



Department of Justice

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**Former Piedmont Jail Supervisor Found Guilty of Conspiracy,
False Tax Returns, and Bank Fraud**

RICHMOND, Va. – William A. Coles, Jr., 49, of Pamplin, Va., was convicted by a federal jury today on seven counts involving conspiracy with his wife, Sybil Coles, to defraud the United States, assisting in the preparation and filing of false tax returns, and bank fraud. Coles faces a maximum penalty of 48 years of incarceration when he is sentenced by United States District Judge Henry E. Hudson on August 21, 2014.

Dana J. Boente, United States Attorney for the Eastern District of Virginia; Mark R. Herring, Attorney General of Virginia; Thomas J. Kelly, Special Agent in Charge, IRS Criminal Investigation, Washington D.C. Field Office; and Kathryn Keneally, Assistant Attorney General of the Justice Department's Tax Division, made the announcement after the verdict was announced.

The indictment alleged that William Coles and his wife, who was sentenced on May 12, 2014, in a related case to five years' imprisonment, engaged in a false tax return conspiracy from at least 2008 through 2012. At trial, several of William Coles' co-workers at the Piedmont Regional Jail testified that Coles claimed his wife knew of secret law enforcement loopholes to get larger tax refunds and took their tax documents and collected fees for his wife to prepare false tax returns unbeknownst to his co-workers.

The evidence at trial also showed that William and Sybil Coles electronically deposited checks generated from fraudulent federal and State of Virginia returns filed on their behalf and on behalf of numerous other individuals, along with thousands of dollars in United States currency, into student bank accounts in the name of their college-age daughter. The Coles spent this money on personal living expenses, including mortgage and car loan payments and family vacations. William Coles was interviewed by Special Agents with the Internal Revenue Service Criminal Investigation and failed to disclose the use of the multiple bank accounts where tax refunds and cash were deposited, but admitted that he knew his wife was filing false tax returns and that he had solicited clients from the Jail.

In addition, the trial evidence included multiple sworn claims by William Coles of

inflated income and corroborating false documents, including false W-2s and paystubs for him and his wife, that were submitted to the Bank of America and finance companies to obtain a home refinance loan and two car loans.

The case is being prosecuted by Department of Justice, Tax Division Trial Attorney and Special Assistant United States Attorney, Rebecca Perlmutter, and Assistant Attorney General and Special Assistant United States Attorney Michael Jagels. IRS-Criminal Investigation in Richmond, Virginia investigated the case.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.

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