



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

TODD P. GRAVES

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

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FOR IMMEDIATE RELEASE

KC BUSINESS OWNER INDICTED FOR \$100,000 TAX EVASION

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Kansas City, Mo., business owner was indicted by a federal grand jury today for attempting to evade paying more than \$100,000 in income taxes.

Parnell Riley, Jr., 50, of Kansas City, was charged in a two-count indictment returned by a federal grand jury in Kansas City.

Count One of the federal indictment alleges that **Riley** attempted to evade paying \$111,173 in income taxes for the years 2000 through 2002, by concealing assets from the Internal Revenue Service, placing funds and property in the names of others, and filing a false amended return for fiscal year 2000 in an attempt to reduce his outstanding tax liability.

Riley is self-employed and operates his own business, Riley & Company, doing business as Independent Information & Investigation, a personal injury automobile accident investigations business. The company contacted accident victims and referred the victims to auto body shops, attorneys, and/or chiropractors, for which the company was paid referral fees. During the years of 2000 through 2002, the indictment says, **Riley's** total gross income was \$866,767 with a net income totaling \$316,986, but he paid only \$844 in withheld taxes.

According to the indictment, **Riley** committed the following acts, among others, to evade the payment of the tax due and owing for the years 2000, 2001, and 2002:

- * conducted a large volume of his financial transactions in cash and with the use of cashiers checks, often drawn in the name of one of the business entities he had created;
- * cashed income checks at a check cashing business;
- * formed numerous business entities and set up bank accounts in their names at various financial institutions;
- * purchased several vehicles under his wife's name, including a 1997 Cadillac Deville, a 1999 Cadillac Escalade, a 2002 Cadillac Escalade, and a 1998 Mercedes SLK Kompressor;

* conducted a number of property purchases in the names of other persons.

Count Two of the federal indictment alleges that **Riley** committed perjury when he filed an amended tax return for fiscal year 2000 on Aug. 18, 2003. According to the indictment, **Riley** claimed in the amended return that he was entitled to additional deductions of \$4,000 for office rent and \$11,761 for the business use of property at 1608 E. 59th Terr. in Kansas City, although he knew he was not entitled to these additional deductions.

Graves cautioned that the charges contained in the indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case is being prosecuted by Assistant U.S. Attorneys David M. Ketchmark and Christina Tabor. It was investigated by the Internal Revenue Service Criminal Investigation and the Federal Bureau of Investigation.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow