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**BRIDGE PAINTING CONTRACTOR SENTENCED TO 37 MONTHS FOR TAX EVASION**

Evaded \$1,234,009 in Taxes;  
Also Made 97 Cash Withdrawals of \$9,000 to Conceal Income

Baltimore, Maryland - U.S. District Judge J. Frederick Motz sentenced Athanasios Reglas, age 57, of Edgemere, Maryland, today to 37 months in prison, followed by 3 years of supervised release for tax evasion and structuring financial transactions to avoid reporting requirements, announced United States Attorney for the District of Maryland Rod J. Rosenstein. Judge Motz also ordered Reglas to pay fines totaling \$750,000, which was in addition to a previous order by the Court that required Reglas to forfeit \$358,000 in cash that was found at his house during the execution of a search warrant.

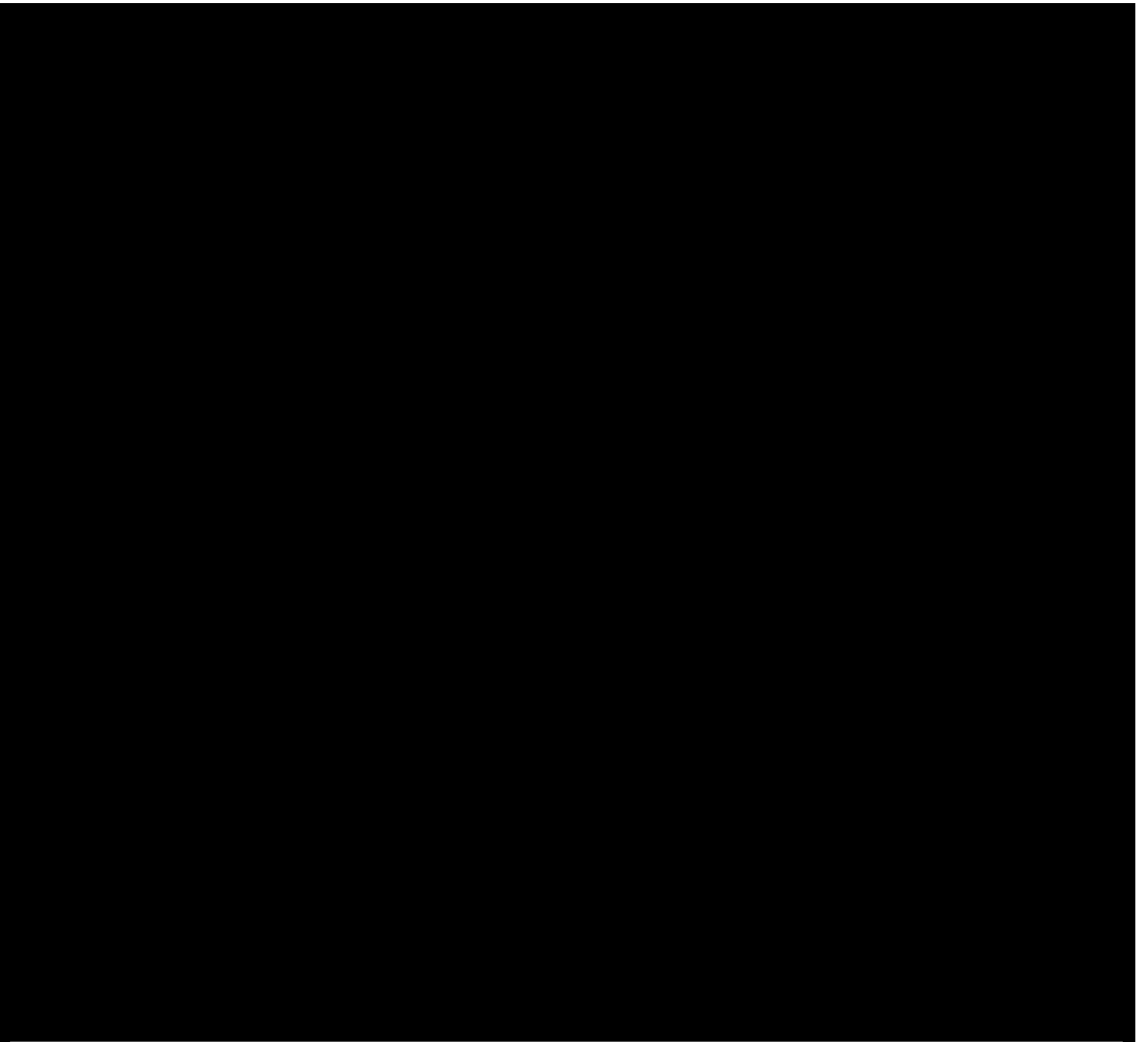
U.S. Attorney Rod Rosenstein said, "Cases such as this one should remind people to file truthful tax returns and reassure honest taxpayers that anyone who defrauds the IRS faces criminal prosecution and a lengthy sentence in federal prison."

Francis L. Turner, Special Agent in Charge, IRS - Criminal Investigation said, "Tax evasion is not a victimless crime. Honest, hardworking Americans pay the price when others choose to evade their tax obligations. Taxes are essential to ensure the smooth and efficient operation of our government."

According to the plea agreement, Reglas owned and operated Reglas Painting Company, Inc., one of the largest bridge painting contractors for the Maryland State Highway Administration. For tax years 1999 and 2002, Reglas used the names and bank accounts of two fictitious companies he created to bill the Reglas Painting Company for subcontracting work that was never performed. Reglas spent the money he fraudulently obtained from the Reglas Painting Company on personal expenses and to generate cash. For example, Reglas used Reglas Painting Company funds to build his vacation home in Ocean City. In 2002 Reglas purchased a waterfront lot for \$400,000. The purchase was preceded by a withdrawal of \$300,000 from a money market account owned by the Reglas Painting Company and a withdrawal of \$110,000 from the account of one of the shell companies. To finance the construction of the home on the lot, checks totaling more than \$418,000 were written from the Reglas Painting Company operating account.

**Tax Evasion**

Reglas did not declare any of the Reglas Painting Company funds that he



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