

**FOR FURTHER INFORMATION CONTACT**

**AUSA VICKIE E. LEDUC or  
MARCIA MURPHY at 410-209-4885**

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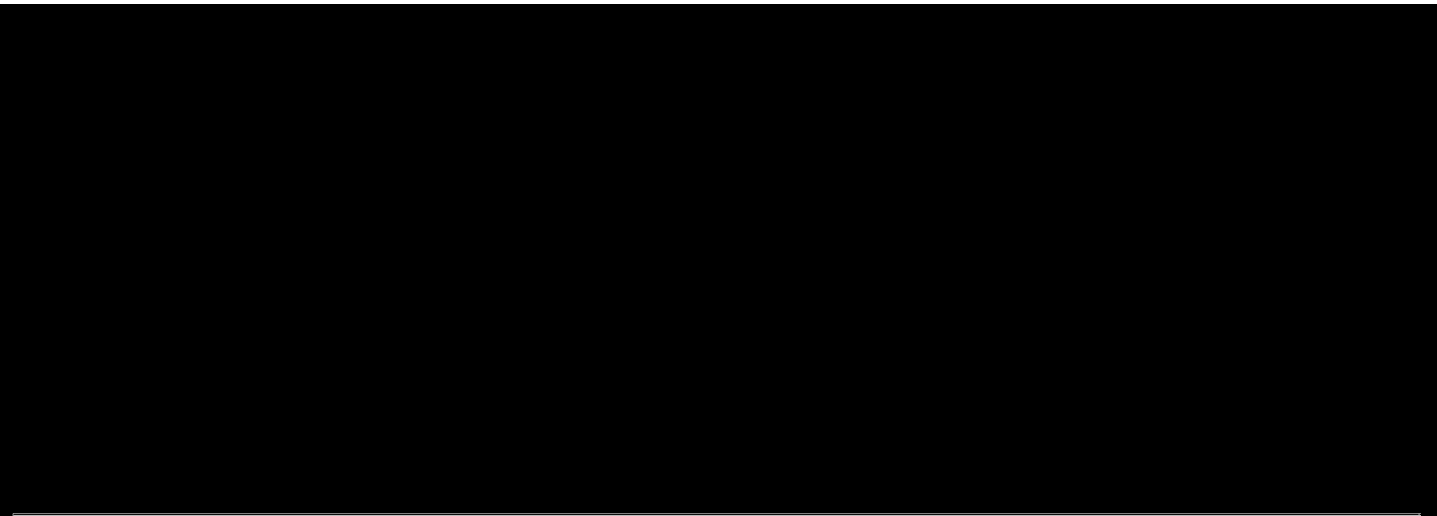
FORMER IRS AGENT AND OWNER OF BALTIMORE "GENTLEMEN'S CLUB"  
SENTENCED FOR MAKING FALSE STATEMENTS ON A TAX RETURN

Under-Reported \$1.308 Million in Income Over 3 years

Baltimore, Maryland - U.S. District Judge Andre M. Davis sentenced former IRS agent Ronald C. Heidel, age 60, of Sanibel, Florida, today to 18 months in prison followed by one year of supervised release for making false statements on his and his wife's joint tax return for the year 2001, announced U.S. Attorney for the District of Maryland Rod J. Rosenstein. Judge Davis also ordered Heidel to pay a fine of \$30,000 and \$135,236 in restitution to the Internal Revenue Service. As a condition of supervised release, Judge Davis ordered Heidel to cooperate with the IRS to establish the full amount of taxes, interest and penalties owed by him.

According to the plea agreement and court documents, Heidel worked as a revenue agent for the IRS from the mid-1970's to early 1979. He was convicted in 1983 on two charges of accepting monetary compensation from a company during his tenure as an IRS agent and filing a false corporate tax return on behalf of a company he had audited during his service with the IRS. In March 1999, Heidel purchased the Gentlemen's Gold Club (the GGC), a restaurant and bar located on 5801 Pulaski Highway in Baltimore County that also featured entertainment by exotic dancers. Heidel sold the club in July 2002. From the latter part of 2000 through mid-2002, Heidel also owned a vending machine business named Rossville Vending that supplied cigarette and video game machines to restaurants, clubs and bars around the Baltimore area.

As president of the GGC, Heidel received the cash generated by door admissions charges and sales of food and drink at the Club on a daily basis. Between May 3, 1999 and December 27, 2001, Heidel deposited \$1.467 million in cash derived in part from the operations of the GGC and Rossville Vending into various personal bank accounts, rather than the company's bank accounts. Many of these cash deposits were between \$7,000 and \$9,000. Heidel often made two deposits at different branches of the same bank or at two different banks on the same day. As such, and by keeping the amounts to less than \$10,000, Heidel avoided triggering the requirement that the financial institution file a cash transaction report (CTR) on these transactions.



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