



Department of Justice

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FOUR YEAR PRISON SENTENCE AFFIRMED FOR GEORGIA TAX DEFIER

Former IRS Employee Convicted of Tax Crimes

WASHINGTON - The U.S. Court of Appeals for the Eleventh Circuit affirmed a four year prison sentence for tax defier crimes committed by Sherry Peel Jackson, a former Internal Revenue Service (IRS) employee and tax preparer, the Justice Department announced today.

In October 2007, a jury found Jackson of Stone Mountain, Ga., [guilty](#) on four counts of failure to file income tax returns. Jackson was sentenced, on Feb. 14, 2008, by U.S. District Judge Orinda D. Evans to four consecutive prison terms of 12 months each.

According to the charging document and evidence at trial, beginning in 2000, Jackson willfully and intentionally did not file her own individual tax returns. At that time, she also operated a tax preparation business and continued to prepare, submit and file individual tax returns for her customers. For the next three years, Jackson intentionally did not file her tax returns, despite an income of more than \$400,000 in that time period. According to testimony at trial, Jackson said she did not file the returns because she did not know what the term "individual" meant in tax laws. The evidence at trial showed that Jackson in fact knew her legal duty to file with the IRS and intentionally chose to disregard the law.

Jackson raised several common tax defier arguments in her appeal, such as challenges to the jurisdiction of the court and a claim that the IRS Form 1040 did not comply with the Paperwork Reduction Act. All of Jackson's arguments on appeal were rejected.

In May 2008, a federal court in Florida [found](#) Jackson to have been advancing frivolous tax arguments at a Pinnacle Quest International (PQI) sales conference and in PQI promotional materials. The court barred PQI and its principals from publicizing tax fraud schemes.

"This clear affirmation of such a strong sentence should be a sign to tax defiers across the country that frivolous arguments and bogus schemes do not work and can land them in prison for years," said Nathan J. Hochman, Assistant Attorney General of the Justice Department's Tax Division. "Under the National Tax Defier Initiative, the Tax Division continues to vigorously enforce federal tax laws against tax defier conduct throughout the nation."

United States Attorney David E. Nahmias said, "This case demonstrates that the phony arguments provided by tax defiers will be rejected by juries and judges and can lead the defiers straight to a jail cell."

Assistant Attorney General Hochman thanked the Justice Department attorneys who represented the federal government in the criminal case against Jackson and the IRS-Criminal Investigation agents who assisted them. Assistant United States Attorney Richard M. Langway

and Tax Division attorney Joseph Giannullo. Assistant U.S. Attorney Langway also represented the government in the Court of Appeals.