



U.S. Department of Justice



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HUNTLEY MAN SENTENCED TO 45 MONTHS IN PRISON FOR DEFRAUDING HIS FRIENDS AND ACQUAINTANCES OUT OF MORE THAN \$1,000,000

Rockford — A Huntley, Ill. man was sentenced today in federal court to 45 months in federal prison on his conviction for wire fraud. From 1995 through January of 2012, Frank L. Beaudette, 61, fraudulently obtained loans totaling more than \$1,000,000 from at least 25 individuals by making false representations about the purpose for which he needed their money. Beaudette pleaded guilty to the federal wire fraud charge on December 29, 2011.

In his plea agreement, Beaudette admitted that he usually attempted to befriend his victims. Then, after he gained their confidence, Beaudette persuaded his victims to lend him money. On most occasions, Beaudette falsely told his victims he had a "friend" in the computer business who needed capital to complete a large sale of computer equipment. Beaudette then persuaded the victims to loan money to him so that he could provide the money to his "friend" for the computer transaction. In return, Beaudette gave the victims personal promissory notes, promising to repay their principal together with large amounts of interest. As he acknowledged in the plea agreement, however, Beaudette did not have a friend who was selling computers. Instead Beaudette spent all of the victims' funds on his own personal expenses.

Beaudette also admitted that when the promissory notes came due, he falsely told the victims he could not repay the loans because his "friend" had been unable to collect what was owed after

the computer sale transaction. Beaudette often promised the victims that he would repay them with profits earned from a business he owned. Specifically, Beaudette told these victims that he owned a business known as "Thunderbird Aviation," which allegedly brokered sales of airplanes. Beaudette frequently promised his victims that he would repay the loans with profits from upcoming airplane sales transactions. Beaudette further acknowledged that he caused some of his victims to provide additional funds to him by telling them that he needed these additional monies until Thunderbird Aviation could complete a purported upcoming airplane sale.

Today's sentencing hearing was conducted by United States District Judge Frederick J. Kapala. In addition to the 45 month federal prison sentence, Judge Kapala also ordered Beaudette to pay \$1,050,809.92 in restitution to the victims of his crime. Beaudette will not be eligible for parole on his prison sentence.

The investigation was conducted under the auspices of the Financial Fraud Enforcement Task Force, which includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit: www.StopFraud.gov.

The sentencing was announced today by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of Federal Bureau of Investigation; and Illinois Secretary of State Jesse White.

The government was represented by Assistant U.S. Attorney Scott A. Verseman.

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