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NEWS



United States Attorney Benjamin B. Wagner Eastern District Of California

Former Fresno Resident Charged For Fraudulent Bonding Scheme Involving Government Contracts

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FRESNO, Calif. — Abel Martin Carreon, 55, formerly of Fresno, made his first appearance in United States District Court in Fresno for a scheme to defraud the government that resulted in a loss of more than \$1 million, United States Attorney Benjamin B. Wagner announced

On July 11, 2013, a federal grand jury returned a 23-count indictment charging Carreon with mail fraud, wire fraud, major fraud against the United States, aggravated identity theft and money laundering. He was arrested in Southern California.

According to the indictment, between April 2005 and May 2011, Carreon ran a business that offered bonding services to prospective government contractors throughout the United States. The bonds are required for bidding on many government contracts. The bonds insure that a contract will be completed in accordance with the terms and conditions of the contract, and in the event the contractor defaults, the bonds make sure suppliers and subcontractors are paid and the government is compensated for the financial loss.

According to the indictment, Carreon marketed his services to contractors who may have had difficulty getting bonded by other companies. Because his acceptance policies were less stringent, he charged the contractors higher premiums. The bond packages he submitted contained false statements and fraudulent documents. He claimed individual sureties that did not exist. He pledged as collateral common stock that did not exist, was substantially less than represented, or was pledged across multiple bonds without full disclosure. He used forged notary stamps and notary signatures and other forged signatures on the bond documents.

Department of Interior, Office of Inspector General Assistant Special Agent-In-Charge, Eric May stated: "This indictment represents the Department of Interior's, Office of Inspector General's commitment to pursue fraud involving the Department's programs and operations."

This case is the product of an investigation by the following agencies: the U.S. Department of the Interior Office of Inspector General, the U.S. Department of Defense Office of Inspector General, the U.S. Army Criminal Investigation, the U.S. Air Force Office of Special Investigations, the U.S. Department of Agriculture Office of Inspector General, the U.S. Department of Transportation Office of Inspector General, the U.S. Department of Homeland Security Office of Inspector General, and the General Services Administration Office of Inspector General. Assistant United States Attorney Henry Z. Carbajal III is prosecuting the case.

If convicted, Carreon faces a maximum statutory penalty for wire fraud, mail fraud and money laundering of 20 years in prison. The maximum statutory penalty for major fraud against the United States is 10 years in prison. The maximum statutory penalty for aggravated identity theft is two years in prison consecutive to any other count of conviction. Any sentence, however, would be determined at the discretion of the court after consideration of any applicable statutory factors and the Federal Sentencing Guidelines, which

take into account a number of variables. The charges are only allegations; the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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