



## U.S. Department of Justice

*United States Attorney  
Northern District of New York*

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*100 South Clinton Street*

*Room 900; P.O. Box 7198  
Syracuse, New York 13261-7198  
(315) 448-0672*

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### News Release

Acting United States Attorney Andrew T. Baxter and Special Agent in Charge Patricia J. Haynes of the Internal Revenue Service, Criminal Investigation, announced a conviction in a tax fraud/perjury case following a jury trial in Syracuse, New York. Earlier this week, a federal jury found RICHARD R. MURTAUGH, age 66, of Central Square, New York, guilty of two counts of tax evasion and four counts of subscribing to false corporate and individual federal income tax returns for tax years 2003 and 2004. In addition, the jury found co-defendants JEWEL (KIDDER) GILBERT, age 40, of Pierrepont Manor, NY and KAYE MASON, age 54, of Mexico, NY guilty of perjury related to their testimony before a federal grand jury in the case. MURTAUGH faces a maximum sentence of 22 years in prison, and GILBERT and MASON each face a maximum term of 5 years in prison. All of the defendants are scheduled to be sentenced by Senior United States District Judge Frederick J. Scullin, Jr. on June 23rd, 2009.

RICHARD R. MURTAUGH was the president of a business known as "Murtaugh Recycling" and "Crosby Hill Auto Recycling" (hereinafter "Murtaugh Recycling"). Murtaugh Recycling had scrap metal yards in Fulton, NY and Rome, NY, where it purchased and stored scrap metal and junk automobiles from individuals and resold them to larger scrap metal processors for profit. In addition, Murtaugh Recycling owned and rented commercial property in Pierrepont Manor, NY and Defendant Murtaugh owned and rented residential property in West Monroe, NY. Evidence presented at trial demonstrated that MURTAUGH failed to report more than \$300,000 of income from scrap metal sales and rental payments on his personal U.S. Income Tax returns for the years 2003 and 2004, and evaded more than \$108,000 in taxes. In addition, the proof at trial established that MURTAUGH deliberately falsified the individual and business tax returns in 2003 and 2004.

JEWEL (KIDDER) GILBERT is one of RICHARD MURTAUGH's daughters. Evidence presented at trial proved that GILBERT knowingly made a false declaration under oath when testifying before a federal grand jury investigating whether her father had committed tax evasion. Specifically, the jury concluded that GILBERT knowingly made false declarations concerning whether her father had deposited business checks into his personal bank account.

Evidence presented during the trial also showed that KAYE MASON knowingly made a false declaration under oath when testifying before a federal grand jury investigating whether RICHARD MURTAUGH had committed tax evasion. Specifically, the jury concluded that MASON knowingly made a false declaration when she testified that she did not know if MURTAUGH ever made bank deposits.

This prosecution resulted from an investigation conducted by the Syracuse, NY office of the Internal Revenue Service, Criminal Investigation Division. The case was prosecuted by Assistant United States Attorney Steven D Clymer.