



Department of Justice

**Timothy M. Morrison, United States Attorney
Southern District of Indiana**

FOR IMMEDIATE RELEASE
Tuesday, November 18, 2008
<http://www.usdoj.gov/usao/ins/>

CONTACT: MARY BIPPUS
(317) 229-2403
Fax: (317) 226-5002
Cell: (317) 590-7928

HUSBAND AND WIFE SENTENCED FOR TAX EVASION AFTER \$1,843,130 CASH SEIZURE

PRESS RELEASE

Timothy M. Morrison, United States Attorney for the Southern District of Indiana, announced that DONNA G. GURTZ, 41, and GREGORY J. GURTZ, 50, of DePauw, Indiana, were sentenced to 4 years probation late yesterday by U.S. District Judge Sarah Evans Barker following their guilty pleas to three counts of tax evasion. This case was the result of an investigation by the Internal Revenue Service.

GREGORY and DONNA GURTZ plead guilty to the offenses immediately before sentencing. In their change of plea hearing GREGORY and DONNA GURTZ admitted that they evaded the majority of their income tax liability for the years 2004, 2005 and 2006 by understating the gross income during each respective year for their business, Gurtz Auto Salvage, causing a tax loss to the government of more than \$500,000.

The case started after the Internal Revenue Service gathered evidence to support a search warrant for the GURTZ residence and the business premises of Gurtz Auto Salvage which are located together on a property in DePauw, Indiana. A search warrant was executed on May 1, 2007. The majority of the proceeds of the tax evasion scheme were seized from the DONNA and GREGORY GURTZ residence and Gurtz Auto Salvage during the search. DONNA and GREGORY GURTZ kept much of the cash from their scheme in a master bedroom closet. IRS agents seized a total of \$1,843,130 in cash during the execution of the search warrant.

GREGORY and DONNA GURTZ received the majority of the gross income for their business from a Louisville, Kentucky, based metal recycling company. The majority of the checks from the recycling company, as well as other checks received by DONNA and GREGORY GURTZ, were cashed in increments under \$10,000 by DONNA GURTZ. The cashed recycling company checks were never represented on any bank statements for Gurtz Auto Salvage. DONNA GURTZ went to the bank an average of four to five times a week to cash checks that were written to her personally, rather than in the name of the business, at the specific

request of GREGORY and DONNA GURTZ. A review of DONNA'S check cashing transactions revealed that DONNA cashed checks totaling approximately \$3.65 million from August 8, 2004, through May 1, 2007, the date a search warrant was executed at Gurtz Auto Salvage.

DONNA and GREGORY GURTZ concealed their actual income by only providing a handwritten summary of their business activity and oral statements to their return preparer for the return preparer to complete their tax returns, neither of which revealed the actual income for Gurtz Auto Salvage. The summary only listed the bank deposits as the gross receipts for Gurtz Auto Salvage, excluding all the checks cashed by DONNA from the recycling company.

The testimony submitted in the change of plea hearing showed the following discrepancies were on the DONNA and GREGORY GURTZ joint U.S. Individual Income Tax Return, Form 1040, for the 2004, 2005 and 2006 tax years:

- On their 2004 tax return, GREGORY and DONNA GURTZ listed \$115,640 as the gross receipts for their Schedule C business, Gurtz Auto Salvage, while the actual gross receipts for Gurtz Auto Salvage were at least \$1,503,906.
- On their 2005 tax return, GREGORY and DONNA GURTZ listed \$190,753 as the gross receipts for their Schedule C business, Gurtz Auto Salvage, while the actual gross receipts for Gurtz Auto Salvage were at least \$1,183,124.
- On their 2006 tax return, GREGORY and DONNA GURTZ listed \$130,827 as the gross receipts for their Schedule C business, Gurtz Auto Salvage, while the actual gross receipts for Gurtz Auto Salvage were at least \$1,385,471.

The resulting tax loss to the government, not including interest and penalties, was approximately \$228,978 in 2004, \$151,103 in 2005 and \$135,512 in 2006. The total tax loss, not including interest and penalties, for 2004 to 2006 was approximately \$515,593.

On April 8, 2008, a forfeiture complaint was filed by the United States with respect to the \$1,843,130 seized during the search under cause number 4:08-cv-0051. On August 21, 2008, Donna and Gregory Gurtz reached an agreement with the United States to dispose of the forfeiture complaint. Under the terms of the agreement Donna and Gregory Gurtz agreed to surrender a total of \$1,743,130 to the United States and the Internal Revenue Service. \$1,085,184.07 of this total was surrendered by DONNA and GREGORY GURTZ to make full payment of all taxes, interest and penalties owed as a result of their tax evasion for the tax years 2004, 2005, and 2006. As a consequence of this agreement, at the time of sentencing, DONNA

and GREGORY GURTZ paid all the tax liability they accumulated as a result of the tax evasion they plead guilty to committing.

According to Assistant U. S. Attorney Todd S. Shellenbarger, who prosecuted the case for the government, Judge Barker also imposed one year of electronic monitoring and 12 days of community service while GREGORY and DONNA GURTZ are serving their probation sentence. During the period of probation, GREGORY and DONNA GURTZ must truthfully file any federal tax returns which are or may become due by law and provide copies of said returns, as well as any requested financial records or information, to the United States Probation Office.

###

20081118.Gurtz.wpd