



# Department of Justice

United States Attorney McGregor W. Scott  
Eastern District of California

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**FORMER CHIEF FINANCIAL OFFICER OF FRESNO CORPORATION INDICTED  
FOR MAIL AND TAX FRAUD**

FRESNO, Calif.—United States Attorney McGregor W. Scott announced today that JERRY L. BURNES, 64, of Clovis, Calif., was indicted today on federal mail fraud and income tax charges stemming from an embezzlement that took place while JERRY L. BURNES was the Chief Financial Officer at Lyons Magnus, Inc. in Fresno. Lyons Magnus, Inc., develops and markets food products and packaging to meet the needs of food-service customers in the United States and foreign countries.

This case is the product of an extensive investigation by the Criminal Investigation Division of the Internal Revenue Service.

According to Assistant United States Attorney Mark J. McKeon, who is prosecuting the case, the indictment alleges that BURNES misappropriated company funds of Lyons Magnus, Inc., in order to pay his personal credit card bills. BURNES obtained blank company checks and made them payable to American Express, Bank of America VISA, Bank of America MasterCard, and Chase Freedom MasterCard. The credit card charges were for BURNES's personal expenses, which included meals, lodging, cash advances, and other purchases. An internal audit at Lyons Magus, Inc., revealed that defendant BURNES misappropriated approximately \$840,000 between 1999 and 2006. In March 2006, BURNES was terminated from Lyons Magnus, Inc. He has been charged with mail fraud for this alleged embezzlement.

In addition, BURNES fraudulently failed to declare and include the income he derived from the misappropriated funds and used for his personal benefit for the years 2001 through 2005, resulting in the income tax charges.

The maximum statutory penalty for each count of mail fraud is 20 years in prison and a fine of \$250,000. The maximum statutory penalty for each count of filing a false return is three years in prison and a fine of \$250,000. 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.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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