



U.S. Department of Justice

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PRESS RELEASE

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President of furniture company pleads guilty to tax evasion

Washington, D.C. - Peter A. Ross, of Washington, D.C., the owner of Spectrum Ltd., has pleaded guilty to a single count of federal tax evasion for failing to remit more than \$200,000 in employment taxes on behalf of Spectrum Ltd. to the Internal Revenue Service, U.S. Attorney Jeffrey A. Taylor and Francis L. Turner, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, announced today.

Ross, 60, pleaded guilty on Friday, March 2, 2007, in the U.S. District Court for the District of Columbia before the Honorable Judge Richard W. Roberts. Under the terms of the plea agreement, the defendant faces up to five years of imprisonment and restitution to the United States. Judge Roberts set sentencing for June 1, 2007.

According to the facts set forth by the government, from the quarter ending September 30, 1998 and continuing thereafter until the quarter ending September 30, 2002, Ross failed to remit the employment taxes of Spectrum Ltd. which resulted in an outstanding employment tax liability of \$203,651.43. As part of the IRS' efforts to collect the outstanding employment taxes, Ross was required to disclose all of his assets, liabilities, income and expenses. Ross completed the Form 433-A "Collection Information Statement for Individuals," dated January 13, 2000, wherein he failed to disclose to the IRS that he was the beneficiary of the Peter Ross Trust from which he received annual income of over \$50,000.

Ross completed a second Form 433-A, dated April 24, 2001, and once again failed to disclose to the IRS that he was the beneficiary of the Peter Ross Trust and received income from the trust. On December 13, 2005, during an interview with IRS agents, Ross signed an affidavit admitting that he failed to disclose the trust income he received to the IRS because he did not want the IRS to garnish the trust income.

In addition, on December 23, 2002, Ross filed a voluntary petition for bankruptcy on behalf of Spectrum, Ltd. As part of the bankruptcy proceedings, Ross filed a Summary of Schedules on January 2, 2003, wherein he failed to disclose inventory of Spectrum Ltd. worth \$288,061.80. During the interview of Ross on November 18, 2004, by IRS agents, he signed an affidavit admitting that he did not disclose Spectrum's inventory during the bankruptcy proceedings.

In announcing the guilty plea, U.S. Attorney Taylor and IRS Special Agent in Charge Turner praised the work of Assistant U.S. Attorneys Precious Murchison and Denise Clark and Special Agent Maryann Veloso who has handled this matter from its inception.