

NEWS RELEASE

# Luther Strange

Alabama Attorney General



FOR IMMEDIATE RELEASE

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For More Information, contact:

Joy Patterson (334) 242-7491

Claire Haynes (334) 242-7351

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## **AG, REVENUE COMMISSIONER ANNOUNCE CONVICTION OF MOBILE POLICE OFFICER FOR INCOME TAX EVASION**

(MONTGOMERY) – Attorney General Luther Strange and State Revenue Commissioner Julie P. Magee announced the conviction of Mobile police officer Donald Pears, 61, for state income tax evasion and filing a false Alabama individual income tax return under penalties of perjury.

The Attorney General's Special Prosecutions Division partnered with the Alabama Department of Revenue, a member of the Attorney General's Special Prosecutions Alliance, in investigating this case. The Attorney General's Office presented evidence to a Mobile County grand jury on December 9, 2013, resulting in Pears' indictment.

Pears pleaded guilty before Mobile County Circuit Judge Charles A. Graddick to one count of willful attempt to evade or defeat 2007 state income taxes and one count of willfully filing a fraudulent 2007 state income tax return.

Pears faces a potential penalty of five years imprisonment and a \$100,000 fine for income tax evasion, and three years imprisonment and a fine of \$100,000 for filing a perjured false and fraudulent income tax return. Sentencing is scheduled for June 19, 2014.

Pears attempted to evade paying state income taxes by falsely claiming he was exempt from income tax withholding. He claimed exempt status and had zero tax withholding from his paycheck for multiple years. When he did file an income tax return, it was a false and fraudulent return submitted under penalty of perjury because he failed to report significant income.

"I am proud of the accomplishments of the Special Prosecutions Alliance and of the partnership we have with the Department of Revenue in investigations and prosecutions such as this," said Attorney General Strange. "Misrepresenting one's status or income to avoid paying taxes is a serious crime, and our message is that we will vigorously investigate and prosecute these cases."

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“This is the first of many more cases being investigated by the ADOR involving Alabamians who have fraudulently evaded income taxes by having no tax withheld from their paychecks when they should, and then either filing fraudulent returns or not filing Alabama income tax returns at all,” said Commissioner Magee.

“Our means of detecting such fraudulent activities are improving greatly as we implement more and more discovery measures offered through our information technology capabilities, and, as we do so, we are finding a large area of non-compliance in Alabama’s withholding tax laws, ranging from public to private sector employment,” explained Commissioner Magee.

Attorney General Strange commended Assistant Attorney General Bill Lisenby of his Special Prosecutions Division for his excellent work in this case. He also thanked Alabama Revenue Commissioner Julie P. Magee, Assistant Attorney General and Assistant Counsel Glen Powers and agents of the Alabama Department of Revenue for their successful handling of the case.