



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF ILLINOIS

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SUPERSEDING INDICTMENT RETURNED IN TAX CASE

Randy G. Massey, United States Attorney for the Southern District of Illinois, announced today that on October 18, 2007, a Federal Grand Jury sitting in Christiansted, U.S. Virgin Islands returned a 35 count superseding indictment against **JAMES A. AUFFENBERG, JR.**, of Swansea, Illinois, and **PETER G. FAGAN** of DeLeon, Texas, **JAMES W. FERGUSON III** of Amarillo, Texas, and **JONATHAN D. JACKSON** of St. Croix, Virgin Islands, in connection with a fraudulent tax evasion scheme involving the abuse of a Virgin Islands economic development program. The indictment superseded an indictment originally returned by a grand jury in the Southern District of Illinois on March 23, 2007. The case was transferred to the District of the Virgin Islands on July 5, 2007.

An indictment is a formal charge against a defendant. Under the law, a defendant is presumed to be innocent of a charge until proved guilty beyond a reasonable doubt to the satisfaction of a jury.

In addition to the charges in the original indictment, the superseding indictment included criminal offenses under the Virgin Islands Code brought in the name of "The People of the Virgin Islands." As a United States Territory, the United States Attorney for the District of the Virgin Islands prosecutes criminal offenses under the Virgin Islands Code.

The case is being handled by Assistant U.S. Attorneys Michael J. Quinley and

Bruce E. Reppert of the Southern District of Illinois and Trial Attorney Gregory E. Tortella of the Department of Justice Tax Division who were sworn in as Special Assistant United States Attorneys for the District of the Virgin Islands on October 12, 2007. The case was investigated by the Internal Revenue Service Criminal Investigations in Fairview Heights, Illinois.