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FORMER BANK MANAGER SENTENCED TO OVER 6 YEARS IN PRISON
IN D.C. PROPERTY TAX REFUND FRAUD SCHEME

Deposited Almost \$18 Million in Fraudulently Obtained D.C. Government
Checks
and Received Over \$366,000 in Cash for His Assistance

Greenbelt, Maryland - U.S. District Judge Alexander Williams, Jr. sentenced Walter Jones, age 34, of Essex, Maryland, today to 78 months in prison, followed by three years of supervised release for conspiracy to commit money laundering in connection with a property tax refund scheme in which over \$48 million were stolen from the District of Columbia Office of Tax and Revenue, announced United States Attorney for the District of Maryland Rod J. Rosenstein and U.S. Attorney for the District of Columbia Jeffrey A. Taylor. Judge Williams also ordered that Walter Jones pay restitution of \$17,941,817.30

"This case dramatically illustrates the importance of banks as gatekeepers to our financial system," said U.S. Attorney Rod J. Rosenstein. "Honest bank employees identify and report suspicious transactions. Corrupt bank officials facilitate criminal activity and undermine the integrity of our banking system."

According to his plea agreement, Jones was employed by a bank, first as a banking center service manager, and then as an assistant manager. Jones met Harriette Walters in 1994 or 1995 when she was a bank customer. They became friends and Harriette Walters gave Jones monetary gifts of approximately \$1,000 per gift, for assisting with her banking transactions.

At the request of Harriette Walters and other co-conspirators, between 2000 and 2006 Jones deposited 61 fraudulently obtained District of Columbia government checks totaling \$17,941,817.30. Individual checks ranged in amounts from approximately \$71,777 to \$490,000. On several occasions, Harriette Walters called Jones to tell him that someone would be arriving at the bank with a District of Columbia government check and provided Jones with instructions as to how the proceeds of the checks should be distributed. Jones also distributed the proceeds of the checks according to the instructions of other co-conspirators, including Jayrece Turnbull, Ricardo Walters, Richard Walters, Connie Alexander and Samuel Pope. For example, in October 2006 Jones prepared 15 cashier's checks payable to other co-conspirators or businesses at the direction of Richard Walters, who had deposited a \$460,000 District of Columbia government check at the bank.

Jones received cash gifts, including gifts of \$25,000, \$50,000 and \$100,000, from co-conspirators in exchange for processing these fraudulent checks. In all, Jones received a total of at least \$366,000 for his assistance in the scheme.

Harriette M. Walters, age 52, of Washington, D.C., pleaded guilty in the U.S. District Court for the District of Columbia and faces a maximum sentence of 20 years in prison for wire fraud and money laundering conspiracy; 10 years for District of Columbia tax evasion; five years for federal tax evasion; and an order to pay restitution in the amount of \$48,115,419.09. U.S. District Judge for the District of Columbia Emmet G. Sullivan has scheduled her sentencing for March 25, 2009 at 11:00 a.m. Alethia O. Grooms, age 52, of Clinton, Maryland and Samuel Earl Pope, age 61, of Washington, D.C. also pleaded guilty to their participation in the scheme. Judge Sullivan scheduled their sentencing for February 24 and 26, 2009.

Jayrece Turnbull, age 34, of Bowie, Maryland, who is Harriette Walters' niece, pleaded guilty in the U.S. District Court for the District of Maryland in Greenbelt, to her participation in this tax refund scheme in which she deposited over \$24 million in fraudulently obtained government checks into accounts she controlled. She faces a maximum sentence of 10 years in prison for receipt of stolen property; 20 years in prison and a fine of \$500,000 or twice the value of the transactions involved, whichever is greater, for conspiracy to commit money laundering; 30 years for mail fraud; and five years and a fine of \$250,000 or twice the gain or loss, whichever is greater, for tax evasion. Judge Williams has scheduled her sentencing for February 4, 2009 at 9:30 a.m.

Judge Williams sentenced Ricardo R. Walters, age 33, of Ft. Washington, Maryland, on July 23, 2008 to 78 months in prison for receipt of stolen property and conspiracy to commit money laundering, and ordered Ricardo Walters to pay \$4,205,318 in restitution. Judge Williams sentenced Richard Walters, age 49, of Bowie, Maryland, who is Harriette Walters' brother, on November 4, 2008 to 51 months in prison for receipt of stolen property and conspiracy to commit money laundering, and ordered Richard Walters to pay \$4,900,199 in restitution. On December 8, 2008, Judge Williams sentenced former IRS employee Robert O. Steven, age 55, of Edgewater, Maryland, to 46 months in prison, and his wife Patricia A. Steven, age 73, of Harwood, Maryland, to 70 months in prison, for receipt of stolen property and conspiracy to commit money laundering in connection with the scheme and ordered that each pay \$8,833,310.32, and, in order to satisfy such money judgment, to forfeit three Jaguar cars, two residences, jewelry and monies held in four bank accounts. On December 11, 2008, Marilyn Yoon, age 40, of Derwood, Maryland, was sentenced to a year and a day in prison for possession of property obtained by fraud and Judge Williams also ordered that Yoon pay restitution of \$526,130.

Connie Alexander, age 53, of Bowie, Maryland has also pleaded guilty to participating in the scheme and faces a maximum sentence of 10 years in prison for receipt of stolen property and 20 years in prison for conspiracy to commit money laundering at her sentencing scheduled by Judge Williams for February 12, 2009.

United States Attorneys Rod J. Rosenstein and Jeffrey A. Taylor thanked the Federal Bureau of Investigation; the Internal Revenue Service - Criminal Investigation; the Inspector General's Office for the District of Columbia; the District of Columbia Office of Tax and Revenue, Criminal Investigation Division; the Treasury Inspector General for Tax Administration; and the District of Columbia Office of the Chief Financial Officer, Office of Integrity and Oversight for their investigative work. Mr. Rosenstein commended Assistant United States Attorneys Jonathan Su and Deborah Johnston from the District of Maryland and Assistant United States Attorneys Timothy Lynch and David Johnson from the District of Columbia, who are prosecuting the case.

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