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RETIRED IRS AGENT SENTENCED IN TAX FRAUD CASE

WICHITA, KAN. – **Thomas W. Steelman**, 72, Blue Springs, Mo., has been sentenced to 46 months in federal prison for his part in a tax fraud scheme by a defunct Topeka firm called Renaissance, the Tax People. Steelman also was ordered to pay more than \$10.6 million in restitution to the Internal Revenue Service.

In April 2002, Steelman pleaded guilty to one count of conspiracy to defraud the Internal Revenue Service and to commit wire fraud and mail fraud, and nine counts of preparing fraudulent federal income tax returns. In his plea, Steelman admitted he used the fact he was a retired Internal Revenue Service agent to overcome objections and questions about a tax program Renaissance offered its clients.

Steelman took part in promotional meetings, conferences, rallies and telephone conference calls to promote Renaissance's services and recruit clients. He was a featured speaker on the company's promotional videotapes. He and other conspirators encouraged Renaissance's clients to claim excessively high Form W-4 exemptions. When speaking to prospective clients, he falsely represented that numerous experts had reviewed the program and found no problems with it. Throughout 1998, 1999, and 2000 he prepared federal income tax returns fraudulently overstating clients' losses and converting personal expenses into business deductions.

Welch commended the Internal Revenue Service, the U.S. Postal Inspection Service, U.S. Department of Justice Tax Division Trial Attorney Charles A. O'Reilly, and Assistant U.S. Attorney Scott Rask for their work on the case.

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