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**Former FWISD Contractor
Pleads Guilty to Tax Evasion**

United States Attorney Richard B. Roper announced that Tarrant County, Texas, resident, Jimmy D. Jenkins, pled guilty this week in Fort Worth, Texas, before the Honorable Charles Bleil, United States Magistrate Judge, to a one-count Information, charging tax evasion, in violation of Title 26, United States Code, Section 7201. Jenkins faces a maximum statutory sentence of five years imprisonment, a \$250,000 fine, and restitution which Jenkins agrees may include restitution arising from all relevant conduct. Jenkins is scheduled to be sentenced on January 10, 2005.

"Criminal Investigations' expertise in conducting financial investigations has established our reputation as one of the leaders in the fight against fraud," said Michael Lacenski, Special Agent In Charge, Internal Revenue Service, Criminal Investigation. "Investigations like the investigation relating to the Fort Worth ISD and their contractors require the utmost in accounting and legal acumen, along with the investigative abilities to pierce these complex financial crimes."

According to the factual resume filed in court, during 2000, Jenkins was a full-time employee of American Airlines and also conducted a welding business with the Fort Worth Independent School District (FWISD) under the Unit Price Contract for welding. This contract was competitively won by Jenkins to provide various welding jobs to the FWISD. On approximately April 17, 2001, Jenkins signed, and caused to be filed, his and his wife's joint individual tax return for 2000. On that joint return he falsely claimed approximately \$563,460 of inflated cost of goods deductions on his joint tax return without his wife's knowledge.

During 2000, Jenkins received approximately \$1.3 million based on billing to the FWISD, a significant amount of which were false. Jenkins would bill materials used on welding jobs as welding hours at a welding hourly rate, which prevented the FWISD from

knowing the true amount of labor on each unit price job as well as how much material and the cost of that material that Jenkins used to complete a unit price job.

Jenkins filed his 2000 joint tax return claiming that his and his wife's taxable income for 2000 was \$141,981. Jenkins admitted that he well knew that was false and that his true joint taxable income was approximately \$703,496, and that the taxes due and owing to the United States were \$272,102.00. Jenkins admitted that he intentionally increased the cost of good sold deduction on his return to avoid higher income taxes which he did not want to pay.

U.S. Attorney Roper praised the investigative efforts of the Internal Revenue Service - Criminal Investigation, the U.S. Postal Inspection Service and the Federal Bureau of Investigation. The case is being prosecuted by Assistant United States Attorney Ronald C.H. Eddins.