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OCEAN CITY HOTEL OWNER SENTENCED FOR TAX EVASION

BALTIMORE, Maryland – Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced that U.S District Court Judge Andre M. Davis today sentenced Adel Iskander, a.k.a., Ed Iskander, age 61, of Ocean City, Maryland to 41 months in prison followed by 3 years of supervised release, arising from his federal jury conviction on August 1, 2003 of three counts of tax evasion and one count of structuring a financial transaction to avoid a federal currency transaction reporting requirement. Judge Davis also ordered Iskander to pay a \$200,000 per count of conviction, for a total fine of \$800,000.

During the 1990s, Adel Iskander owned and operated two hotels, the Georgia Belle in Ocean City, Maryland and the Iskander Island Inn located on Fenwick Island, Delaware. According to trial evidence, Iskander reported no taxable income and paid no federal income tax during the years 1994, 1995 and 1996, although the two hotels were profitable and Iskander was earning substantial taxable income from their operations. Trial evidence showed that Iskander, an accountant by training, engaged in a complicated tax evasion scheme which involved diverting hundreds of thousands of dollars from the hotels into personal investment accounts held in his name and in the name of his wife, Cynthia Iskander. Iskander also created a phony shareholder loan account to make it appear

that the corporations that owned the hotels owed him money and then took false “bad debt” deductions on his tax returns to offset income earned from his and his wife’s personal investment accounts.

This case is the result of an investigation by the Internal Revenue Service - Criminal Investigation and was prosecuted by Assistant United States Attorneys Jennifer C. Smith and Jonathan Mastrangelo.