



Department of Justice

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Northern District of Georgia

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BREMEN MAN CHARGED WITH OPERATING \$7 MILLION INVESTMENT SCAM

NEWNAN, GA - JEFFREY WALLACE "J.W." EDWARDS, 43, of Bremen, Georgia, has been indicted by a federal grand jury on charges of mail fraud, wire fraud, and money laundering in connection with an alleged \$7 million fraud scheme. EDWARDS was arrested this morning and has made an initial appearance before a federal magistrate. EDWARDS is scheduled to have his bond hearing before United States Magistrate Judge Linda Walker on Monday, May 18, at 10:00 a.m. The indictment had been sealed until his first court appearance.

United States Attorney David E. Nahmias said, "In this latest chapter in the long book of investment fraud schemes, a man who lives in a small town in west Georgia allegedly persuaded investors from around the country that with his secret government contacts and other plans, he could make their money multiply into millions. He will now be prosecuted in open court, where he is alleged to actually be just a thief who used lies to steal millions from his victims."

IRS Criminal Investigation Special Agent in Charge Reginael McDaniel said, "If it sounds too good to be true, it probably is. People should diligently check out claims of high rates of return before investing. They should not blindly follow the advice of one person, and should always get a second opinion."

According to United States Attorney Nahmias, the charges and other information presented in court: Starting in early 2006, EDWARDS allegedly promised investors that they would receive returns of between 40 and 150 percent on the money they placed in his "high yield" investment programs. EDWARDS variously claimed to own a bank, to have access to confidential and lucrative investment opportunities, or to be a "special agent" of the Federal Reserve whom the United States Government had authorized to stimulate the economy with cash injections. Between February 2006 and February 2007, 31 investors mailed or electronically transferred over \$7.4 million to EDWARDS, who allegedly spent the money on Haralson County real estate, vehicles, jewelry, fur coats, art, gambling trips to Las Vegas, and family cruises to Alaska, Hawaii and the Mediterranean. EDWARDS allegedly never invested any money, though he did make nominal payments

to a few investors who persisted in asking to see their returns.

The indictment includes charges of mail fraud, wire fraud, and money laundering. The mail and wire fraud charges each carry a maximum sentence of 20 years in prison and a fine of up to \$250,000, and the money laundering charges each carry a maximum sentence of 10 years in prison and a fine of \$250,000. 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 also includes a provision seeking to forfeit real estate, vehicles, and cash that allegedly were proceeds of the fraud scheme. Additionally, in June 2008, the Government filed forfeiture liens on EDWARDS' real estate holdings, and it seized his Cadillac Escalade, Lincoln Town Car, and Lincoln Mark LT pickup truck.

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 Internal Revenue Service-Criminal Investigation and the Federal Bureau of Investigation.

Assistant United States Attorney William G. Traynor 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.