



Department of Justice

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**AS APRIL 15 TAX DEADLINE APPROACHES,
MORE FEDERAL PROSECUTIONS SEND MESSAGE
THAT TAX FRAUD CAN MEAN PRISON TIME**

Three More Cases Indicted This Week By Federal Grand Jury

Atlanta, GA - The United States Attorney's Office today announced that more tax-related fraud cases are being pursued by IRS investigators and federal prosecutors, and three more tax-related cases were indicted within the past few days by a federal grand jury as the tax filing deadline approaches.

United States Attorney David E. Nahmias said today that "The April 15th deadline should not serve as a temptation to cheat on taxes, for either taxpayers or tax preparers. There are millions of Americans who comply honestly and conscientiously with the laws regarding the preparation and filing of their income tax returns, and the ones who cheat take money away from everyone who pays his or her share. The IRS and other federal investigative agencies are also on the lookout for related fraud, and taxpayers need to know that you—not your tax preparer—are ultimately responsible for the information that goes on your tax return."

IRS Criminal Investigations Special Agent In Charge Rebecca Sparkman said, "IRS Criminal Investigation investigates tax fraud year round - not only at tax time. Those taxpayers who might be thinking about cheating should think twice or suffer the consequences."

In Washington D.C., Assistant Attorney General of the Tax Division Nathan J. Hochman said, "American citizenship starts from a simple equation, that with the privileges this country bestows upon its citizens come concomitant responsibilities and obligations. One of those central obligations is to file a truthful tax return every year and pay any taxes owed. Honest and law-abiding taxpayers should know that the Justice Department and the IRS intend to insure that everyone pays their fair share of taxes by vigorously prosecuting those who prepare fraudulent returns and promote bogus tax schemes as well as those dishonest taxpayers who try to forsake their legal obligations to the detriment of the general public."

Recent tax cases prosecuted in this district include the following:

JERRY LAHR, 64, formerly of Duluth, Georgia, and now of Hurst, Texas, and JACQUELINE DEMER, 49, of Gainesville, Georgia, were indicted this week by a federal grand jury in Atlanta on charges of conspiracy to impede the IRS in assessing the collection of LAHR's federal income taxes. LAHR and DEMER allegedly used nominee entities ("shell companies") to conceal income and assets, and allegedly passed fictitious obligations (fake bonds). They face a maximum prison term of 25 years and a fine of up to \$250,000, as well as full restitution. Both were arraigned before United States Magistrate Judges yesterday.

DANIEL EDWARD TURNER, 42, of Cumming, Georgia, was also indicted this week by a federal grand jury in Atlanta on charges of corruptly interfering and submitting fictitious obligations for payment on behalf of him and his spouse to the IRS. According to the indictment, TURNER allegedly paid fees to an organization called "American Rights Litigators" ("ARL") in exchange for his use of ARL's fraudulent tax schemes, and allegedly attempted to conceal his true income from the IRS. TURNER was arraigned before a United States Magistrate in Gainesville yesterday.

MAURICE DELMAR EDWARDS, 49, of Columbus, Georgia, formerly of Atlanta, was also indicted this week by a federal grand jury in Atlanta on charges of tax evasion and failure to file his federal income tax returns since 1994. The indictment also charges that between 2001 -2004 alone, EDWARDS allegedly earned income of over \$423,972. EDWARDS is scheduled for arraignment on April 18, 2008, before a United States Magistrate in Atlanta.

MAJALAI WISDOM, 49, of Riverdale, Georgia, pleaded guilty on April 8, 2008, to a charge of conspiracy to submit false claims. During the 2003 and 2004 tax years, WISDOM, a tax preparer, ran a scheme by which she fraudulently inflated tax refunds for her customers by creating and using false W-2 forms that indicated the customers worked for employers for whom they did not really work. She also intentionally submitted incorrect salary and withholding figures, falsely claiming HOPE Educational Learning Credit and Earned Income Tax Credits, and claimed dependents for customers who were not related to the dependents listed on the returns. She collected her fees from refunds or refund-advance loans procured by her customers. A co-conspirator in that scheme, WYSHAWN LANDERS, 24, of College Park, Georgia, pleaded guilty to related charges on February 4, 2008. WISDOM and LANDERS both face up to 10 years in federal prison.

ALBERT GLASS, 49, of Marble Hill, Georgia, pleaded guilty on March 24, 2008 to charges of assisting in preparation and presentation of fraudulent federal tax returns. During the 2001, 2002, and 2003 tax-filing seasons, GLASS ran a tax-return-preparation business out of his home in Marble Hill, Georgia, and during that time he knowingly

prepared returns for various taxpayers that contained materially false information, such as incorrect filing statuses and false or inflated Schedule A itemized deductions. He faces up to 3 years in federal prison.

ROBERT MERICKLE, 59, of Dawsonville, Georgia was sentenced to one year in prison on tax evasion charges on March 21, 2008. MERICKLE owned a pool construction company called "Blue Haven Pools" and skimmed over \$500,000 from his company in unreported cash and by falsifying personal expenses and business expenses.

GREGORY CAMPION, 43, of Orlando, Florida, pleaded guilty on March 12, 2008 to filing false statements on tax returns. At the time of the false filings, he was Special Agent with the U.S. Drug Enforcement Administration, and he failed to report over \$200,000 in cash he deposited in his bank accounts. CAMPION has also agreed not to contest a finding that he obtained this money as a result of other illegal conduct. He is facing up to 3 years in federal prison and has resigned from DEA.

SHERRY PEEL JACKSON, 45, of Stone Mountain, Georgia, a former IRS Revenue Agent, was sentenced on February 14, 2008 to four years in federal prison, to be followed by one year of supervised release, and was taken into custody immediately after sentencing. JACKSON was convicted by a federal jury on October 30, 2007, after a two-day trial on four counts of failure to file her individual tax returns for the years 2000 to 2003. Beginning in 2000, JACKSON operated a tax preparation business and continued to prepare, submit and file individual tax returns for her clients. For the next three years, however, JACKSON intentionally did not file her own tax returns, despite an income of over \$400,000 during that time period.

ONESSIMUS GOVEREH, 28, of Stone Mountain, Georgia, was convicted by a federal jury on January 16, 2008, on 14 counts of filing false personal income tax returns using the one-time Telephone Excise Tax Credit (TETR) solely available for the 2006 tax year. Designed to refund telephone excise taxes (statutorily limited to 3% of billed services) paid for long distance and bundled telephone services between February 2003 and August 2006, the TETR credit is also refundable, meaning that, after negating taxes owed, any excess credit is refunded to the taxpayer. GOVEREH, operating under the name Kingdom Tax Service, filed 107 personal income tax returns in January and February of 2007 that included more than \$460,000 in false TETR credits, fraudulently inflating the refunds claimed on these returns to more than \$750,000. GOVEREH extracted between \$500-\$800 per return in preparer fees and also forced his taxpayer clients to split the fraudulent refunds paid by the IRS with him. He faces up to 10 years in federal prison.

LAREDO MICHAEL SIMPSON, 42, of Lithonia, Georgia, was sentenced on November 20, 2007, to 3 years, 5 months in prison on charges of filing false claims with the IRS. SIMPSON was indicted on 21 counts of filing the false claims using fictitious

W-2 Forms, resulting in a tax loss totaling \$104,073.

JERRY MARCHELLETTA, SR., 74, JERRY MARCHELLETTA, JR., 41, and TERRI KOTTWITZ, 49, all of Alpharetta, Georgia, were convicted by a federal jury in October 2007 on charges of conspiracy to defraud the IRS through the filing of fraudulent personal and corporate income tax returns and by aiding and assisting the filing of false income tax returns. The MARCHELLETTAs were father and son owners of "Circle Industries USA, Inc.," a large scale drywall contractor. The MARCHELLETTAs, aided and assisted by KOTTWITZ, Circle's controller, diverted over \$1 million in income from Circle to buy land in Alpharetta and to pay for the construction of their luxury homes. JERRY MARCHELLETTA faces a maximum sentence of 14 years in prison and a maximum fine of \$550,000. JERRY MARCHELLETTA, Sr. faces a maximum sentence of 16 years in prison and a maximum fine of \$550,000. KOTTWITZ faces a maximum sentence of 17 years in prison and a maximum fine of \$650,000. Sentencings are set for May 1, 2008.

Members of the public are reminded that indictments contain only allegations. A defendant is presumed innocent of the charges and it is the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

These cases are being investigated by Special Agents of the Internal Revenue Service, Criminal Investigation, in conjunction with other federal law enforcement agencies.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or Charysse L. Alexander, Executive Assistant U.S. Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.