



# Department of Justice

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08/26/08

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## **THREE MEN INDICTED IN CONSTRUCTION ESCROW FRAUD SCHEME**

Atlanta, GA - EDGAR J. BEAUDREAULT, JR., 60, of Alpharetta, Georgia, HOWARD A. SPERLING, 43, of San Diego, California, and ROBERT B. SURLES, 62, of Canon City, Colorado, have been indicted by a federal grand jury on multiple charges relating to a scheme to defraud.

The indictment charges that from August 2003 through January 2004, BEAUDREAULT, SPERLING and SURLES conspired to devise and execute a scheme to defraud Cornell Corrections of California, Inc., a private company that operates corrections facilities for governmental units. In June of 2003, Cornell Corrections contracted to have a corrections facility built in Canon City, CO for \$13 million. The \$13 million purchase price was to be held in an escrow account until the facility was completed.

The indictment further charges that in August of 2003, BEAUDREAULT, SPERLING and SURLES induced Cornell Corrections to transfer its \$13 million to an account in Atlanta controlled by BEAUDREAULT, by falsely representing to Cornell that the account was an escrow account that was administered by a reputable bank. Upon receipt of Cornell Corrections' \$13 million, BEAUDREAULT, SPERLING and SURLES wire transferred the majority of Cornell's \$13 million to other accounts, to be used for their own purposes. The indictment charges 20 counts of wire fraud and one count of conspiracy. The charges carry a maximum sentence of 20 years in prison and a fine of up to \$250,000 for each 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.

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 Federal Bureau of Investigation.

Assistant United States Attorneys Bernita B. Malloy and David E. McClernan are prosecuting the case.

For further information please contact Sally Quillian 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](http://www.usdoj.gov/usao/gan).