



Department of Justice

United States Attorney Sally Quillian Yates
Northern District of Georgia

FOR IMMEDIATE RELEASE

06/25/10

<http://www.justice.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

TWO SENTENCED 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, and JASON STOUDEMIRE, 26, of Houston, Texas, were sentenced to federal prison today by United States District Judge Charles A. Pannell for their roles in a million-dollar tax fraud scheme.

“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, seeking together over a million dollars of fraudulent refunds. Not only will these defendants have to pay back the fraudulent gains, they have to pay the taxes, penalties, and perhaps the greatest penalty of being confined in a federal prison.”

“Return preparer fraud is like a contagious disease, it affects not only the preparers, but the individuals who have false returns filed in their names, with Internal Revenue Service.” stated Reginael McDaniel, Special Agent in Charge, IRS-Criminal Investigation Atlanta Field Office. “It is our hope that today's sentence will send a strong message that tampering with the integrity of our nation's tax system can result in jail time.”

FLOWERS was sentenced to 4 years, 3 months in prison to be followed by 3 years of supervised release, and ordered to pay restitution of \$1,002,451. FLOWERS pleaded guilty to the charges on April 13, 2010.

STOUDEMIRE was sentenced to 2 years in prison to be followed by 3 years of supervised release, and ordered to pay restitution of \$1,002,451. STOUDEMIRE pleaded guilty to the charges on March 1, 2010.

According to United States Attorney Yates, the charges and other information presented in court: FLOWERS and STOUDEMIRE began the scheme by working together to obtain social security numbers and other information from people who

typically earned insufficient income to submit tax returns. They filed federal returns on these people's behalf which included false income and withholding information. In particular, 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 so as to justify thousands of dollars of tax refunds.

The fraudulent refunds were not deposited into the taxpayers' accounts but instead, FLOWERS and STOUDEMIRE recruited others to open bank accounts where the two defendants directed the deposit of the fraudulent refunds, and kept the vast majority of the proceeds for themselves. The investigation showed that FLOWERS and STOUDEMIRE submitted over 100 fraudulent tax returns, claiming over \$1 million of public funds in a four-month period from June through October 2004.

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

Assistant United States Attorney Lawrence R. Sommerfeld prosecuted 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.