



UNITED STATES ATTORNEY'S OFFICE EASTERN DISTRICT OF VIRGINIA

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FOR IMMEDIATE RELEASE:

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Alexandria Business Owner Pleads Guilty to Filing a False Federal Tax Return

(Alexandria, VA) - Jonathan H Kroeger, 42, of Alexandria, Virginia, pled guilty yesterday before United States District Judge T.S. Ellis, III, to filing a false federal income tax return. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia, and Charles Pine, Special Agent in Charge, Internal Revenue Service (IRS) Criminal Investigation, also announced that Kroeger faces a maximum penalty of three years in prison, a fine of \$250,000, full restitution, and one year of supervised release when he is sentenced on June 29, 2007.

According to court documents, Kroeger owned and operated Pet Express, Inc., an Internet-based pet food supply company. For the tax years 1998 through 2003, Kroeger falsely claimed entitlement to refunds of federal income tax withholding that he knew had not been paid by Pet Express during those years. Kroeger pled guilty to filing a false 2002 federal tax return claiming tax withheld of \$114,086, while he knew the correct amount to be \$3,563. Kroeger's false tax returns for 1998 through 2003 resulted in a total tax loss of greater than \$400,000.

Kroeger has agreed to repay \$394,654 to the Internal Revenue Service, and \$75,756 to the Virginia Department of Taxation. As part of his plea agreement, Kroeger also is required to file true and correct tax returns for the years 1998 through 2005.

This case was investigated by Internal Revenue Service Criminal Investigation. Assistant United States Attorney Daniel Grooms prosecuted the case on behalf of the United States.

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