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MARCIA MURPHY at 410-209-4885****March 12, 2010****FOR IMMEDIATE RELEASE**<http://www.usdoj.gov/usao/md>

IRS REVENUE OFFICER CHARGED IN FRAUDULENT TAX SHELTER CONSPIRACY**IRS Employee Allegedly Served as "Man on the Inside" Helping to
Promote Fraudulent Scheme****To Reduce Clients Taxes Caused Over \$1.2 million in Bogus Losses
Submitted to the IRS**

Greenbelt, Maryland - A federal grand jury has indicted Irvin Hannis Catlett, Jr., age 63, of Potomac, Maryland; Walter Cullum, Jr., age 36, of Columbia, Maryland; Mark E. Hunt, age 44, of Baltimore; and James Unterreiner II, age 33, of Bowie, Maryland, for charges related to a wide-ranging tax evasion scheme. The indictment was returned on March 10, 2010 and unsealed late yesterday upon the arrest of Catlett and Hunt.

The indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Acting Assistant Attorney General John A. DiCicco; and Special Agent in Charge C. André Martin of the Internal Revenue Service - Criminal Investigation.

"The indictment alleges that the 'tax shelter' scheme was a fraud, and that the conspirators paid an IRS employee to meet with customers as part of the scheme," said U.S. Attorney Rod J. Rosenstein. "People who want to reduce their taxes should seek reliable and independent advice and avoid con artists selling magical schemes that are too good to be true."

"The IRS and Department of Justice are working vigorously to stop abusive tax schemes whose activities unfairly shift the tax burden to honest American taxpayers," stated C. André Martin, Internal Revenue Service-Criminal Investigation Special Agent in Charge, Washington DC Field Office. "The Special Agents of IRS-Criminal Investigation are committed to protecting the integrity of our system of taxation by investigating individuals who violate these laws."

According to the 13 count indictment, Catlett operated Tax Resolutions, Inc. and held out Motors Holding Company, Inc., Motors Holding Company II through VI, Inc., and Rentown, Inc., (the tax shelter entities) as operating businesses involved in automobile

leasing and sales. The indictment alleges that Catlett, Cullum, Unterreiner and others knew that these entities were neither engaged in automobile leasing and sales, nor in any other legitimate, profit-making business. As part of the scheme, the defendants worked in concert to market to Tax Resolutions, Inc. clients the opportunity to purchase purported "investments" in the tax shelter entities. The indictment alleges that these investments were payments to Catlett for the purchase of bogus tax losses, purportedly generated by the tax shelter entities' automobile leasing operations. Catlett, Cullum, Unterreiner and others prepared fraudulent tax returns for their clients which included the fictitious business losses, thereby reducing the amount of taxable income and total tax reported by the clients and resulting in the clients falsely claiming refunds from the IRS.

The indictment further alleges that Catlett paid Hunt, an IRS Revenue Officer, in return for providing Catlett with IRS taxpayer information on Tax Resolutions, Inc. clients and for allowing Catlett to introduce Hunt to clients and potential clients as Catlett's "man on the inside" of the IRS, in order to assure them that the tax returns prepared by Tax Resolutions, Inc., would not be the subject of adverse IRS actions. Hunt allegedly displayed his IRS Revenue Officer credentials in order to assure certain clients and associates of Catlett that he was an IRS employee.

As part of the scheme, the indictment alleges that Catlett, Cullum and others supplied clients of Tax Resolutions, Inc., with copies of stock certificates to assure the clients of the legitimacy of their investment in the tax shelter, or to be shown to the IRS as proof of their investment in the event of an audit. Catlett, Cullum and others also provided clients with fraudulent IRS schedules on which were reported the clients' portions of the fictitious business losses purportedly incurred by the tax shelter entities. The indictment alleges that Catlett, Cullum, Unterreiner and others prepared certain Tax Resolutions, Inc., client tax returns by first determining each client's tax without the tax shelter loss and then adding to the return a fictitious loss from a tax shelter entity, which was large enough to reduce to zero the client's tax due.

The defendants all face a maximum sentence of five years in prison for conspiracy to defraud the IRS. Catlett faces a maximum sentence of three years in prison on each of 10 counts of aiding and assisting in the preparation of false tax documents. Catlett and Hunt also face a maximum of three years in prison for obstructing Internal Revenue laws, in connection with Catlett's payments to Hunt in return for tax information and for Hunt representing himself as Catlett's "man on the inside" to clients and prospective clients. Finally, Hunt faces a maximum of five years in prison for making a false statement to an IRS Special Agent when he denied ever accessing a taxpayer's account other than for official business. Catlett and Hunt had their initial

appearance in U.S. District Court in Greenbelt late yesterday. No court appearance has been scheduled for James Cullum and Walter Unterreiner.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

United States Attorney Rod J. Rosenstein thanked Assistant United States Attorney Steven Dunne and Trial Attorney Daren H. Firestone of the Department of Justice Tax Division, who are prosecuting the case.

[HOME](#)