



U.S. Department of Justice

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April 21, 2008

EVENT: Indictment

Defendant: Terry Lee

Detroit Tax Fugitive Arrested and Detained

Terry Lee, of Detroit, was arrested by the Detroit Police Department and turned over the United States Marshals, as the result of an outstanding 2006 federal arrest warrant, United States Attorney Stephen J. Murphy announced.

Mr. Murphy was joined in the announcement by Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation Division.

On April 18, 2008, Lee was arraigned on a September 2006 indictment charging her with two counts of willfully preparing false tax returns and four counts of filing false tax returns, signed under penalties of perjury, by United States District Court Magistrate Virginia M. Morgan, who also ordered her detained after the United States Attorney's Office presented arguments that she was a risk of flight.

According to court records, during 2003 through 2005, Lee knowingly prepared four false and fraudulent tax returns for other taxpayers. Lee also knowingly filed four fraudulent tax returns, which she signed under penalties of perjury. The total loss to the Internal Revenue Service was estimated to be over \$140,000. Over the past year and a half, Special Agents

with the Internal Revenue Service Criminal Investigation Division, have made several attempts to locate her, including talking to her over the phone after leaving messages with family members. During these conversations, Lee was informed that there was an outstanding warrant out for her arrest. Her transient life style made it difficult to locate her, at least, until she came in contact with the Detroit Police Department, who were able to identify her and determine that there was an outstanding federal arrest warrant issued in her name.

United States Attorney Stephen J. Murphy stated, "Helping others to prepare fraudulent tax returns is a serious violation that cheats the government and harms the taxpayer as well. Such conduct will be pursued vigorously. I commend the vigilance of the IRS in detecting this type of crime, along with the officers of the Detroit Police Department."

Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation Division said, "No one is entitled to an undeserved windfall and refunds should only be issued to taxpayers who are entitled to them. At the IRS, protecting taxpayer money is a matter we take extremely seriously."

Willfully preparing false tax returns filing false tax returns, signed under penalties of perjury, carries a maximum penalty of three years imprisonment and a \$100,000 fine, per count.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

United States Attorney Murphy thanked the IRS Criminal Investigation. The case is being prosecuted by Assistant United States Attorney David A. Gardey.