



The United States Attorney's Office

Western District of Virginia

NEWS RELEASE UNITED STATES ATTORNEY'S OFFICE WESTERN DISTRICT OF VIRGINIA

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HURLEY WOMAN SENTENCED TO 94 MONTHS IN PRISON FOR ROLE IN FRAUD AND TAX EVASION SCHEMES

United States Attorney John L. Brownlee announced today that Carol Irene Estep, age 54, of Hurley, Virginia was sentenced yesterday in United States District Court for the Western District of Virginia in Abingdon, to serve 94 months in federal prison for her role in a wide ranging fraud scheme involving herself, her son and her ex-husband.

"This defendant made one false statement after another, all in the name of greed," U.S. Attorney John Brownlee said today. "In order to line her own pockets, Ms. Estep stole money from disabled individuals who were truly in need of financial assistance."

Estep had previously pleaded guilty to one count of conspiracy to commit mail fraud, one count of conspiracy to commit bank fraud, one count of conspiracy to defraud the United States, one count of aggravated identity theft, one count of money laundering, and one count of Social Security fraud.

Her son, Timothy Carl Ling, age 30, of Hurley, Virginia, was also scheduled to be sentenced this week on multiple charges related to the scheme, but due to purported medical problems, he was not present in court. Timothy Carl Ling's sentencing has not been rescheduled at this time.

Herman Scott Ling, age 67, of Hurley, Virginia, Estep's ex-husband and father of Timothy Carl Ling, previously pleaded guilty to one count of conspiracy to commit mail fraud and one count of money laundering and has been sentenced to five years probation.

According to evidence presented at an earlier hearing and at Estep's sentencing hearing by Assistant United States Attorney Zachary Lee, the charges to which Timothy Carl Ling, Estep, and Herman Scott Ling pleaded guilty to centered around numerous fraudulent schemes perpetrated in Buchanan County, Virginia and elsewhere.

These schemes included a mail fraud scheme in which the family defrauded the Virginia Consumer Services Fund and received money to which they were not entitled by falsely claiming that Timothy Carl Ling was a quadriplegic. The Virginia Consumer Services Fund and Clinch Independent Living Services, Inc., which provides funding and services to disabled individuals so that they may live a more independent life, purchased a specially equipped van and built ramps at Estep's home based upon the pair's fraudulent representations that Timothy Carl Ling was a quadriplegic. According to

testimony presented at the sentencing hearing, the agencies spent more than 50 staff hours and more than \$14,000.00 assisting Timothy Carl Ling and Estep, money and time that could have been used to help the 2,000 other individuals with disabilities serviced in Buchanan, Dickenson, Russell, and Tazewell Counties by these agencies.

Timothy Carl Ling had previously pleaded guilty to Social Security fraud in which he admitted that he was fabricating his quadriplegia in order to avoid being sent to prison for probation violations pending in Buchanan County, Virginia.

Additionally, Timothy Carl Ling and Estep perpetrated a credit card fraud scheme between the summer of 2005 and October 2006 in which they defrauded five separate credit card companies and incurred a loss to these companies and merchants of \$344,465.09. The money was used for shopping sprees, vacations, casino gambling, and to purchase property in both Pikeville, Kentucky, and Hurley, Virginia.

Estep and Timothy Carl Ling were in the process of building two houses in Pikeville, Kentucky. In the course of that scheme, Timothy Carl Ling and Estep used the social security number and date of birth of another family member in order to attempt to hide their criminal conduct and falsely implicate this individual.

Using some of the proceeds of the credit card fraud, Timothy Carl Ling and Estep, both recipients of Social Security disability benefits, established a recycling business in Hurley, Virginia, known as "The Yard," which posted gross profits of \$210,641.93, during 2005 and 2006. The profits from "The Yard" were divided between Timothy Carl Ling, Estep, and others. None of these individuals reported their income to the Internal Revenue Service or the Social Security Administration Office and Timothy Carl Ling, Estep, and Herman Ling actively tried to hide this income from the Internal Revenue Service by engaging in money laundering transactions.

The investigation of the case was conducted by the Social Security Administration Office of the Inspector General, Charleston, West Virginia Office, the United States Secret Service, Roanoke Office, and the Internal Revenue Service, Criminal Investigation Division, Bristol Office. Assistant United States Attorney Zachary T. Lee of the United States Attorney's Office in Abingdon prosecuted the case.