



Department of Justice

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SIX BIRMINGHAM AREA RESIDENTS

CHARGED IN TAX FRAUD SCHEME

BIRMINGHAM, AL - An elaborate scheme to file false Income Tax Returns has resulted in the indictment of six Birmingham area residents and charges of conspiracy, filing false claims, bank fraud, and witness tampering. The indictment, filed January 31, 2007, was unsealed today at a hearing where the Government advised the court that the scheme involved the filing of 121 false income returns which resulted in approximately \$700,000 in loss to BankOne and the U.S. Government. The individuals and charges are set out below:

AL MORTON, JR., 37, of Birmingham, Alabama,
CHERYL HARRELL, age 39, of Midfield, Alabama,
QUESHAWNDRAND RANDOLPH, 29, of Birmingham, Alabama,
ALTEAGO HOPSON, 30, currently incarcerated on unrelated charges,
PEARLINE BLOXOM, 25, of Birmingham, Alabama, and
KATISHA BROWN, 39, of Tarrant, Alabama,

Each person named is charged with one count of conspiracy to file false claims and commit bank fraud, fifteen counts of filing false claims, and fourteen counts of bank fraud. MORTON is also charged with one count of witness tampering.

Additionally, the indictment seeks criminal forfeiture from each of the defendants of property or cash derived from the violations charged in the indictment.

“Federal law provides serious penalties for filing false tax forms,” said U.S. Attorney Alice H. Martin. “People who engage in tax fraud schemes can expect to face criminal prosecution.”

According to the indictment filed in U.S. District Court, MORTON purchased and operated a Taxx Enterprises franchise located on Forestdale Boulevard in Birmingham. From January 2002 until May 2002, the listed defendants caused the preparation and filing of false, fictitious and fraudulent tax returns in their own names and in the names of others they recruited. The indictment charges that the defendants caused these returns to be filed with the Internal Revenue Service, and also submitted to Bank One, a federally insured financial institution, for the purpose of acquiring Refund Anticipation Loans. The indictment further charges that the defendants then obtained the proceeds of these Refund Anticipation Loans, giving a small portion to the individuals they recruited to file the false, fictitious and fraudulent returns, and dividing the remainder among themselves.

MORTON is charged with one count of witness tampering. According to the indictment, on October 7, 2003, he

engaged in misleading conduct toward QUESHAWNDRA RANDOLPH by instructing her to make false statements to investigators regarding MORTON's involvement in the conspiracy.

The penalty for Conspiracy is imprisonment for not more than 5 years, or a fine of not more than \$250,000, or both. The penalty for filing false claims is imprisonment for not more than 5 years, or a fine of not more than \$250,000, or both. The penalty for bank fraud is imprisonment for not more than 30 years, or a fine of not more than \$1,000,000, or both. The penalty for witness tampering is imprisonment for not more than 10 years, or a fine of not more than \$250,000, or both.

MORTON had an initial appearance before a Magistrate Judge this morning in U.S. District Court, and has been released on strict bond conditions. One of those conditions prohibits MORTON from preparing and filing income returns on behalf of others.

"As we near the heart of tax season, this indictment serves as a timely message that IRS Criminal Investigation is there to vigorously investigate those individuals who violate our tax laws," states Rebecca A. Sparkman, Special Agent in Charge, Internal Revenue Service Criminal Investigations, Atlanta Field Division.

Special Agents from the Internal Revenue Criminal Investigations Division investigated this matter. Assistant United States Attorney William C. Athanas is prosecuting this matter on behalf of the U.S. Government.

Members of the public are reminded that an indictment contains only charges. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

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