



Department of Justice

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ACCOUNTANT CHARGED WITH FRAUD

Accountant for two local real estate businesses charged with conspiracy, filing false tax returns, and aiding and abetting mortgage fraud and money laundering

COLUMBUS – A federal grand jury here returned a superseding indictment late yesterday charging Dennis G. Sartain, of Hilliard, with one count of conspiring to defraud the United States by impeding and impairing the Internal Revenue Service, four counts of aiding in the preparation and filing of false tax returns, one count of aiding and abetting credit and loan application fraud, and one count aiding and abetting money laundering. Sartain, age 51, was the accountant for two local businesses involved in home building and real estate sales. The maximum sentence for conspiracy is five years imprisonment, three years on each of the false return charges, thirty years on the credit and loan application fraud charge, and ten years on the money laundering charge. In addition, on each of the counts he faces a maximum fine of \$250,000, a term of supervised release, and a \$100 special assessment.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio; Richard T. Morrison, Acting Assistant Attorney General for the Justice Department's Tax Division; and Eileen Mayer, Chief, Internal Revenue Service Criminal Investigation Division, announced the indictment.

Count one of the indictment alleges that Sartain conspired with unnamed others to pay the realtors and others who worked for these two companies "under the table." It further alleges that Sartain either prepared false Forms 1099 which underreported the amount of compensation paid to the individuals working for these two companies, or he did not prepare and file any Forms 1099 with the IRS reporting any compensation paid. In addition, the indictment alleges that Sartain prepared or helped prepare false individual income tax returns which underreported the income earned and taxes owed by the individuals who had received payments from these companies. Finally, the conspiracy count alleges that Sartain and others shredded and discarded documents and business records and concealed electronic records maintained on computers and memory sticks that were relevant to the investigation.

The indictment charges Sartain with four counts of aiding in the filing of false individual income tax returns on behalf of himself and his wife by not reporting all of the income he was paid by one of these companies in the years 2001 through 2004. In addition, the indictment alleges that in two of those four years, Sartain listed his occupation as “unemployed.”

The indictment further charges Sartain with one count of aiding and abetting credit and loan application fraud. Sartain aided in the submission of a false loan application by helping submit false payroll check-stubs to a mortgage company. The false payroll check-stubs misrepresented the loan applicant’s position and salary for the purpose of fraudulently obtaining a mortgage.

The indictment further charges that Sartain aided and abetted money laundering by engaging in conduct which contributed to a \$54,295 payment to the buyer of a home sold by a local real estate business. That payment represented excess fraudulently obtained loan proceeds derived from the credit and loan application fraud.

An indictment is only a charge and is not evidence of guilt. The defendant is entitled to a fair trial in which it will be the government’s burden to prove guilt beyond a reasonable doubt.

Mr. Lockhart commended the special agents of the Internal Revenue Service Criminal Investigation for their work in this investigation, as well as Trial Attorneys Richard Rolwing, Jill M. Cassara, and Sean O’Connell, Department of Justice, Tax Division who are prosecuting the case.

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