

The United States Attorney's Office

District of Massachusetts

Press Releases

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SEVEN CHARGED WITH TAX VIOLATIONS

BOSTON, MA - Seven individuals have been charged with various federal tax violations, including tax evasion and making false statements to IRS Agents, announced United States Attorney Michael J. Sullivan and Douglas A. Bricker, Special Agent in Charge of the U.S. Internal Revenue Service (IRS), Criminal Investigation in New England.

"On the eve of the nation's tax filing deadline we want to remind the public of their duty as citizens to pay their taxes," commented U.S. Attorney Sullivan. "We all must share in the responsibility of supporting the operation of our government and all the public programs that it supports. The U.S. Attorney's Office will continue to work with the IRS and other investigative agencies to aggressively investigate and prosecute those who illegally seek to avoid their duty as taxpayers."

"The prosecution of individuals who intentionally conceal income and evade taxes is a vital element in maintaining public confidence in our tax system," commented Douglas Bricker, IRS Special Agent in Charge. "These cases serve as examples that there are consequences for violating the law and those who cheat will be investigated by the IRS and brought to Justice."

The following individuals were charged today:

PAMELA CIAMPI, 49, of Lynnfield, Massachusetts, was charged in a three-count Information with two counts of tax evasion and one count of making a false statement to SOMWBA, the agency that administers the disadvantaged business set aside program on behalf of the U.S. Department of Transportation. It is alleged that CIAMPI embezzled money from her demolition company, PT Corporation, and tried to hide that money from the IRS. According to the Information, she failed to pay over \$250,000 in taxes to the IRS. It is also alleged that she submitted a false tax return to SOMWBA during the process of being recertified as a disadvantaged business entity. Such certification allows companies to qualify for set asides in public works contracts. If convicted, CIAMPI faces 5 years imprisonment and \$250,000 in fines on each count. The investigation was conducted by the IRS, the U.S. Department of Transportation's Office of Inspector General, and the U.S. Department of Labor's Office of Inspector General, Office of Labor Racketeering and Fraud Investigations.

MICHAEL R. THORPE, 60, of 452 Longley Road, Groton, Massachusetts was charged in an eight-count Information with wire fraud, filing false tax returns, and aiding in the preparation of false tax returns. The Information alleges that between 2000 and 2003, THORPE skimmed over \$1 million from various clients of Payroll Express, a payroll service company that THORPE ran in Chelmsford, Massachusetts. According to the Information, clients had given Payroll Express the funds to pay their quarterly employment taxes to the IRS. But instead of paying the IRS, THORPE took the money for himself, using some to finance another business he operated. It is alleged that THORPE filed documents with the IRS falsely representing that the clients' quarterly employment taxes had been paid in full. THORPE is also charged with under-reporting his income on his own tax returns by concealing the funds he had taken from clients. If convicted, THORPE faces up to 20 years imprisonment on the wire fraud charge, 3 years imprisonment on the tax charges, and a \$ 250,000 fine on each charge. The case was investigated by the IRS.

SHARON O. STOUT, 33, of 358 Watertown Street, Newton, Massachusetts, was charged in a four-count Indictment with three counts of filing false claims for tax refunds and one count of

making false statements to IRS Agents in the course of a criminal tax investigation. The Indictment alleges that for tax years 2001 through 2003, STOUT fraudulently obtained "refunds" from the IRS using fraudulent W-2 forms which showed large amounts of income tax withholdings from a defunct business that she owned, Stout Enterprises. In actuality, STOUT had not earned wages from that business and the business had not made any federal tax withholding payments to the IRS on her behalf. The Indictment further alleges that STOUT filed a fraudulent W-2 form which grossly overstated the amount of federal taxes that had been withheld from her paycheck from her employment with The Gap, Inc. Altogether, STOUT claimed approximately \$50,000 in illegitimate tax refunds. The Indictment further alleges that STOUT lied to agents from the IRS when questioned about the refunds. If convicted, STOUT faces up to 5 years imprisonment and a \$250,000 fine on both charges. The case was investigated by the IRS.

ROBERT E. MADDEN, 49, of 136 Nokomis Road, in Hingham, Massachusetts, was charged in a three-count Information with filing false individual U.S. income tax returns from 2000 until 2002. According to the Information, MADDEN, owned and operated a company called All-American Deleading, Inc., which provided deleading services and replaced windows in residential homes. It is alleged that MADDEN cashed checks made payable to the company and diverted the cash for his own personal use. The Information further alleges that MADDEN then failed to declare these cash receipts as income on his personal tax returns. If convicted, MADDEN faces up to 3 years imprisonment. The case was investigated by the IRS.

Also earlier this week two others were charged in tax-related cases:

On Wednesday, April 11, 2007, ANNEMARIE PAGLIA, 41, of 16 Governor Peabody Road, Billerica, Massachusetts, was charged in an Indictment with 10 counts of Uttering Forged Securities and 5 counts of Filing False Tax Returns. The Indictment alleges that from October 2001 until December 2005, when her scheme was discovered, PAGLIA worked as the bookkeeper for a swimming pool design and building company, Andrews Gunite Co., Inc. The Indictment alleges that over that 5 year period, PAGLIA stole 49 checks from the company, forged signatures on the checks and made them payable to herself in amounts ranging from \$1,500 to \$8,000. The Indictment further alleges that PAGLIA failed to report the embezzled funds, totaling approximately \$226,700, on her tax returns for 2001 through 2005. If convicted, PAGLIA faces up to 10 years imprisonment on the Forged Securities charges, and up to 3 years in prison on the Filing a False Tax Return charges. The case was investigated by the IRS.

Also on Wednesday, April 11, 2007, GERALD COULSTRING, 46, of 90 Star Street, Whitman, Massachusetts, was charged in a two-count Information with evading taxes in 2002. The Information alleges that at least as early as 1998, COULSTRING, the owner of Jerico Concrete Cutting, Inc., in Hanson, Massachusetts, took customers' payments, cashed them at a check cashing business in South Boston, and diverted the cash for his own personal use. According to the Information, COULSTRING diverted over \$600,000 in company receipts in this manner. The information further alleges that COULSTRING did not report the cashed checks, either on his personal income tax returns or on Jerico's corporate tax returns. If convicted, COULSTRING faces up to 5 years imprisonment and a \$ 250,000 fine on each of the charges. The investigation was conducted by the IRS.

On Tuesday, April 10, 2007, JOSEPH MCDOWELL, 54, of 583 Roosevelt Avenue, Springfield, Massachusetts, was charged in an Indictment with five counts of Filing a False Income Tax Return. The Indictment alleges that MCDOWELL failed to report approximately \$180,000 in gross income from his private construction business for the tax reporting years 2000 though 2004. If convicted, MCDOWELL faces up to 3 years imprisonment. The case was investigated by the IRS and the FBI.

Additionally another individual, ODENI MORENO, pleaded guilty on Tuesday, April 10, 2007, to fifteen counts of Aiding and Assisting in the Preparation of False Tax Returns. MORENO owned and operated a Peabody, Massachusetts tax preparation business, "Logico, Inc.," that served primarily working-class native Spanish speaking clients. MORENO admitted that at times between at least April 2001 and February 2004, she prepared tax returns for her clients that contained various inflated or baseless claims for deductions and education credits. The most commonly-recurring false deductions MORENO claimed on her clients' behalf were Schedule A deductions for "other taxes" – i.e. not income, real estate, or personal property taxes; "gifts to

charity"; "unreimbursed employee expenses," such as job travel, meals, and entertainment; and other miscellaneous expenses, such as investment fees. The effect of such deductions was to falsely diminish the clients' tax liability. In some instances MORENO claimed education credits on behalf of clients who were not enrolled in any type of educational program. MORENO did not review completed returns with her clients and most of the clients signed their returns without reading them. Many of the clients were unaware of the manner in which MORENO generated their refunds and those that were aware of the specific deductions being claimed believed the deductions to be legitimate. MORENO is scheduled to be sentenced on July 17, 2007 and faces a maximum sentence of 3 years in prison on each of the counts. The case was investigated by the IRS.

The details contained in the Informations and Indictments are allegations. The defendants are presumed to be innocent unless or until proven guilty beyond a reasonable doubt in a court of law.

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