



Department of Justice

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TAX
(202) 514-2007
TDD (202) 514-1888

OHIO ATTORNEY PLEADS GUILTY TO MAKING FALSE STATEMENT

WASHINGTON - George Z. Pappas, an attorney in Urbana, Ohio pleaded guilty today to a charge of making a false statement to the government, the Justice Department and Internal Revenue Service (IRS) announced. Pappas was charged with the offense on December 23, 2009, the same day the Indictment of a colleague of his, Aristototele R. Matsa, was unsealed by the government. Pappas' guilty plea was accepted by Judge Edmund A. Sargus of the United States District Court.

The indictment against Matsa, which was returned on December 22, 2009, was unsealed upon Matsa's arrest. Matsa was charged with fifteen counts of aiding and assisting in the preparation of false and fraudulent tax returns that related to five different trusts; one count of willfully failing to file a report of foreign bank and financial accounts; one count of conspiracy to commit obstruction of justice; one count of witness tampering; one count of submitting a false statement; and one count of obstruction of justice.

Pappas admitted today that he testified falsely to a federal grand jury investigating Matsa and Matsa's law firm by stating that the law firm was his and always had been. In addition, he admitted that he made false statements to federal agents while being interviewed during the investigation concerning the ownership of the firm. In addition, he admitted that he signed and submitted a letter to the Justice Department which made similar false statements about his ownership of Matsa's law firm and the clients of the firm. The law firm has done business in the Short North area since 1987, according to the Indictment. According to the indictment against Matsa and the plea agreement of Pappas, the law firm was known as The Law Offices of Aristotle R. Matsa from 1987 until 2004, when the name was changed to The Law Offices of George Z. Pappas. Pappas admitted today that the name was changed in order to defeat efforts by attorneys to subpoena financial records of Matsa and the law firm during Matsa's contentious divorce proceedings.

Pappas faces a maximum sentence of 5 years in prison, a \$250,000 fine, and 3 years of supervised release.

The case is being prosecuted by Justice Department Tax Division trial attorneys Richard M. Rolwing and Jorge Almonte. The case was investigated by the IRS, Criminal Investigation Division.

Additional information about the Justice Department's Tax Division and its enforcement efforts may be found at <http://www.usdoj.gov/tax/>. Additional information about tax fraud schemes to watch out for may be found on the IRS Criminal Investigation Web site at <http://www.ustreas.gov/irs/ci>.