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NEWS



## Husband And Wife Plead Guilty To Charges Relating To A \$3.7 Million Advance Fee Scheme And Tax Evasion

*Developed Relationships with Religious Groups as Part of the Scam*

FOR IMMEDIATE RELEASE

June 6, 2014

Greenbelt, Maryland - Husband and wife Shannon and Yvette Johnson, ages 50 and 52, respectively, of Laytonsville, Maryland, and Corona, California, pleaded guilty to charges in connection with a fraudulent advance fee scheme and tax evasion. Yvette's guilty plea was today and Shannon pleaded guilty on June 2, 2014.

The guilty pleas were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Acting Assistant Attorney General Tamara W. Ashford of the U.S. Department of Justice Tax Division; Special Agent in Charge Thomas J. Kelly of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office; and Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation.

"Fraud schemes cause tremendous financial damage to everyone, especially members of our community. Engaging in an advance fee scheme and under reporting taxable income is unlawful and honest law abiding citizens are fed up with the likes of those motivated merely by greed," said Thomas J. Kelly, Special Agent in Charge, IRS Criminal Investigation, Washington D.C. Field Office. "IRS Criminal Investigation welcomes opportunities to assist the Department of Justice and their law enforcement partners with dismantling fraud schemes such as this and enforcing the nation's tax laws."

Shannon Johnson admitted that he ran a fraudulent advance fee scheme from 2006 to 2009. Shannon Johnson held himself out as a wealthy international investment banker who could provide millions of dollars and euros in financing to businesses and individuals. In return for substantial advance banking fees, the Johnsons promised to provide investors with money which they claimed they held in an overseas bank account. Shannon Johnson provided these businesses and investors with false documents purporting to be from the overseas bank to authenticate the funds, and developed relationships with pastors, ministers, and religious-based organizations to sell themselves as philanthropists on a humanitarian mission. Shannon Johnson received payments and gifts from pastors and ministers who believed substantial donations would be made to their churches. Businesses and individuals wired and mailed the advance fees to multiple bank accounts controlled by the Johnsons in different states. Yvette Johnson opened bank accounts and conducted financial transactions using proceeds obtained from the Johnsons' business activities.

According to his plea agreement, despite receiving approximately \$3.7 million in advance fees from individuals and businesses, Shannon Johnson never provided the promised financing. Instead, the Johnsons used the money to support their lifestyle, which the indictment alleges included the purchase of Bentley, Mercedes Benz and BMW automobiles, the leasing of a \$3.5 million residence in California for \$18,000 a month, travel on private jets and the funding of the mortgage on their Laytonsville residence. Johnson admitted that he obtained \$3.7 million by victimizing at least 11 individuals and businesses.

According to their plea agreements, the Johnsons also evaded taxes on the millions in income earned from the advance fee scheme. The Johnsons admitted that they filed individual tax returns for the tax years 1998 through 2001 using false W-2s to fraudulently generate a total of \$66,097 in refund claims, evaded the payment of their 2002 through 2006 corporate and individual taxes totaling \$98,220, and evaded the assessment of their 2007 through 2009 taxes. The Johnsons attempted to conceal their income and assets from the IRS by selling assets in their own names, titling assets in the names of nominees, using multiple bank accounts in three states to disperse and conceal income, using nominees and fraudulent taxpayer

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identification numbers to open and maintain bank accounts, and by using multiple business names to conduct business.

Shannon Johnson and the government have agreed that if the Court accepts his plea, he will be sentenced to between four and six years in prison for conspiracy to commit wire, mail fraud, and tax evasion. Yvette Johnson faces a maximum of five years in prison for tax evasion. Shannon Johnson is detained. His bail was revoked in September, 2013, after the Court found that there was probable cause to believe that he attempted to commit another fraud while on pre-trial release for the pending charges in this case. Chief U.S. District Judge Deborah K. Chasanow has scheduled sentencing for Shannon Johnson on September 8, 2014 at 11:30 a.m. and for Yvette Johnson on September 29, 2014 at 9:30 a.m.

As part of his plea agreement, Shannon Johnson will be required to forfeit at least \$3.7 million. As a special condition of their supervised release, Shannon and Yvette Johnson will both be required to cooperate with the IRS in determining all taxes owed for tax years 2002 through 2009, and to pay the IRS all additional taxes, interest and penalties.

United States Attorney Rod J. Rosenstein commended the IRS Criminal Investigation and FBI for their work in the investigation. Mr. Rosenstein thanked Assistant Chief John N. Kane of the U.S. Justice Department, Tax Division and Assistant United States Attorney Thomas Sullivan, who are prosecuting the case.

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## DISTRICT of MARYLAND

36 S. Charles Street 4th Floor, Baltimore, MD 21201

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