

The United States Attorney's Office

Eastern District of North Carolina

FOR IMMEDIATE RELEASE:

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DISHONEST TAX RETURN NETS WILMINGTON MAN PRISON TIME

NEW BERN - United States Attorney George E.B. Holding announced that in federal court on June 5, 2009, Chief United States District Judge Louise W. Flanagan, sentenced **MARK KENNETH SMITH**, 41, of Wilmington, North Carolina, to one year and one day imprisonment followed by three years supervised release. The Court also imposed restitution in the amount of \$207,222.

A Federal Grand Jury returned a Criminal Indictment on July 30, 2008. On December 4, 2008, **SMITH** pled guilty to making and subscribing to a false tax return.

For the tax year 2001, **SMITH** reported his annual earnings as \$47,473.12 and failed to provide Form W-2 as supporting documentation. However, it was learned during the course of the investigation that **SMITH** had earnings in excess of \$248,000 for that year.

Mr. Holding commented, ***"Those that fail to provide honest annual tax returns increase the burden and responsibility on those who honestly comply with federal tax laws. Prosecutions and sentences as in this case, promote respect for and compliance with our tax system. And, my office will continue to work with the IRS to find and prosecute substantial tax offenders."***

Special Agent in Charge for the IRS-CI, Jeannine A. Hammett, stated *"It is important that honest, taxpaying citizens know that IRS-CI is working diligently to ensure they are not bearing the burden of someone else's tax liability. IRS-CI will aggressively pursue tax fraud where ever it is identified."*

Investigation of the case was conducted by the Internal Revenue Service-Criminal Investigations. Assistant United States Attorney Thomas Murphy served as prosecutor for the government

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