveries that never took place. He also recruited timber truck drivers to redeem the fake receipts for payment, then laundered the proceeds through multiple financial institutions."

Brian D. Lamkin, Special Agent in Charge, FBI Atlanta, stated: "The level of fraud that Mr. Freeman conspired to commit against his former employer, the Temple-Inland Company, was significant. The FBI is pleased that, through its investigation and the resulting prosecution by the U.S. Attorney's Office, not only was any additional fraud stopped, but now Mr. Freeman will be held accountable for his actions."

According to United States Attorney Yates, the charges, and other information presented in court: FREEMAN worked as a scale house operator at the Temple-Inland Co. paper mill in Floyd County, Georgia, until June 2006. The scale house received and weighed approximately 350 timber trucks each day, providing a delivery receipt, known in the industry as a "scale ticket," to each driver as proof of delivery. Between 2003 and 2006, FREEMAN worked primarily during the night shift, often alone, processing timber deliveries through the scale house computer system.

While working in the scale house during this time frame, FREEMAN manipulated the computer system to produce multiple weight readings when a single timber truck passed through the paper mill's scale, making it appear as if there had been two or more

deliveries when there had only been one. FREEMAN then caused the computer system to generate false scale tickets for the phantom loads, along with valid scale tickets for the legitimate deliveries. The Rome scale house computer system would simultaneously transmit the delivery information electronically to Temple-Inland's headquarters in Austin, Texas, ultimately resulting in electronic funds transfers from Temple-Inland's bank to timber suppliers' bank accounts in Georgia and South Carolina.

After creating the false scale tickets, FREEMAN recruited multiple co-conspirators, including KEVIN A. FIELDS, 31, of Forsyth, Georgia; JASON S. JOSEPH, 32, of Macon, Georgia; ROGER G. CARTHERN, 63, and R. ANDREW CARTHERN, 40, both of Jefferson, Georgia; J. DAVID CARTHERN, 64, of Commerce, Georgia; ROBERT FRANK FERGUSON, JR., 56, of Maysville, Georgia; and GEORGE BONNER TATE, 40, of Hartwell, Georgia, to redeem the false scale tickets for payment by timber suppliers, launder the payments through multiple banks and credit unions, and return a share of the money to FREEMAN in cash.

By manipulating the scale house computer system and creating false scale tickets, FREEMAN caused Temple-Inland to pay approximately \$3.35 million for phantom timber that FIELDS claimed to have delivered; \$910,000 for phantom timber that JOSEPH claimed to have delivered; \$313,000 to ROGER and ANDREW CARTHERN; more than \$112,000 to DAVID CARTHERN and ROBERT FRANK FERGUSON; and more than \$160,000 to GEORGE TATE, all of whom shared their money with FREEMAN.

On November 2, 2009, a federal grand jury returned a 20-count indictment against FREEMAN, FIELDS, JOSEPH, ROGER CARTHERN, ANDREW CARTHERN, DAVID CARTHERN, FERGUSON, TATE, and CURTIS J. HART, 52, of Macon, Georgia. JOSEPH, ROGER CARTHERN, ANDREW CARTHERN, FERGUSON, and TATE all pleaded guilty to one count of conspiracy to commit wire fraud and agreed to cooperate in the case. FIELDS pleaded guilty to one count of conspiracy to commit wire fraud and one count of conspiracy to commit money laundering, and also agreed to cooperate. The government dismissed DAVID CARTHERN and HART from the case on May 20 and July 14, 2010, respectively.

FREEMAN pleaded guilty yesterday to one count of conspiracy to commit wire fraud and one count of conspiracy to commit money laundering. FREEMAN could receive a maximum sentence of 20 years in federal prison and a fine of up to \$250,000 for the wire fraud conspiracy, and a maximum sentence of 10 years in federal prison and a fine of up to approximately \$3.6 million for the money laundering conspiracy. In determining FREEMAN's actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Sentencing is scheduled for January 13, 2010, at 10:30 a.m., before Senior United States District Judge Robert L. Vining in Room 303 of the United States Courthouse in Rome, Georgia. Sentencing dates for the co-defendants have not yet been set.

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, United States Attorney, or Charlyse 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.justice.gov/usao/gan.