



U.S. Department of Justice

*United States Attorney
District of Maryland
Northern Division*

*Thomas M. DiBiagio
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*6625 United States Courthouse
101 West Lombard Street
Baltimore, Maryland 21201-2692*

*410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

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**FOR FURTHER INFORMATION
CONTACT VICKIE E. LEDUC, AUSA
410-209-4885**

OCEAN CITY HOTEL OWNER FOUND GUILTY OF TAX EVASION

BALTIMORE, Maryland – Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced that Adel Iskander, a.k.a., Ed Iskander, age 61, of Ocean City, Maryland was convicted late yesterday by a federal jury on three counts of tax evasion and one count of structuring a financial transaction in 1997 to avoid a federal currency transaction reporting requirement. Iskander's wife, Cynthia Iskander, age 51, also of Ocean City, Maryland was acquitted of, and the jury deadlocked on, several structuring counts against her.

Adel Iskander owns and operates two hotels, the Georgia Belle in Ocean City, Maryland and the Iskander Island Inn located on Fenwick Island, Delaware. According to evidence presented by the government during the trial, Iskander reported no taxable income and paid no federal income tax during the years 1994, 1995 and 1996, although the hotels were profitable and Iskander was earning substantial taxable income from their operations. The government presented evidence 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.

Adel Iskander faces a maximum sentence of 5 years imprisonment and a maximum fine of \$250,000 for each count on which he was convicted. Sentencing is scheduled before the Honorable Andre M. Davis on December 5, 2003 at 10:00 a.m.

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