

Department of Justice

Acting United States Attorney Kathleen Mehlretter
Western District of New York

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CONTACT: Peggy Kelly McFarland
PHONE: (716) 843-5877
FAX: (716) 551-3051

MAN PLEADS GUILTY TO ENDEAVORING TO OBSTRUCT THE INTERNAL REVENUE SERVICE

Rochester, N.Y.—Guarld D. Cline, 57, of Rochester, NY, pleaded guilty before U.S. Magistrate Judge Marian W. Payson, to a felony charge of attempting to interfere with administration of internal revenue laws, Acting U.S. Attorney Kathleen M. Mehlretter of the Western District of New York announced today. The offense of mail fraud carries a maximum penalty of 3 years in prison, a fine of \$250,000, or both.

Assistant U.S. Attorney Tiffany H. Lee, who handled the case, stated that from about November 1997 and continuing to about April 2005, the defendant, Guarld D. Cline, acted for his own personal benefit to impede and obstruct the due administration of the internal revenue laws. During the Internal Revenue Service's audit of the defendant's 1995 tax filings, the defendant specifically instructed (and in one instance threatened suing) third-parties not to comply with subpoenas issued by the Internal Revenue Service to turn over and produce relevant documents. The defendant issued letters to the Internal Revenue Service refusing to accept the Service's jurisdiction over him. The defendant further instructed bookkeepers to refuse to answer questions from the Internal Revenue Service regarding his finances and conducted numerous transactions in an effort to make it difficult for the Internal Revenue Service to determine his true and correct tax liabilities. As part of the plea agreement with the United States government, the defendant will be required to file federal income tax returns from 1996 through to 2008.

The plea was the culmination of an investigation on the part of Special Agents from the Internal Revenue Service, Criminal Investigation under the direction of Patricia J. Haynes, Special Agent in Charge.

Sentencing is scheduled for July 7, 2009, at 11am before Hon. David G. Larimer, United States District Court Judge.