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STRAFFORD WOMAN SENTENCED TO JAIL
FOR EMBEZZLEMENT AND TAX OFFENSES

CONCORD, NEW HAMPSHIRE – U.S. Attorney Tom Colantuono, Special Agent in Charge of the Internal Revenue Service Criminal Investigation Unit for the Division of Boston Joseph Galasso, and Portsmouth Police Chief Michael Magnant, announced that United States District Judge Joseph A. DiClerico, Jr., sentenced Susan Kriete Wagner to ten months in jail for an embezzlement scheme and for evading federal income taxes. Wagner previously had pleaded guilty to wire fraud and to federal income tax evasion. Wagner resides in Strafford, New Hampshire.

In connection with her earlier guilty plea, Wagner admitted to embezzling more than \$156,000 from her former employer during the period February 1999 to July 2002. She also admitted to evading personal federal income taxes by failing to report the proceeds of her embezzlement as income on her federal income tax returns.

In addition to the 10 month jail term, Judge DiClerico ordered that, upon her release from jail, Wagner will be subject to a period of supervised release of 3 years. During supervised release, a person's conduct is monitored by the United States Probation Office. Judge DiClerico also ordered Wagner to make restitution to her former employer and to resolve any remaining tax issues with the IRS.

U.S. Attorney Colantuono commented: "Efficient business practice requires that individuals be placed in positions of financial trust. When an individual violates that trust, that violation jeopardizes one of the foundations of corporate governance. My office is dedicated to investigating and prosecuting those persons who violate the trust placed in them. I believe that prosecutions such as this one will lead individuals who are in positions of trust to think twice before giving in to temptation and misappropriating funds."

Joseph Galasso, Special Agent-in-Charge of the Internal Revenue Service, Criminal Investigation in Boston stated: "The IRS Criminal Investigation is one of the key agencies involved in the investigation of illegal source income cases, including embezzlement. Income, even when derived from a criminal act, is taxable."

The investigation was jointly conducted by the Portsmouth Police Department, the Federal Bureau of Investigation and the Internal Revenue Service's office of Criminal Investigation. The case was prosecuted by Assistant U.S. Attorney Bill Morse.