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**LAUREL COUPLE SENTENCED TO PRISON FOR FAILING TO PAY OVER \$312,000
IN TAXES ON THEIR CONSTRUCTION COMPANY INCOME**

Made Personal Expenditures from Corporate Funds to Conceal Income

Baltimore, Maryland - U.S. District Judge Marvin J. Garbis sentenced Ronald Dean Bateson, age 53, and his wife, Cynthia Bateson, age 51, both of Laurel, Maryland, today to 15 months and 18 months in prison, respectively, followed by three years of supervised release, for tax evasion. Judge Garbis also ordered the Batesons to pay restitution of \$312,104.

The sentences were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Principal Deputy Assistant Attorney General John A. DiCicco of the U.S. Department of Justice Tax Division; and Acting Special Agent in Charge Eric C. Hylton of the Internal Revenue Service - Criminal Investigation (IRS-CI), Washington, D.C. Field Office.

“Ronald and Cynthia Bateson failed to file tax returns for five years, attempting to evade the payment of taxes on over \$1.4 million of income from their construction business,” stated U.S. Attorney Rod J. Rosenstein. “Businesses that cheat on their taxes gain an unfair advantage over honest business.”

“To build faith in our nation’s tax system, honest taxpayers need to be reassured that everyone is paying their fair share,” said Acting IRS Special Agent in Charge Eric Hylton. “The IRS-Criminal Investigation, together with the Department of Justice, will investigate and prosecute those who violate our tax system.”

According to their plea agreements, Ronald and Cynthia Bateson owned a construction company called Bateson Construction, Inc. (Bateson Construction) located in Columbia, Maryland. Bateson Construction was a frequent subcontractor on major commercial construction projects. They also owned a construction company called Bateson Construction Carolina, LLC (Bateson Construction Carolina).

The Batesons admitted that they failed to file tax returns and evaded the payment of taxes

totaling \$312,104 for tax years 2003 through 2007. For the tax years 2003 - 2005, when the defendants were operating Bateson Construction, they concealed their personal income by making personal expenditures directly from business accounts. For example, the Batesons used funds from business accounts to purchase property in Oklahoma and materials for their home construction in Oklahoma. They also used corporate funds to pay Bateson Construction employees for work on their Oklahoma house. The Batesons also charged personal expenditures to their corporate credit cards and paid the charges with corporate funds. By doing this, the Batesons made it difficult to determine their true personal income and made personal expenses appear to be business expenses.

The Batesons' gross income for tax years 2003 through 2007 was \$1,401,076, and total tax due was \$312,453.

United States Attorney Rod J. Rosenstein thanked IRS-CI for its work in the investigation and commended Assistant United States Attorney Joyce K. McDonald and Trial Attorney Daren H. Firestone of the Justice Department's Tax Division, who prosecuted the case.