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Business Owner Pleads Guilty to Federal Fraud and Tax Charges

(Norfolk, Virginia) – Ronald A. Smith, age 46, pled guilty today to mail fraud, engaging in a monetary transaction in criminally derived property, and tax evasion. An indictment charging him with those offenses was returned in April 2006 by a federal grand jury in Norfolk, Virginia. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia, made the announcement after the plea was accepted by United States District Judge Jerome B. Friedman.

According to court documents, Smith and his wife, Denise R. Kirkland, operated Business Consultants, Incorporated and Consultants Group International, an Internet-based business with offices in Virginia Beach, Virginia. The company advertised that it would prepare loan applications guaranteed by the Small Business Administration and find lenders for prospective borrowers. To attract customers, Smith and Kirkland falsely represented that the company's clients included Wal-Mart, K-Mart, and Target, as well as other clients in countries located in Europe, Asia, and Africa. They also misrepresented Smith's educational background and the company's success rate.

Prospective clients were directed to the Ethical Internet Buyers Bureau which was represented to be an independent organization monitoring Internet-based businesses. In fact, Smith had created the Web site and arranged for a commercial receiving agency to take phone calls. Between September 2000 and April 2002, approximately 900 clients paid fees ranging from \$1,500.00 to \$4,400.00. Less than one-percent of the clients actually received a loan.

Smith and Kirkland were arrested in the state of Washington last October after crossing the Canadian border into the United States. Kirkland pled guilty in December to mail fraud and engaging in a monetary transaction in criminally derived property, and her sentencing is set for April 9, 2007. Smith will be sentenced on April 16, 2007.

The case was jointly investigated by the Postal Inspection Service and the Internal Revenue Service. Assistant United States Attorney Alan M. Salsbury is prosecuting the case for the United States.

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