



McGregor W. Scott

United States Attorney
Eastern District of California

Sacramento
501 I. Street, Ste 10-100
Sacramento CA 95814
(916) 554-2700

NEWS RELEASE

Fresno
1130 O. Street, Rm 3654
Fresno, CA 93721
(559) 498-7272

FOR IMMEDIATE RELEASE

June 26, 2006

Contact: Patty Pontello, 916-554-2706

<http://www.usdoj.gov/usao/cae>

PAST PRESIDENT AND CFO OF SHASTA COUNTY COMPANY ARRESTED ON EMBEZZLEMENT, MONEY LAUNDERING AND TAX FRAUD CHARGES

SACRAMENTO--United States Attorney McGregor W. Scott announced today a federal grand jury indicted PEGGY KAYE WITTS, 59, of Redding, California, in a 25-count indictment, charging her with mail fraud, wire fraud, false filing of a pension plan document, money laundering, tax evasion and forfeiture of her house in Redding. WITTS was arrested and made her first appearance in court this afternoon. The charges stem from the defendant's alleged embezzlement of over \$850,000 from the Voorwood Company, Inc., of Anderson, California, of which she was President and Chief Financial Officer.

The case is the product of an extensive one year investigation by the Anderson Police Department, the U.S. Department of Labor's Employee Benefits Security Administration and Office of Inspector General, and the IRS Office of Criminal Investigations.

According to Assistant United States Attorney Matthew Stegman, who is prosecuting the case, the indictment alleges that the defendant engaged in a scheme to defraud by embezzling over \$850,000 from the Voorwood Company by issuing duplicate paychecks to herself for over four years. She also issued company checks to herself and family members in addition to writing checks to others for personal expenses. The indictment further alleges that in order to conceal her embezzlement, the defendant filed a false document with the Department of Labor. She is also charged with money laundering for engaging in financial transactions greater than \$10,000 with stolen money. The tax evasion charges stem from the defendant's failure to report the embezzled money as income on her tax return and to pay taxes on that money.

For the mail and wire fraud violations, she faces a maximum of 20 years imprisonment per count. The charge of money laundering carries a maximum sentence of 10 years imprisonment. The charge of filing false documents with the Department of Labor and the charges of tax evasion both carry maximum sentences of 5 years per count. The defendant also faces a fine of up to \$250,000 for each count and restitution.

The indictment contains only accusations, and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

###