



Department of Justice

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GAINESVILLE WOMAN SENTENCED IN TAX CONSPIRACY; COOPERATING CO-CONSPIRATOR ALSO SENTENCED

Lahr Testified Demer Helped Evade Payment of Federal Income Taxes; Lahr Cooperating in More Tax Investigations in 5 States

ATLANTA, GA - JACQUELINE ANN DEMER, 50, of Gainesville, Georgia, was sentenced today to serve more than five years in federal prison on six counts relating to a scheme to impede the IRS in its collection of income taxes. Her co-conspirator, JERRY ROBERT LAHR, 65, of Hurst, Texas, also was sentenced today to serve more than three years in prison for a conspiracy to impede the IRS. DEMER was convicted of the charges at trial on December 10, 2008. LAHR pleaded guilty and testified against DEMER at trial.

United States Attorney David E. Nahmias said, "Today's sentencings reflect what can happen when you lie and deceive the tax system and the court. These two defendants used shell entities, phony identification documents, and aliases, all with the intent of hiding income and real and personal property from the IRS. Both defendants are going to federal prison. But while one of them pleaded guilty and cooperated, thereby reducing his sentence, the other defendant went to trial and testified falsely, earning herself an even longer stay in prison."

IRS-Criminal Investigation Special Agent in Charge Reginael McDaniel said, "As the 2009 tax filing season concludes today, these sentencings send a very clear and timely message that attempting to defy or impede our nation's tax system can result in significant jail time."

DEMER was sentenced to 5 years, 3 months in federal prison to be followed by 3 years of supervised release, ordered to pay restitution of \$315,829, and ordered to pay a fine of \$15,000.

LAHR was sentenced to 3 years, 1 month in federal prison to be followed by 3 years of supervised release, and ordered to pay restitution of \$1,115,444.

According to United States Attorney Nahmias and the information presented in court: Between December 2001 and 2006, DEMER performed banking and clerical services for LAHR. DEMER, using the alias “Jessica Dalton,” mailed five false and fictitious obligations, captioned “Bond[s] to discharge attachment for debt,” to the IRS in October 2003. These false bonds were submitted as purported payment of LAHR’s tax liabilities, penalties, and interest for the years 1996 through 2000.

LAHR had gross income totaling approximately \$2,600,000 for tax years 1996 through 2003, but didn’t file federal income tax returns or make any payments to the IRS for those tax years. LAHR and DEMER conspired to conceal LAHR’s assets, income, and expenditures through the use of bank accounts and shell “trust” entities, all in nominee names. The evidence at trial also established that DEMER used at least 30 different business names and post office boxes in seven different locations, some of which were opened with a fraudulent identification card in the name of her alias, Jessica Dalton. Additionally, DEMER served as the trustee for various shell entities set up to conceal LAHR’s ownership of assets, such as real property and automobiles. DEMER’s own home was titled in the name of another shell entity, which listed LAHR as trustee.

DEMER has not filed a federal tax return since at least 2002. Her sentence was enhanced for obstruction of justice because the court found she testified falsely at trial. In addition to testifying against her at DEMER’s trial, LAHR is cooperating in criminal tax investigations in five different states, and the court reduced his sentence in recognition of that cooperation. LAHR has also filed corrected income tax returns through the current tax year.

This case was investigated by Special Agents of the Internal Revenue Service-Criminal Investigations Division.

Assistant United States Attorney Teresa D. Hoyt and the Justice Department’s Tax Division Trial Attorney Jenny L. Grus are 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.