



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

MATT J. WHITWORTH

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

www.usdoj.gov/usao/mow/index.html

DECEMBER 21, 2009
FOR IMMEDIATE RELEASE

SPRINGFIELD ACCOUNTANT INDICTED FOR FRAUD, TAX EVASION

SPRINGFIELD, Mo. – Matt J. Whitworth, United States Attorney for the Western District of Missouri, announced today that a Springfield, Mo., accountant and tax preparer has been indicted by a federal grand jury for misappropriating trust fund proceeds and tax evasion, including failing to report the illegal income to the IRS.

Murphy M. Hubbard, 63, of Springfield, was charged in an 11-count indictment returned under seal by a federal grand jury on Wednesday, Dec. 16, 2009. That indictment was unsealed and made public today upon **Hubbard's** arrest and initial court appearance.

Hubbard was an accountant and tax preparer who operated various businesses, including The Hubbard Group, an accounting and financial practice located in Springfield. The federal indictment charges **Hubbard** with six counts of mail fraud and five counts of tax evasion.

According to the indictment, **Hubbard** obtained power of attorney over the assets of long-term client Hazel Beatrice Hirst and, in August 2001, became the sole trustee of the Hazel Beatrice S. Hirst Trust. The trust contained all of Hirst's assets and designated four charities as the beneficiaries: The Family Violence Center of Springfield, the American Heart Association, the American Lung Association and the Lions Eye Bank of Springfield. From the time of Hirst's death in December 2001 until 2006, **Hubbard** allegedly appropriated substantial amounts of money from the trust for his own personal benefit, rather than making trust distributions to the designated beneficiaries. The four charities did not receive any distributions from the trust.

According to the indictment, **Hubbard** was appointed the sole trustee of the Noel C. Rummens Educational Trust, a trust created by the family of Rummens following his death, which contained settlement proceeds stemming from that death. As trustee, **Hubbard** was directed to invest the money contained in the trust to pay future educational expenses incurred by Rummens' surviving children, nieces and nephews. From 1998 to 2009, **Hubbard** allegedly appropriated substantial amounts of money from the Rummens Trust for his own personal benefit.

The indictment alleges that **Hubbard** created a nominee company called The Business Group International, Ltd., in 2002. From 2002 to 2004, **Hubbard** allegedly placed assets and income into The Business Group (including funds transferred from the Hirst Trust and Rummens Trust). The indictment

alleges that **Hubbard** sought to evade paying income tax, in part, by directing funds to The Business Group.

The indictment charges **Hubbard** with five counts of tax evasion. For tax years 2002 through 2006, **Hubbard** allegedly filed fraudulent tax returns that misstated his taxable income and amount of tax due.

Whitworth cautioned that the charges contained in this indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case is being prosecuted by Trial Attorneys Mitchell Bober and Michael Boteler of the U.S. Department of Justice Tax Division. It was investigated by IRS-Criminal Investigation.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

<http://www.justice.gov/usao/mow/index.html>