



PRESS RELEASE

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ESCORT SERVICE OWNER SENTENCED ON FEDERAL TAX CHARGES

PHOENIX, ARIZONA - The United States Attorney's Office for the District of Arizona announced that BARBARA FURRY, 57, of Scottsdale, Arizona, was sentenced today before U.S. District Court Judge Paul G. Rosenblatt on charges of federal income tax evasion, a felony, in violation of Title 26, United States Code, Section 7201.

BARBARA FURRY, who pleaded guilty in October 2001 to three tax evasion counts involving the years 1995, 1996, and 1997, was sentenced to five months of imprisonment followed by three years of supervised release.

FURRY and her business partner, JAMES R. McCAHILL, 64, also of Scottsdale, were indicted on March 31, 1999, on various charges relating to the operation of their numerous escort services, many of which were located at 4040 East McDowell Road in Phoenix. According to the indictment, during the period from 1992 to 1998, FURRY and McCAHILL opened various bank accounts to process credit card transactions, obtained escort service licenses from the city of Phoenix, and hired escorts knowing that the escorts would engage in prostitution activities. Dates would be arranged wherein escorts were paid in cash or credit card for sexual services.

Proceeds from these prostitution activities were then processed by banks throughout the United

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States and subsequently transferred into bank accounts in their names.

According to the plea agreement, FURRY failed to report income from the escort services that she operated for the years 1995, 1996, and 1997, and attempted to evade federal taxes of \$39,629 on this income by dealing extensively in cash and concealing or destroying many of the business records and receipts that were maintained.

FURRY faced a maximum sentence on these tax evasion counts of five years in prison, a fine of \$250,000, or both.

JAMES R. McCAHILL, who also pleaded guilty in October 2001 has already been sentenced.

This investigation was conducted by special agents of the Phoenix Field Offices of IRS Criminal Investigation and the Federal Bureau of Investigation. The prosecution was handled by Michael Kemp, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

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