



November 10, 2010

Running Foul of the IRS

A man from Crownsville was convicted of defrauding the IRS and other tax crimes in connection with a multi-million dollar tax evasion scheme. Irvin Hannis Catlett Jr., 63 and his co-conspirators, Walter Cullum of Columbia and James Unterreiner of Bowie pleaded guilty to their roles in the scheme.

Catlett Jr., who operated a company called Tax Resolutions Inc. on Laurel, submitted 275 fraudulent tax returns for clients and created false tax shelters. From 1999 to 2009, he also falsely represented several companies purportedly involved in the sale and leasing of automobiles as profitable companies when in actual fact, the companies had were not conducting legal businesses at all.

Catlett Jr. and his accomplices prepared fraudulent tax returns that showed fictitious business losses on behalf of their clients so as to reduce their taxable income, avoid paying taxes and be eligible for tax refunds.

Prosecutors also revealed that Catlett Jr. paid an IRS officer, Mark Hunt of Baltimore to meet with his clients and potential clients and be the contact person at the IRS who would prevent him and his partners in crime from being audited.

The 275 fraudulent tax returns cost the US government more than \$3.8 million in taxes. In addition to the fraud charges, Catlett Jr. was also charged with one count of obstructing IRS laws and ten counts of assisting

in the preparation of false tax documents.

Catlett Jr. and his two co-conspirators are scheduled to receive their sentences next month.

In an unrelated case, a former IRS employee, on October 5, 2010, Vonda Edmonds was indicted for embezzling nearly \$4,000 in taxes to the IRS.

Starting from September 27, 2010 or thereabouts until October 27, 2010 or thereabouts, Edmonds who was an IRS employee then, embezzled \$3,915.04 of tax payments which she 'kited' through 50 or more transactions over a period of about one month.

This money was utilized by Edmonds for her own use according to prosecutors.

Speaking of payments to the IRS, General Mills Inc. said last Friday that it has agreed to pay \$425 million to the IRS in settlement over corporate tax adjustments.

These adjustments were for the fiscal years 2002 through 2008 and had to do with the capital loss, depreciation and amortization due to the sale of their non-controlling interests in a subsidiary company.

General Mills said that due to the payment of \$425 million, it would record a lower tax expense in the second quarter of 2011 of about \$90 million.