



Department of Justice

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**FORMER ROBERTSON COUNTY COMMISSIONER EDWARD SHANNON POLEN
PLEADS GUILTY TO OPERATING PONZI SCHEMES TOTALING \$16 MILLION**

NASHVILLE, Tenn. - December 11, 2012 - Edward Shannon Polen, 37, of Greenbrier, Tennessee and former Robertson County Commissioner, pleaded guilty yesterday before U.S. District Judge Todd J. Campbell, to charges of bank fraud, mail and wire fraud and money laundering, announced Jerry E. Martin, U.S. Attorney for the Middle District of Tennessee.

At the plea hearing, Polen admitted that, between January 2007 and March 2011, he operated three investment Ponzi schemes in which he solicited and received approximately \$16 million from more than fifty investors. Polen admitted however, that the investment schemes, identified individually as the "John Deere Investment," the "Greenway Investment," and the "Tennessee Valley Authority Coal Ash Cleanup Investment," were totally fraudulent and he never intended to invest any of the funds he received from investors.

"Cases like these are devastating to investors, especially people who invest their life's savings with individuals they trust, only to find that their trust has been misplaced," said United States Attorney Jerry E. Martin. "In this case, a lot of people invested money they couldn't afford to lose, particularly in hard economic times. The United States Attorney's Office will diligently and aggressively prosecute those who perpetrate such schemes and prey on unsuspecting and trusting investors."

Polen admitted that beginning in January 2007 he began soliciting funds for investment in the purchase and resale of tractors and other farm equipment that had been repossessed by John Deere & Company. As part of the scheme, Polen falsely represented to investors that he needed funds to finance the initial purchase of repossessed John Deere farm equipment, which he would immediately resell to a "guaranteed buyer" for a significant profit. According to Polen, investors would thereafter receive a return of their principal investment, plus a substantial profit. However, the John Deere Investment did not exist, and Polen never invested any of the funds he collected

from investors but instead, converted the funds to his own personal use and to repay other investor-victims.

Polen admitted that in January 2008, as part of another scheme, he began soliciting funds to finance the initial purchase of construction materials, which he told investors would be re-sold to the subcontractors of the State of Tennessee Greenway projects for a significant profit. As in the John Deere scheme, Polen promised investors that they would receive a return of their principal investment, plus a substantial profit. However, the Greenway Investment did not exist, and Polen never invested any of the funds, but instead, converted the investor funds to his own personal use and to repay other investors.

Polen also admitted that in February 2009 he devised a third scheme and began soliciting investment funds to purchase construction materials and equipment and told investors that the materials would then be sold to contractors and sub-contractors hired by the Tennessee Emergency Management Agency for use in the Kingston Fossil Plant clean-up project. As in the former investment schemes, Polen promised investors that they would receive a return of their principal investment, plus a substantial profit. However, the TVA Coal Ash Investment did not exist, and Polen never invested any of the funds and again converted the funds to his own personal use and to repay other investors.

It was a significant part of each of the three investment schemes that Polen would, at the time of investment, provide investors with a minimum of two post-dated checks, one for the principal amount of their investment and the other for the profit that their investment was expected to produce. The post-dated checks were drawn on multiple accounts controlled by Polen at various banks. Polen used the post-dated checks as a ruse to create the illusion for investors that their investments were safe and secure. Polen also assured investors that the post-dated checks could be cashed at any time, knowing that the accounts upon which the checks were drawn had either been closed or did not, and would never contain funds sufficient to cover the amounts of the checks.

Sentencing is scheduled for March 8, 2013. Polen faces a maximum sentence of 90 years in prison.

This case was investigated by the Tennessee Valley Authority-Office of Inspector General, the IRS-Criminal Investigation, the FBI, the Tennessee Bureau of Investigation, the Special Inspector General-Troubled Asset Relief Program, and the Hendersonville Police Department, with the assistance of the Regional Organized Crime Information Center. The United States was represented by Assistant United States Attorney John K. Webb.

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