



# Department of Justice

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Northern District of Georgia

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## **TAX CHEATS, DISHONEST PREPARERS, NON-FILERS FOUND GUILTY, FACE PRISON AS PROSECUTIONS CONTINUE DURING TAX SEASON**

ATLANTA, GA - United States Attorney Sally Quillian Yates, along with representatives of multiple federal investigative agencies including the Internal Revenue Service, United States Secret Service and the Treasury Inspector General for Tax Administration, today noted a series of recent federal prosecutions as part of a reminder and warning to those who may consider breaking federal tax laws during the final days of tax season. Tax cases in federal court continue; the most recent case was in court today.

Ms. Yates said of the ongoing investigations and prosecutions involving tax fraud, "Each year our federal law enforcement agencies dig through records and follow paper trails to people who thought they could get away with cheating on their taxes, or filing false claims for tax refunds. Ultimately, these crimes victimize every law-abiding, tax-paying citizen because they steal funding used to provide vital services such as education, highways and health care. Cheating on your taxes is really the same as stealing from your neighbor, your family and your friends. Don't do it."

IRS-Criminal Investigation Special Agent in Charge Reginael McDaniel said, "Individuals and businesses can violate our tax laws in any number of ways; by intentionally filing a fictitious or fraudulent tax return, by intentionally not filing a tax return at all, or by preparing false tax returns for others. As this year's filing season draws to a close, honest law-abiding citizens in the North Georgia and Atlanta area can be reassured that IRS Criminal Investigation is working diligently to investigate every method used by those who attempt to defeat our tax system."

"As the tax season comes to an end, North Georgia tax payers can rest assured that the U.S. Secret Service is working tirelessly to protect their refunds by utilizing cutting edge technology and a wealth of expertise," said Jeffrey T. Gilbert, Special Agent in Charge of the United States Secret Service, Atlanta Field Office. "To maintain the tax payer's trust in our economic system, we will continue to aggressively pursue, in conjunction with our law enforcement partners, anyone who violates this trust to the fullest extent of the law."

“When tax preparers engage in schemes to defraud taxpayers and the government, the law-abiding taxpayers’ faith in the system as well as the reputation of the entire tax preparer community are adversely affected,” said J. Russell George, the Treasury Inspector General for Tax Administration (TIGTA). TIGTA is one of the key federal agencies responsible for investigating allegations about paid tax preparers.

Earlier today in federal court, KEITH KIM, 47, of Duluth, Georgia, pleaded guilty to evading federal income taxes. KIM, a mortgage broker, willfully attempted to evade and defeat a large part of the income tax due and owed by him and his wife to the United States in 2004 by failing to report as income checks made out to his business by real estate closing attorneys. KIM is scheduled to be sentenced before United States District Judge J. Owen Forrester on July 1, 2010, at 10:30 a.m. Assistant United States Attorney Doug Gilfillan is prosecuting this case.

In other tax-related cases recently in court:

● WALTER V. MURRAY, 47, of Covington, Georgia, was sentenced on April 2, 2010, to 1 year and 1 day in federal prison and ordered to pay restitution in the amount of \$187,659 on a charge of tax evasion. He had pleaded guilty to income tax evasion in connection with willfully failing to file a personal tax return for 2006, despite having received taxable income of \$116,843 for that year. Evidence in the case showed that for the years 2001-2006, MURRAY, then a certified public accountant, underreported his taxable income in the amount of \$556,080. For the purpose of concealing his personal income from the IRS, MURRAY caused his income to be deposited directly into investment and corporate accounts, from which he paid his day-to-day personal expenses. Assistant United States Attorney David E. McClernan prosecuted the MURRAY case.

● CYNTHIA ANNETTE ELLIOTT, 44, of College Park, Georgia, was charged in a superseding indictment on March 16, 2010, in a scheme involving more than 100 “economic stimulus” checks and income tax refund checks payable to others. The indictment alleges that ELLIOTT acquired more than 100 checks belonging to others, including economic stimulus checks and income tax refund checks, with the intent to convert such checks to her own use, knowing that the checks either had been stolen from their rightful owners or had been obtained by filing false claims with the IRS. In accordance with the 2008 Economic Stimulus Act, individuals who filed a 2007 individual income tax return and met certain eligibility requirements were entitled to receive a one-time rebate or “stimulus payment” from the United States Treasury ranging from \$300 to \$1,200. Taxpayers who did not request direct deposit for their 2007 refund were supposed to receive a paper check by mail. The checks obtained by ELLIOTT, all of which were issued by the United States Treasury, had a total face value of more than \$350,000. ELLIOTT remains in custody and is awaiting trial. Assistant United States Attorney Russell Phillips is prosecuting the case.

● LINDA LINDO, 55, of Fayetteville, Georgia, pleaded guilty on March 18, 2010, to a criminal information charging her with bank fraud in connection with a scheme to defraud Wachovia Bank through the deposit of 86 income tax refund checks with a total face value of more than \$480,000. LINDO obtained the checks from CYNTHIA ANNETTE ELLIOTT and another woman who is now deceased. LINDO deposited the checks knowing that they had been obtained by filing false claims with the IRS. LINDO is expected to be sentenced on June 16, 2010, before United States District Judge Orinda D. Evans. Assistant United States Attorney Russell Phillips is prosecuting the case.

● ROBERT L. BRADDY, JR., 38, of College Park, Georgia, pleaded guilty on February 24, 2010, to federal income tax evasion charges. When BRADDY filed his 2003, 2004 and 2005 federal income tax returns, he willfully attempted to evade and defeat a large part of the income tax due and owed by him to the United States, by filing a false and fraudulent U.S. Individual Income Tax Return (Form 1040) each year. BRADDY under-reported his income by more than \$1.1 million and under-paid his income taxes by more than \$329,000. BRADDY is scheduled to be sentenced before United States District Judge William S. Duffey, Jr. on May 3, 2010. Assistant United States Attorney Russell Phillips is prosecuting the case.

● WENDELL WHITE, 40, now of Woodland Hills, California, pleaded guilty on January 29, 2010, to a criminal information charging him with underreporting income on his 2003 joint federal income tax return. When WHITE filed the tax return in 2004, he lived in Atlanta, Georgia. On that tax return, WHITE listed his total income as \$32,814, although he admitted in court that his actual total income was substantially more than the amount he reported. The amount of the underreporting, as well as WHITE'S sentence, will be determined by the court when a sentencing date is set for WHITE, before United States District Judge William S. Duffey, Jr. Assistant United States Attorney Chris Bly is prosecuting the case.

● MICHAEL ROMEO ST. ROMAIN, 35, and BRIAN ALDRICH DUPREE, 36, both of Atlanta, Georgia, were indicted by a federal grand jury on March 2, 2010, on charges of conspiring to defraud the United States by filing false claims for federal income tax refunds, and filing false federal income tax returns. The indictment charges that ST. ROMAIN and DUPREE conspired to file false income tax returns in other people's names. Without those person's knowledge, ROMAIN and DUPREE fraudulently obtained refunds directly deposited into their own bank accounts. ST. ROMAIN and DUPREE were arraigned on March 12, 2010, and await trial before United States District Judge J. Owen Forrester, with no date yet set. Assistant United States Attorney Chris Bly is prosecuting the case.

The penalties in tax-related cases carry potentially severe sentences, as well as restitution, penalties and interest. By statute, the maximum sentence for each count of tax evasion is 5 years in federal prison and a fine of up to \$250,000. The maximum sentence

for failing to file a return, or filing a fraudulent return is 5 years in federal prison and a fine of up to \$250,000; if failing to file a return is charged as a misdemeanor, the maximum sentence is 1 year in federal prison and a fine of up to \$100,000. The maximum sentence for filing false claims is 5 years in federal prison and a fine of up to \$250,000.

For further information please contact Sally Q. Yates, United States Attorney, or Charysse L. Alexander, Executive Assistant United States 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](http://www.usdoj.gov/usao/gan).