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NEWS RELEASE

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GIRLFRIEND OF DRUG DEALER PLEADS GUILTY TO TAX FRAUD

Woman Claimed Boyfriend as a Dependent on Tax Returns While He Was Really in Federal Prison

SACRAMENTO—United States Attorney McGregor W. Scott announced today that OLIVIA K. McCORMICK, 47, of Sacramento, pleaded guilty today to filing a fraudulent tax return. The guilty plea was entered before United States Magistrate Judge Edmund F. Brennan. This case is the product of a joint investigation by the Sacramento Police Department and the IRS.

According to Assistant United States Attorneys Anne Pings and Jill Thomas, who prosecuted the case, the defendant was originally arrested in May 2006 after her boyfriend, MICHAEL SLATON, aka Michael Todd, fled from officers of the Sacramento Police Department who had arrived at McCORMICK's residence in the 8100 block of Pinefield Drive, Sacramento, to execute a search warrant. After leading the police on a high-speed vehicle chase, SLATON crashed his own car and eventually was running from the police on foot dropping large quantities of crack cocaine as he ran. The officers found more crack cocaine in McCORMICK's house. SLATON was sentenced on February 4, 2008 to 18 years in prison.

At the time of that arrest, SLATON had just been out of federal prison a short time after having been arrested in 1993 and sentenced to serve 14 years in federal prison. After the arrest of SLATON in May 2006, it was learned that while SLATON was in prison serving that 14-year sentence, McCORMICK had been declaring him on tax returns from 2001 to 2003 as a dependent in order to reduce her taxes. She falsely identified SLATON as her "nephew" instead of her boyfriend. During that time, McCORMICK was not providing any support for SLATON; instead during that time all of Mr. Slaton's shelter, clothing, food, medical care and other support were being provided by the United States Bureau of Prisons.

As part of her guilty plea, McCORMICK will be required to repay \$6,552 to the IRS. She is scheduled to be sentenced by Honorable Edmund F. Brennan on June 9, 2008, at 2:00 p.m. The maximum statutory penalty for a violation of this part of the tax code is one year in prison. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

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