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PRESS RELEASE

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Maryland Man Convicted of Embezzling More Than \$500,000 From District of Columbia Church - He Used Church Money to Buy Cars, Diamond Ring, Sports Tickets and Other Luxuries

WASHINGTON – Jason Todd Reynolds, 40, has been convicted by a jury of federal charges stemming from his embezzling more than \$500,000 from a church in the District of Columbia where he worked as the chief financial officer.

The verdict was returned late August 15, 2011 and announced by U.S. Attorney Ronald C. Machen Jr., David Beach, Special Agent in Charge of the Washington Field Office of the U.S. Secret Service, and Jeannine A. Hammett, Acting Special Agent in Charge of the Washington Field Office of the Internal Revenue Service-Criminal Investigation.

Reynolds, of Bowie, Maryland, was convicted of a total of 12 counts following a trial in the U.S. District Court for the District of Columbia. The charges included one count each of wire fraud, bank fraud, making a false statement on a loan application, and fraud in the first degree, as well as four counts each of aggravated identity theft and tax evasion. The Honorable Gladys Kessler scheduled sentencing for November 4, 2011. Under federal sentencing guidelines, Reynolds could face a likely range of 70 to 87 months of incarceration.

Following the verdict, Judge Kessler ordered that Reynolds be detained pending sentencing.

According to evidence introduced at trial, Reynolds was hired by the National City Christian Church in 2001 and later became its Chief Financial Officer. Reynolds had control over the church's bank accounts, credit cards, and checks. He also was responsible for conducting "reconciliation" of the church's accounts. Using his position of trust, between 2003 and 2008, Reynolds used various means to defraud the church.

For example, Reynolds handwrote himself numerous unauthorized checks in addition to his biweekly salary. He paid his home mortgage and personal credit card from church bank accounts. Reynolds also misused his church credit card to make numerous luxury purchases,

including the purchase of three cars (a Lexus SUV, a Range Rover, and a Nissan Maxima), a \$12,000 diamond ring, a deck/porch addition to his home, high-end furniture including a projection-screen home theater and leather seating, numerous vacations at four-star accommodations, and sports tickets, including courtside season tickets to the Washington Wizards basketball games.

A conservative assessment put the defendant's embezzlement from the National City Christian Church at more than \$500,000. In 2007 alone, Reynolds took more than \$145,000 in unauthorized payments and benefits. In certain instances, Reynolds took donations to the church, as well as rent payments from charities leasing space at the church, and directly converted those payments to his own use.

In addition to the theft, the evidence showed that Reynolds evaded taxes, not reporting any of the income he embezzled from the Church and failing to pay any taxes on it. In addition, to hide his embezzlement and re-fill the church's accounts, Reynolds forged a false corporate resolution using the names of various church officers purporting to authorize him to obtain a \$450,000 line of credit. He immediately withdrew the full amount of that loan, leaving the National City Christian Church with an enormous debt of which it was unaware – until the loan came due after the defendant's termination.

“The hard-working men and women of the National City Christian Church trusted that their offerings would be used to further the work of the church. Mr. Reynolds abused that trust,” said U.S. Attorney Machen. “While serving as the church's financial officer, he devised a scheme to rob the collection plate to pay for his luxury vehicles and four-star vacations. In a little less than three hours, a jury of his peers found him guilty for his fraudulent conduct and now he will be held accountable.”

“The role of IRS-Criminal Investigation becomes even more important in embezzlement and fraud cases like this one due to the complex financial transactions that can take time to unravel,” said Acting Special Agent in Charge Hammett. “Federal tax laws are normally violated in these cases and as we often see, the victims are not only the taxpayers, but also the individuals and entities who suffer the financial harm.”

In announcing the verdicts, U.S. Attorney Machen, Special Agent in Charge Beach and Acting Special Agent in Charge Hammett commended the work of Special Agent Melissa Blake of the U.S. Secret Service and Special Agent Michael Helgesen of the IRS, who investigated the case. They also acknowledged the work of Revenue Agent Tammy Barker of the IRS, who analyzed the tax loss from the defendant's unreported income, and Detective Martin Hoffmaster of the Alexandria, Virginia Police Department, who conducted a forensic analysis of Reynolds's computer. In addition, they commended the work of Paralegal Specialists Tasha Harris and Sarah Reis and Assistant U.S. Attorneys Jonathan Hooks and Jonathan Haray, who investigated and tried the case.