

NEWS RELEASE



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FOR IMMEDIATE RELEASE

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Former State's Attorney Charged **with Tax Evasion and Fraud**

MINOT - United States Attorney Drew Wrigley announced that **Richard C. Wilkes**, Bowbells, North Dakota, was arraigned today before United States Magistrate Judge Dwight C. H. Kautzmann, on a 14-count Indictment. **Wilkes** pleaded not guilty to all charges.

Wilkes was indicted April 7, 2004, on six counts of tax evasion, two counts of wire fraud, and six counts of mail fraud. **Wilkes** served as the Burke County State's Attorney from 1993 until his suspension from practice by the State Supreme Court on January 15, 2004, which was continued by order issued January 26, 2004. During this time, **Wilkes** also conducted a private law practice in Bowbells and Kenmare, ND.

Wilkes, 60, has been charged with willfully attempting to evade and defeat the assessment of a large part of the income tax he owed to the United States for the years 1997 through 2002. According to the Indictment, **Wilkes** filed false and fraudulent Individual Income Tax Returns, Form 1040, which showed the total amount of taxable income that **Wilkes** reported for the six-year period as \$219,727. The Indictment alleges that Wilkes knew his taxable income for that time period was at least \$947,159, and that he understated his income by \$727,432. Tax due on the understated income exceeded \$269,078.

Wilkes was also charged with six counts of mail fraud and two counts of wire fraud occurring during the period January 2001 until January 2004. According to the Indictment, **Wilkes** devised a scheme to defraud and to obtain money and property from the estates of Magdalena and

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Wilkes Indictment

Hulda Jordy by arranging for his own appointment as personal representative of both estates without making full and proper disclosure to the heirs of the estates.

Wilkes, as attorney and personal representative of the estates, immediately commenced withdrawing large amounts of cash from both estates. **Wilkes** used that cash to provide large amounts of money and goods, including cars, jewelry, airline tickets, and hotel rooms to at least six exotic dancers in various bars in the state of North Dakota.

According to the Indictment, during 2001 **Wilkes** mailed partial distribution checks from the estates to the heirs of the estates, but made no mention of, and provided no accounting for, the amounts of money he had paid himself. As part of the scheme, **Wilkes** prepared promissory notes to the Jordy estates, however, the heirs were never advised of the claimed notes and did not agree to any such loan amounts or loan terms. **Wilkes** claims that his intent to repay the alleged loans was demonstrated by the fact that he repaid some money to the estates, when in fact he had drained the estate accounts and only when there were federal and state income taxes due on the estates did **Wilkes** make any deposit into the estates' accounts. The deposits were just sufficient to cover the tax obligations due.

Wrigley stressed that an Indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

A trial date is scheduled for June 14, 2004, in United States District Court in Minot, ND.

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