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NEWS



Lawrence Physician, Author Convicted On Tax Evasion Charges

March 28, 2014

FOR IMMEDIATE RELEASE

KANSAS CITY, KAN. —A federal jury today convicted a Lawrence physician and author of tax evasion, U.S. Attorney Barry Grissom said.

Mary C. Vernon, 61, Lawrence, Kan., was convicted on five counts of tax evasion. Vernon, who practiced in Lawrence and Shawnee, specialized in treating obesity. She authored a book with the late Dr. Robert Atkins titled, "Atkins Diabetes Revolution." She also provided medical services and served as medical director for a number of nursing homes.

During trial, prosecutors presented evidence that she earned approximately \$588,686 for services she provided in 2003 and 2004 to Atkins Nutritionals, Inc., a company that sold weight loss programs and products. From 2005 to 2008 she earned an additional \$190,000 to promote Dr. Atkins' nutritional theories.

From 1999 to 2007, the Internal Revenue Service attempted to collect taxes, interest and penalties that Vernon owed and failed to pay from 1991 through 2005. The IRS collected approximately \$2 million in taxes, interest and penalties through levies and seizures.

In 2003, Vernon hired an attorney to create a corporation called Rockledge Medical Services. During trial, prosecutors presented evidence that Rockledge Medical Services was a sham corporation that Vernon used to avoid paying taxes.

She evaded paying incomes taxes for 2004, 2005, 2006, 2007 and 2008.

Sentencing will be set for a later date. She faces a maximum penalty of five years in federal prison and a fine up to \$250,000 on each count.

Grissom commended the Internal Revenue Service, Matthew J. Kluge, Trial Attorney with the U.S. Department of Justice, Tax Division, and Assistant U.S. Attorney Chris Oakley for their work on the case.

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