



PRESS RELEASE
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SIX INDIVIDUALS INDICTED ON TAX CHARGES

TAMPA – United States Attorney Paul I. Perez and John S. Fowler, Special Agent in Charge of the Tampa Field Office of the Internal Revenue Service Criminal Investigations, announced today that six individuals have been indicted on tax fraud charges. A number of those who were indicted owned and operated income tax preparation businesses in the Tampa area.

VERNON I. WILSON, age 54, of Orlando, Florida, and KATHERINE A. WILHITE, age 41, of Pasadena, California, (both are former residents of Lakeland, Florida) are charged in a seven count indictment with conspiracy and aiding and assisting in the preparation of false income tax returns for clients of Wilson Income Tax Service, located in Lakeland, Florida. WILSON is charged in all seven counts. WILHITE is charged in Count One, which alleges a conspiracy in violation of 18 U.S.C. § 371, and Counts Five and Six, alleging violations of 26 U.S.C. 7206(2). WILSON, the owner of the business employed WILHITE as a tax return preparer for Wilson Tax Service. According to the indictment, WILSON and WILHITE prepared and filed false Income Tax Returns with the

IRS for the years 1995 and 1996 without the knowledge of their clients. Both WILSON and WILHITE are alleged to have forged "Refund Anticipation Loans" checks without the knowledge of their clients and deposited these checks into the Wilson Tax Service bank account. The indictment further alleges that on at least three different tax returns prepared for clients, WILSON inflated medical expenses, charitable contributions, unreimbursed employee expenses and capital losses knowing that actual amounts were substantially less than claimed amounts. Count One, alleging a conspiracy in violation of 18 U.S.C. § 371, carries a maximum sentence of five years' imprisonment and a fine of \$250,000. Counts Two through Seven, alleging violations of 26 U.S.C. 7206(2), each carry a maximum sentence of three years' imprisonment and a fine of \$100,000.

STEVEN POWELL, age 36, of Lakeland, Florida, and JOHN R. CUYLER, age 37, of Punta Gorda, Florida, are both charged in all counts of a sixteen count indictment, alleging one count of conspiracy in violation of 18 U.S.C. § 286, and fifteen counts of filing false claims in violation of 18 U.S.C. § 287, relating to false claims submitted to the government for income tax refunds. The indictment alleges POWELL and CUYLER recruited other individuals to file false claims with the IRS for 1999 and 2000. They are alleged to have created fraudulent W-2s reflecting fictitious wages and inflated federal withholding amounts maximizing fraudulent income tax refunds received by the conspirators. Count One, alleging a violation of 18 U.S.C. § 286, carries a maximum sentence of ten years' imprisonment and a fine of \$250,000. Counts Two through Sixteen, alleging violations of 18 U.S.C. § 287, each carry a maximum sentence of five years' imprisonment and a fine of \$250,000.

VIVIAN MARTINEZ, age 29, of Tampa, Florida, and CARLOS ISRAEL COSME, age 42, of Tampa, Florida, are both charged in all counts of a three count indictment, alleging one count of conspiracy in violation of 18 U.S.C. § 286, and two counts of filing false claims in violation of 18 U.S.C. § 287, relating to false claims submitted to the government for income tax refunds. According to the indictment, MARTINEZ and COSME assisted and instructed other individuals in submitting fraudulent income tax returns to the IRS for 1998 and 1999. MARTINEZ and COSME are alleged to have created false and fraudulent W-2s reflecting inflated wages and federal income tax withheld. The indictment further alleges that these false W-2s were then submitted with income tax returns making amounts claimed for refunds fraudulent. MARTINEZ and COSME are alleged to have cashed the refund checks they received as a result of the false income tax returns. Count One, alleging a violation of 18 U.S.C. § 286, carries a maximum sentence of ten years' imprisonment and a fine of \$250,000. Counts Two and Three, alleging violations of 18 U.S.C. § 287, each carry a maximum sentence of five years' imprisonment and a fine of \$250,000.

U.S. Attorney Paul I. Perez stated, "As April 15th approaches, people should take notice that the government aggressively prosecutes individuals who file false income tax returns, as well as individuals who prepare false returns for others. "Cheating on taxes amounts to stealing from the government and from people who pay their fair and honest share."

"During the filing season, taxpayers should be especially vigilant and circumspect when having their tax returns prepared by other individuals. Take care in your selection of a tax return preparer, as you take care when selecting a doctor or lawyer," stated John

S. Fowler, Special Agent in Charge (SAC) of IRS Criminal Investigation, Tampa Field Office. “IRS Criminal Investigation is the law enforcement arm of the IRS and is committed to vigorous enforcement of the tax laws. Maintaining confidence in the fairness of the tax system is vital to effective tax administration.” SAC Fowler reminds taxpayers to:

- Avoid preparers who claim they can obtain a larger refund than other preparers.
- Use a tax professional who signs your return and provides you with a copy.
- Never sign a blank income tax return.
- Remember, you are responsible for what appears on your return; so review the return, and ask questions if you aren’t sure about the amounts.

These cases were investigated by the Internal Revenue Service, Criminal Investigation, and they are being prosecuted by Assistant United States Attorneys Jeffrey J. DelFuoco and Jay L. Hoffer.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.