



Department of Justice

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GUILTY PLEAS IN MILLION DOLLAR TAX FRAUD SCHEME

Conspirators Submitted Over 100 False Returns on Behalf of Others

ATLANTA, GA - JAMIL FLOWERS, 31, of Las Vegas, Nevada, pleaded guilty today in federal district court to conspiracy to defraud the government with respect to tax claims. Two co-defendants in the case, RICO LAMPKIN, 27, of Atlanta, Georgia, and JASON STOUDEMIRE, 26, of Houston, Texas, previously pleaded guilty to the same charge on April 1, 2010, and March 1, 2010, respectively.

“Submitting false tax returns does not pay,” said United States Attorney Sally Quillian Yates. “These defendants recruited others — friends, family, acquaintances — and submitted false tax returns on their behalf, ultimately seeking over a million dollars in fraudulent refunds.”

IRS-Criminal Investigation Special Agent in Charge Reginael McDaniel said, “Egregious actions by individuals which result in a large number of false tax returns being submitted to the United States Treasury for their personal profit will be vigorously investigated by IRS Criminal Investigation. Even one false tax return is one too many.”

According to United States Attorney Yates, the charges and other information presented in court: FLOWERS, LAMPKIN and STOUDEMIRE submitted over 100 fraudulent tax returns, claiming over \$1 million in public funds in only a four month period from June through October 2004. Using word of mouth and recruiting people around their neighborhoods, FLOWERS, LAMPKIN and STOUDEMIRE worked together to obtain social security numbers and other information from people who typically earned insufficient income to submit tax returns. They then filed federal returns for those people which included false income and withholding information. Many of the false returns included a fraudulent 1099-R form, representing that the taxpayer had received pension income from the U.S. Railroad Retirement Board, and had substantial amounts withheld from these payments, to justify thousands of dollars in tax refunds.

Refunds were issued based on the fraudulent information, but those funds were not deposited into the taxpayers’ accounts. FLOWERS, LAMPKIN and STOUDEMIRE

recruited others to open bank accounts where the funds were deposited. FLOWERS, LAMPKIN and STOUEMIRE directed the withdrawal of the fraudulent refunds from these accounts, and kept the vast majority of the proceeds for themselves.

FLOWERS, LAMPKIN and STOUEMIRE were indicted on the charges on June 16, 2009. FLOWERS was charged with one count of conspiracy to defraud the government, ten counts of false claims to the Internal Revenue Service, and three counts of making false and fraudulent statements to the IRS. LAMPKIN and STOUEMIRE were each charged with one count of conspiracy to defraud the government and nine counts of false claims to the IRS.

FLOWERS, LAMPKIN and STOUEMIRE pleaded guilty to conspiracy, and each could receive a maximum sentence of up to ten years in prison and a fine of up to \$250,000. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Sentencing for FLOWERS is scheduled for June 16, 2010 at 2:00 p.m. Sentencing for LAMPKIN is scheduled for June 16, 2010, at 11:00 a.m. Sentencing for STOUEMIRE is scheduled for June 16, 2010, at 2:45 p.m., all before United States District Judge Charles A. Pannell.

This case is being investigated by Special Agents of the Internal Revenue Service-Criminal Investigation.

Assistant United States Attorney Lawrence R. Sommerfeld is prosecuting the case.

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.justice.gov/usao/gan.