



Department of Justice

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11/06/06

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PLAINTIFF'S LAWYER PLEADS GUILTY TO STEALING FROM CLIENTS

Disbarred Lawyer Endorsed and Spent Over \$800,000 In Settlement Funds Without Authorization

Atlanta, GA - CHARLES FEMERY PEEBLES, 56, of Flowery Branch, Georgia, pleaded guilty today in federal district court to wire fraud and aggravated identity theft.

“This former lawyer stole from those who desperately needed his help and trusted him with their medical and property claims,” said United States Attorney David E. Nahmias. “The defendant’s clients needed the settlement money he stole to pay for medical treatment related to serious injuries suffered from inhaling mold fibers, and to pay for needed home repairs. Despite knowing this, the defendant forged the signatures on the settlement checks and spent the money to pay his own expenses.”

According to Nahmias and the information presented in court: PEEBLES was a plaintiff’s lawyer who specialized in construction litigation and represented many individuals who suffered physical injury and property damage resulting from mold infestations in their homes. Unbeknownst to his clients, PEEBLES would settle their cases, forge their signatures on the checks, and eventually convert the money to his own use. When the clients called and asked about the settlement money, PEEBLES would lie to them, and if necessary, pay the complaining client with settlement proceeds that belonged to his other clients. Unfortunately for the clients whose cases were settled later in the scheme, the money ran out. In one instance, two victims retained PEEBLES in November of 2001 to litigate a claim against their contractor. PEEBLES settled their case during the summer of 2004 and received settlement checks. Instead of turning the proceeds over to his clients, PEEBLES forged his clients’ signatures, and eventually converted the funds and used it to pay his own bills.

In another case, a condominium association retained PEEBLES in early 2004 to bring a claim against its builder for defective construction. Although PEEBLES settled the case and received eight checks totaling over \$700,000, he never told his client about the settlement. Instead, PEEBLES forged the signature of the association’s president on the settlement checks without permission and eventually converted the money to pay his own bills. The investigation revealed that PEEBLES used the money to pay, among other things,

his business expenses, the construction done on his house, and his girlfriend's rent and utilities.

A Grand Jury indicted PEEBLES on May 5, 2005 and charged him with nine counts of fraud and four counts of aggravated identity theft. He pleaded guilty to one count of wire fraud and one count of aggravated identity theft. In total, there were over ten clients who were defrauded for a total of approximately \$800,000. In his plea agreement, PEEBLES agreed to make full restitution to all of the victims, and the victims have recovered to date, approximately \$220,000.

PEEBLES was disbarred from the practice of law by the Georgia Supreme Court on February 13, 2006.

As a result of his plea, he could receive a maximum sentence of twenty-two years in prison and a fine of up to \$250,000 on each count.

Sentencing for PEEBLES will be before United States District Judge Richard Story. A sentencing date has not yet been set by the Court.

This case is being investigated by Special Agents of the United States Secret Service and detectives of the Gwinnett County Police Department.

Assistant United States Attorney BJay Pak 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.