



U.S. Department of Justice

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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IRB Supervisor and Owner of JC Security Services Indicted in Tax Conspiracy

St. Thomas, USVI - Nealia F. Sprauve, a supervisor with the Virgin Islands Internal Revenue Bureau, and Joseph L. Clendinen, Sr. were arraigned today in District Court on St. Thomas on local criminal charges of conspiring to evade taxes, announced United States Attorney Ronald W. Sharpe and Rhonda A. Diffenbach, Acting Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division (IRS-CID).

A federal grand jury returned a nine-count indictment on June 2, 2011, charging Sprauve and Clendinen with conspiracy to evade taxes. In addition, Sprauve is charged with three counts of fraud by an Internal Revenue Bureau employee for creating and signing three tax clearance letters, which falsely stated that Clendinen was current in the filing and payment of his tax obligations. Sprauve is also charged with two counts of fraud by an IRB employee for date stamping but failing to file Clendinen's 2007 and 2008 income tax returns. Clendinen is charged with three counts of attempting to evade taxes in 2006, 2007 and 2008.

Sprauve is employed on St. John as a supervisor for the IRB. Clendinen owns JC Security Services, which has a contract with the Virgin Islands Port Authority to provide security services at St. Thomas and St. John ports of entry.

According to the indictment, Sprauve used her position with IRB to conceal the true tax obligation of Clendinen and provide Clendinen with false tax clearance letters in order for his company to obtain a *Watchmen, Guard, or Patrol Agency* license from the Virgin Islands Police Department in his efforts to retain the Virgin Islands Port Authority security contract. According to the indictment, Sprauve also used her position with IRB to assist Clendinen in failing to file monthly gross receipts tax returns and pay gross receipts taxes, and prevent IRB from discovering that Clendinen had failed to file personal income tax returns, gross receipts tax returns, and pay gross receipts taxes.

If convicted, Sprauve and Clendinen each face a maximum statutory penalty of up to 5 years imprisonment for each of the charges.

This case is being investigated by IRS-CID and IRB Criminal Investigation Division. This case is being prosecuted by Assistant U.S. Attorney Kelly Lake.

An indictment is merely a formal charging document and is not evidence of guilt. Every defendant is presumed innocent unless and until proven guilty.