



Department of Justice

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Eastern District of California

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SECOND MAN PLEADS GUILTY TO PRISON TAX FRAUD SCHEME

FRESNO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that DAVON NORVELLE SPENCER, 36, an inmate in Pleasant Valley State Prison, formerly from Inglewood, Calif., pleaded guilty to conspiracy to defraud the government with respect to claims, in the form of individual income tax returns.

This case is the product of an extensive investigation by the Internal Revenue Service, Criminal Investigation with assistance from the Investigative Services Unit at Pleasant Valley State Prison.

According to Assistant United States Attorney Mark Cullers, who is prosecuting the case, SPENCER admitted that he and CLARENCE HARDIMAN and others prepared false and fraudulent income tax returns for themselves and other inmates at Pleasant Valley State Prison. The defendants used a photocopied Form 1040 EZ as a template and created false and fraudulent Forms 4852, which are used as a “Substitute for W-2” form when a W-2 Form is not available.

The defendants falsely claimed wages for the individual inmates to be \$12,960 and refunds of \$1,416 on each false tax return they prepared. In the course of the scheme, the defendants and others submitted, or caused to be submitted, approximately 95 Federal Income Tax Returns, covering tax years 2002 through 2003 that made false and fraudulent claims for \$134,520.

HARDIMAN pleaded guilty to the same charges and is scheduled to be sentenced on July 20, 2009 at 9:00 a.m. before Judge Oliver W. Wanger.

SPENCER is scheduled to be sentenced on July 27, 2009 at 9:00 a.m. before Judge Oliver W. Wanger. The maximum statutory penalty is 10 years in prison, a \$250,000 fine, and a three-year term of supervised release. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

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