



**U.S. Department of Justice**

***United States Attorney  
Eastern District of Arkansas***

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**RUSSELLVILLE SALESMAN PLEADS GUILTY TO TAX EVASION**

**LITTLE ROCK** – Jane W. Duke, United States Attorney for the Eastern District of Arkansas announced that Leroy Muncy, 56, of Russellville, Arkansas, pled guilty Friday, January 8, 2010, before United States District Judge Brian S. Miller to a single count of income tax evasion for tax year 2004. Muncy faces a maximum penalty of 5 years in prison and a fine of \$250,000 and will be sentenced later at a date to be determined by the court.

According to a Criminal Information filed at the plea hearing, Muncy received income as a commissioned wholesale tire salesman. The information states that Muncy utilized various methods, including shell entities and abusive trusts, to prevent withholding by his employer and detection by the IRS. He willfully refused to file his tax return in an attempt to evade and defeat the individual income tax that would have been due and owing that year.

According to the plea agreement, Muncy agreed that the tax loss to the United States for the relevant years is approximately \$155,000. Muncy did not dispute during the hearing that he had transferred some of his assets, including his home, into the names of other individuals and that he had become involved with and influenced by various anti-government and anti-tax promoters. During this period of time he was earning approximately \$200,000 per year as a salesman.

This investigation was conducted by the Internal Revenue Service Criminal Investigation Division.

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