



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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Contact: *CI-HQ-COMMUNICATIONSEDUCATION@ci.irs.gov
IRS – Criminal Investigation

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Georgia Couple Sentenced to Prison for Tax Fraud

A Milledgeville, Georgia, couple was sentenced to prison today for skimming more than \$1.5 million in cash from their business without disclosing the income on their tax returns, Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division and U.S. Attorney John A. Horn of the Northern District of Georgia announced.

Kenneth Horner, 59, and his wife, Kimberly Horner, 54, were each sentenced to serve 18 months in prison followed by three years of supervised release, and ordered to pay restitution in the amount of \$144,455 to the Internal Revenue Service (IRS). The Horners were found guilty of filing false corporate tax returns and false individual income tax returns following a four-day trial in February 2015.

"IRS Criminal Investigation is sworn to protect the tax system and bring to justice those who steal from the Treasury," said Special Agent in Charge Veronica F. Hyman-Pillot of IRS-Criminal Investigation (CI). "In today's economic environment, it's more important than ever that the American people feel confident that everyone is paying their fair share. Today's sentence demonstrates that our largest enforcement program is directed at the portion of American taxpayers, who willfully and intentionally violate their known legal duty of filing and paying their fair share of taxes."

"Businesses are required to honestly report and pay taxes due, and should expect the same of their competitors," said Acting Assistant Attorney General Ciraolo. "Those business owners who evade these obligations not only steal from the U.S. Treasury, but gain an unfair competitive advantage, and the department is committed to holding them accountable."

"Small business owners should take note of this case," said U.S. Attorney John Horn. "Skimming cash from your business account and intentionally failing to report that money to the IRS, as a federal jury concluded these defendants did, is illegal. Community services and all other benefits of government depend upon citizens paying their fair share of taxes."

According to the indictment and other information presented in court, Kenneth and Kimberly Horner owned Topcat Towing and Recovery Inc. (Topcat Towing), a towing business in Lithonia, Georgia. Between 2005 and 2008, Topcat Towing had an exclusive contract with DeKalb County, Georgia, for all county car tows needed from the south precinct of the county. Between 2005 and 2008, the defendants skimmed more than \$1.5 million in cash receipts from their towing business and deposited those cash receipts into their personal bank account without disclosing the income to their tax return preparer or on the corporate and personal tax returns filed with the IRS.

The defendants tried to conceal their cash deposits from the government by "structuring" their deposits, which is the act of splitting up cash deposits that exceed \$10,000 for the purpose of avoiding the filing of a Currency Transaction Report (CTR) by the financial institution. Most financial institutions, including

banks, are generally required to file CTRs for cash transactions that exceed \$10,000, and the CTRs are submitted to the U.S. Department of Treasury.

In 2007 and 2008, the defendants used their unreported cash, in part, to build a custom home in Conyers, Georgia, that was appraised at more than \$900,000.

Acting Assistant Attorney General Ciruolo and U.S. Attorney Horn commended special agents of IRS-CI, who investigated the case, and Assistant U.S. Attorney Steven D. Grimberg of the Northern District of Georgia and Trial Attorney Christopher Maietta of the Tax Division, who prosecuted the case.

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