



U.S. Department of Justice

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For Immediate Release:

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Oct 22, 2009

Event: Sentenced

Defendant: Edward Fisher

**GENERAL COUNSEL OF AUBURN HILLS EMPLOYMENT FIRM
SENTENCED TO PRISON IN \$50 MILLION TAX FRAUD**

A former General Counsel for Simplified Employment Services, Inc., (SES) in Auburn Hills, was sentenced today to 41 months in prison followed by three years of supervised release as a result of being found guilty of tax fraud by a federal jury in Detroit in July, 2008, United States Attorney Terrence Berg announced today. United States District Judge Robert H. Cleland also ordered Fisher to pay \$10 million dollars in restitution to the Internal Revenue Service.

Berg was joined in the announcement by Maurice Aouate, Special Agent in Charge of the Detroit Field Office of the IRS's Criminal Investigation Division.

On July 3, 2008, a federal jury convicted Edward Fisher, 56, of Shelby Township, Michigan with conspiring with other officers of SES to defraud the IRS of more than \$51,000,000 owed by SES on withholdings from the wages of those individuals employed by SES and its subsidiaries.

SES was a professional employment organization which, through its subsidiaries, leased personnel and human resources to client companies, including issuing employee paychecks and remitting employment taxes to the IRS. According to court records, in 1997 executives from SES began filing false and understated tax returns. In 1999, acting as General Counsel for SES, Fisher became aware of the scheme to defraud the IRS and joined a conspiracy to conceal the scheme from the IRS. One way in which Fisher concealed the scheme was by falsely blaming any tax deficiencies on computer software problems as opposed to deliberate fraud.

“Today’s sentence demonstrates the serious consequences that come from committing tax fraud. In this case, the crime was committed by an attorney who should have helped his client steer clear of criminal activity, not commit fraud more effectively.” United States Attorney Berg said.

“Corporate executives and the attorneys who advise them have a significant responsibility to collect and turn over all IRS withholding taxes,” said Aouate. “Those who fail to do so to gain a competitive advantage will not be tolerated and will be prosecuted to the fullest extent of the law.”

The case was investigated by special agents of the IRS-CID and FBI.