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PRESS RELEASE

Guilty Plea to Tax Charges

Colm F. Connolly, United States Attorney for the District of Delaware, announced today that Lynn Moroz entered guilty pleas in the United States District Court to all five counts of an Information charging him with willfully failing to file income tax returns. Moroz, who is 61, lives in Hockessin, Delaware.

In pleading guilty to the charges, Moroz admitted that he willfully failed to file federal tax returns for the tax years 1998 through 2002. The Information alleged that on April 1, 1997, Moroz, doing business as AIS Risk Management Services, Inc. (AIS), entered into a contract with New Castle County to perform risk management services for county government. During the first two years the contract was in effect, AIS was paid \$13,000 monthly, or \$156,000 per year, for risk management services. (AIS was also paid for legal services provided to the county, but those payments were passed on to the legal services provider.) Beginning in 1999, AIS was paid \$13,800 per month or \$165,000 yearly. The Information further alleged that from 1998 to 2002, AIS paid Moroz in excess of \$400,000, resulting in an aggregate tax liability of over \$120,000. Moroz faces up to one year imprisonment, a fine of \$100,000, or both, on each charge. United States Magistrate Judge Mary Pat Thyng, who accepted the guilty pleas, set sentencing for May 9, 2005.

Special Agents from the Internal Revenue Service-Criminal Investigation Division participated in the investigation which lead to Moroz' guilty pleas. For further information, please contact Assistant United States Attorney Ferris W. Wharton at 302-573-6277, ext. 173.

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