

Department of Justice
U.S. Attorney's Office
Western District of Virginia

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Beam Bros. Trucking, Inc., Beam Bros. Holding Company and Executives Sentenced on Federal Conspiracy Charges

Four Corporate Officers Admitted to Conspiring to Violate Federal Highway Safety Regulations

Harrisonburg, VIRGINIA – A Mount Crawford based trucking company that formerly hauled United States mail and its holding company, as well as four of its most senior officers, the President, Vice-President, Chief Financial Officer and Chief Operating Officer, were all sentenced this week in the United States District Court for the Western District of Virginia in Harrisonburg for conspiring to commit Federal crimes, United States Attorney Rick A. Mountcastle announced.

Beam Bros. Trucking, Inc. (Beam Trucking) and Beam Bros. Holding Corporation (Beam Holding) were jointly sentenced by the court to forfeit to the government \$2,000,000 of fraudulently obtained proceeds. They were also sentenced to pay approximately \$1,000,000 in restitution to drivers who were defrauded of their pay. In addition, these companies were sentenced to serve 3 years of corporate probation and to pay a fine of \$250,000 to the government.

Beam Holding previously pled guilty to conspiracy to commit wire fraud in that the company knowingly and willfully defrauded its driver employees of almost \$1,000,000 dollars of their pay. In specific, Beam Holding caused their driver employees to falsify their time sheets so that they would report fewer hours worked than they actually worked in direct violation of the Fair Labor Standards Act and the McNamara-O'Hara Service Contract Act.

Beam Trucking previously pled guilty to conspiracy to falsify safety records and pay records in that the company falsely reported the hours their truck driver employees worked and were on duty with intent to obstruct the government's investigation. In specific, Beam Trucking conspired to falsify drivers' records of duty status and their time sheets.

Beam Trucking and Beam Holding President, Gerald Wayne Beam and Vice President, Garland Crawford Beam were each sentenced to serve six months of home confinement followed by two years of supervised release. Beam Trucking Chief Operations Officer, Shaun Crawford Beam and Chief

Financial Officer, Nickolas Gene Kozel were each sentenced to serve three months of home confinement followed by two years of supervised release. Each of these officers previously pled guilty to conspiring to commit an offense against the United States in that they knowingly violated the Federal Motor Carrier Safety Administration (FMCSA) highway safety regulations. The FMCSA highway safety regulations are designed to protect the driving public and truck drivers from injury or death caused by truck crashes resulting from driver fatigue.

According to evidence presented during the sentencing hearings by Assistant United States Attorneys Stephen J. Pflieger and Christopher Kavanaugh, between 1999 and 2017 the leaders of the conspiracy, Gerald Wayne Beam, Garland Crawford Beam and Shaun Crawford Beam created routes and then instructed Beam Trucking drivers to drive routes that were grossly illegal. Beam Trucking drivers were instructed to drive routes that were so long that they barely got any sleep between trips for weeks at a time over a course of years. Drivers became so fatigued that they could hardly stay awake. On a number of occasions, Beam Bros. drivers were so fatigued that they barely avoided crashes when they momentarily fell asleep while driving trucks on public highways. One driver was so fatigued that he took drugs ("Bath Salts") every few hours to stay awake. After three months of taking drugs, the driver found during one of his trips that he could no longer physically drive a truck and had to call for a medical rescue.

The investigation of the case was conducted by Special Agents Sean Baer and Art Stevens, from the U.S. Postal Service, Office of the Inspector General, Special Agent Amanda Yarborough from the Department of Transportation-Office of the Inspector General, Special Agent Joseph Harrilla from the Department of Labor-Office of the Inspector General and Special Agent James D. Havrilla from the Internal Revenue Service-Criminal Investigations. Assistant United States Attorney Stephen J. Pflieger and Christopher Kavanaugh prosecuted the case for the United States with the assistance of legal assistants Gina Palmero, Kathleen Mensinger, Diane Fitzgerald, Susan Bentley and litigation specialist, Mary Vogt.