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**BALTIMORE BUSINESS OWNER PLEADS GUILTY
TO FILING A FALSE TAX RETURN**

Baltimore, Maryland - Stilianos (Stan) Mavroulis, age 64, of Baltimore, pleaded guilty today to filing a false individual income tax return, in connection with a six year scheme to file false individual tax returns, announced United States Attorney for the District of Maryland Rod J. Rosenstein. His trial was scheduled to begin today.

"Stan Mavroulis took money from his family business and used it for personal purposes without reporting it as income," said U.S. Attorney Rod J. Rosenstein. "Business owners who fail to pay income taxes cheat honest taxpayers and gain an unfair advantage over their competitors."

"IRS-Criminal Investigation is committed to aggressively pursuing those taxpayers who intentionally conceal income and willfully file false tax returns," stated C. Andre' Martin, Internal Revenue Service-Criminal Investigation Special Agent in Charge. "We should not expect the honest taxpayer to foot the bill for those who hide income from the IRS."

According to his plea agreement, Mavroulis owned Fidelity Home Mortgage Corporation (FHMC), headquartered in Baltimore, and referred to himself as the company's president and/or chief executive officer. FHMC was a mortgage brokerage business. For each of the years from 1998 to 2002, FHMC tax returns reported negative retained earnings, despite the fact that the company's financial statements showed retained earnings of hundreds of thousands, and for some years, millions of dollars. The tax returns were also inconsistent with representations Mavroulis made about his income on personal financial statements and on at least two credit card applications that Mavroulis filled out, in which he claimed annual income of \$100,000. The tax returns for those same years showed either no wages or lesser income.

Additionally, each year between 1998 and 2003, a portion of the amounts reported as business deductions on the company tax returns improperly included personal expenses of Mavroulis and his family. Among others, FHMC deducted as business expenses: more than \$22,000 in tuition payments to a private high school attended by one of his children; more than \$25,000 in insurance premiums paid on personal automobile insurance policies; and at least approximately \$22,000 in expenses he and his family incurred on a trip to Greece in 2002. These and other improper deductions fraudulently reduced the gross profit of FHMC and led to understatements on Mavroulis's personal tax forms with respect to the income he received from FHMC.

Finally, Mavroulis also caused FHMC to pay his children who worked at FHMC "under the table," to avoid paying personal income taxes on the income they received from 1998 to 2002, and to underreport the children's earnings on W-2 forms issued to the children for the tax year 2003.

The government contends that Mavroulis failed to report approximately \$1,682,326.05 in income on his personal tax forms for 1998 through 2003, and understated the amount of tax due by at least approximately \$471,000 during those same tax years. Mavroulis contends that the amounts of unreported income for 1998 through 2003 and additional tax due are lower. The amount of tax loss will be determined by the court at the sentencing hearing.

Mavroulis faces a maximum sentence of three years in prison and a \$100,000 fine. U.S. District Judge Richard D. Bennett scheduled sentencing for April 17, 2009 at 2:00 p.m.

Stan Mavroulis's son, Kyriakos (Kirk) Mavroulis, age 26, of Baltimore, worked as head of the company's accounting department, functioning as its chief financial officer. Kirk Mavroulis pleaded guilty on January 22, 2009 to failing to file an individual tax return and is scheduled to be sentenced on April 9, 2009 at 4:00 p.m.

United States Attorney Rod J. Rosenstein thanked the Internal Revenue Service - Criminal Investigation for their investigative work and the U.S. Department of Housing and Urban Development, Office of Inspector General, for their assistance. Mr. Rosenstein commended Assistant United States Attorneys Stephen M. Schenning and Jonathan Biran, who are prosecuting the case.

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