



# Department of Justice

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## **DAUGHTER & MOTHER PLEAD GUILTY TO FRAUD CHARGES**

Gainesville, GA -MAYKIE BLEVINS, 29, and her mother, MOLLY A. SMITH, 50, both of Lula, Georgia, have pleaded guilty in federal district court to tax-related fraud charges. BLEVINS pleaded guilty today to tax fraud. SMITH pleaded guilty on February 27, 2008, to program fraud and tax fraud.

United States Attorney David E. Nahmias said of the case, "Taxpayers placed a significant amount of trust in Molly Smith. Her business was responsible for seeking reimbursement to day care centers for meals served to children from low income families. Instead of performing this important work in an honest way, she chose to violate the trust given to her by repeatedly altering documents and submitting false information to the North Carolina Department of Health and Human Services in order to receive excess funds. She then took those monies for herself and her daughter, Maykie Blevins."

IRS Charlotte Field Office Acting Special Agent in Charge Reginael D.McDaniel said, "Blevins and Smiths' greed motivated them to defraud the IRS, the North Carolina Department of Health and Human Services and their clients. Those who choose to commit fraud will not be allowed to profit from their crimes."

According to Nahmias, and the information presented in court: "Georgia Nutrition Program, Inc." (GNP), is a non-profit corporation, located in Lula, Georgia. GNP was in the business of sponsoring day care centers in North Carolina and Georgia. It was the responsibility of GNP to apply for funds, paid by the federal government, to reimburse day care centers for meals served to children from low income families. MOLLY A. SMITH, the head of GNP, altered certain applications and submitted false information to the North Carolina Department of Health and Human Services in order to receive more than \$775,000 in United States Department of Agriculture funds, which were deposited into the account of GNP. SMITH then wrote a substantial amount of checks from GNP's accounts payable to herself, her husband, and her daughter, MAYKIE BLEVINS. These checks were deposited into the personal accounts of SMITH and BLEVINS and used to purchase property, jewelry, home improvements, and expensive vehicles. SMITH then provided copies of these checks to her CPA after they were altered to make it appear that the checks had been written for expenses of GNP, specifically as payments made to the

day care centers that GNP sponsored. Thus, the money the defendants received was not recorded as income to SMITH or BLEVINS on their respective federal income tax returns.

SMITH pleaded guilty on February 27, 2008, to a two count Criminal Information charging her with one count of program fraud and one count of tax fraud. She could receive a maximum sentence of five years in prison for each count, and a fine of up to \$250,000 for the program fraud count and up to \$100,000 for the tax fraud count. BLEVINS pleaded guilty today to a one count Criminal Information charging her with tax fraud. She could receive a maximum sentence of five years in prison and a fine of up to \$100,000.

Sentencing for both will take place before United States District Judge William C. O'Kelley. A date has not yet been set.

This case is being investigated by Special Agents of the Internal Revenue Service and United States Department of Agriculture.

Assistant United States Attorney Glenn D. Baker is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).