



Department of Justice

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MOTHER SENTENCED IN FRAUD SCHEME

Gainesville, GA - MOLLY A. SMITH, 50, of Lula, Georgia, was sentenced to prison today by United States District Judge William C. O'Kelley on tax-related fraud charges. The sentencing of her daughter, MAYKIE BLEVINS, 29, also of Lula, Georgia, was rescheduled from today until July 16, 2008, on related charges.

United States Attorney David E. Nahmias said of the case, "Taxpayers placed a significant amount of trust in Molly Smith. Her business was responsible for seeking reimbursement to day care centers for meals served to children from low income families. It is shameful how she violated that trust. Instead of performing this important work in an honest way, she repeatedly altered documents and submitted false information to the North Carolina Department of Health and Human Services in order to receive excess funds. She then took that money for herself and her daughter, Maykie Blevins."

In Raleigh, North Carolina, IRS Criminal Investigation Acting Special Agent in Charge Betty N. Stewart said, "We will aggressively pursue tax fraud wherever it is identified. IRS-Criminal Investigation is proud to provide its financial expertise to investigations of these schemes to defraud the United States and its taxpayers."

SMITH was sentenced to 4 years, 9 months in prison to be followed by 3 years of supervised release, and ordered to pay restitution of \$413,847 to the IRS and \$777,901 to the State of North Carolina. SMITH pleaded guilty to program fraud and tax fraud on February 27, 2008. BLEVINS pleaded guilty to tax fraud on March 17, 2008.

According to United States Attorney Nahmias and the information presented in court: "Georgia Nutrition Program, Inc." (GNP), was a non-profit corporation located in Lula, Georgia. GNP was in the business of sponsoring day care centers in North Carolina and Georgia. It was the responsibility of GNP to apply for funds, paid by the federal government, to reimburse day care centers for meals served to children from low income families. MOLLY A. SMITH, the head of GNP, altered certain applications and submitted false information to the North Carolina Department of Health and Human Services in order to receive more than \$775,000 in United States Department of Agriculture funds, which were deposited into the account of GNP. SMITH then wrote a

substantial number of checks from GNP's accounts payable to herself, her husband, and her daughter, MAYKIE BLEVINS. These checks were deposited into the personal accounts of SMITH and BLEVINS and used to purchase property, jewelry, home improvements, and expensive vehicles. SMITH then deceived her accountant by providing copies of the checks to him after they were altered to make it appear that the checks had been written for expenses of GNP, specifically as payments made to the day care centers that GNP sponsored. The money the defendants received was not recorded as income to SMITH or BLEVINS on their individual federal income tax returns.

This case was investigated by Special Agents of the Internal Revenue Service-Criminal Investigation and United States Department of Agriculture-Office of Inspector General.

Assistant United States Attorney Glenn D. Baker is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.