



U. S. Department of Justice

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PRESS RELEASE

UTAH RESIDENTS CHARGED WITH CONSPIRACY TO DEFRAUD THE UNITED STATES

SALT LAKE CITY – A federal grand jury in Salt Lake City returned an indictment Wednesday afternoon charging Stephen and Patricia Murphy with conspiracy to defraud the United States and three counts of presenting false claims to the United States. The indictment was announced by Utah U.S. Attorney Carlie Christensen and John A. DiCicco, Principal Deputy Assistant Attorney General for the U.S. Department of Justice's Tax Division.

According to the indictment, Stephen and Patricia Murphy lived in Utah, Texas, and Nevada at various times. They worked for numerous employers and received income in the form of wages and commissions. During 2009, in addition to receiving payments from employers, they both received taxable unemployment benefits from the Utah Department of Workforce Services.

The indictment alleges that Stephen and Patricia Murphy used bank accounts in the name of The Belcro Group and The Belcro Media Ministry to deposit payments from employers and to pay for personal expenses to impede the IRS from assessing and collecting tax due and to conceal ownership and control of funds. According to the indictment, the Murphys also filed numerous false individual income tax returns (Forms 1040) with the Internal Revenue Service (IRS) and submitted Forms W-4 to employers claiming they were exempt from tax. The indictment also charges the Murphys with filing false individual income tax returns for 2007, 2008, and 2009, in an attempt to obtain fraudulent refunds from the United States.

An indictment is not a finding of guilt. Individuals charged in indictments are presumed innocent until proven guilty beyond a reasonable doubt. If convicted, each defendant faces a maximum of 20 years in prison.

The case is being investigated by IRS-Criminal Investigation and is being prosecuted by Assistant U.S. Attorney Stewart Walz in the Utah U.S. Attorney's Office and by Tax Division Trial Attorneys Jennifer Laraia and Kimberly Shartar.

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