

Alabama Department of Revenue

News Release
May 22, 2014

Revenue Commissioner Julie P. Magee Announces Convictions and Another Arrest in Related Tax Evasion/State Ethics Violation Cases

Montgomery—State Revenue Commissioner Julie P. Magee announced today the convictions of two former state employees on tax evasion charges and the arrest of another state employee, in a separate case, on similar tax evasion charges.

The Alabama Department of Revenue partnered with the Attorney General's Special Prosecutions Division in prosecuting these cases. According to State Revenue Commissioner Magee, additional cases are said to be forthcoming as a result of these investigations.

Michelle Irvin Zeigler, 50, of Prattville, was convicted on her plea of guilty before Montgomery County Circuit Judge Truman Hobbs on Monday, May 19, 2014, to one count of willful attempt to evade or defeat 2007 state income taxes and to one count of using her position as a public employee to obtain personal gain for herself in violation of Section 36-25-5(a), *Code of Alabama 1975*. Zeigler was sentenced to two years in jail for each count (to run concurrently) suspended with two years' supervised probation, and was ordered to pay restitution to the Alabama Department of Revenue in the amount of \$13,499.23, in addition to court costs.

Judy Smith Horn, 48, of Montgomery, was convicted on her plea of guilty before Montgomery County Circuit Judge Truman Hobbs on Monday, May 19, 2014, to one count of willful attempt to evade or defeat 2008 state income taxes. Horn was sentenced to two years in jail, suspended with supervised probation for two years. She was ordered to pay court costs and restitution in the amount of \$6,065.13.

In a separate case, Shirley Jean Walters, 54, of Montgomery, surrendered to Montgomery County Sheriff's Office on May 21, 2014, on charges of state income tax evasion and state ethics violation for using her position for personal gain.

The indictment charges Walters with four counts of state income tax evasion under Section 40-29-110, *Code of Alabama 1975*, for tax years 2008, 2009, 2010 and 2011. She is also charged with one count of using her position as a public

employee to obtain personal gain for herself in violation of Section 36-25-5(a), *Code of Alabama 1975*. Walters allegedly used her position as Personnel Assistant with the Alabama Department of Corrections to change her Alabama income tax withholding status to “exempt” or “zero withholding” for her state wages in the state payroll and personnel computer system, the Government Human Resources System (GHRS).

If convicted, Walters faces a possible sentence of up to five years imprisonment and/or fines up to \$100,000 for each of the four counts of evasion, and penalties of two to 20 years imprisonment and/or fines up to \$10,000 for the ethics violation charge.

No further information about the indictment or about Walter’s alleged crimes, other than that stated in the indictment, may be released at this time.

“It is a misdemeanor to falsely claim exemption from income tax withholding or to fraudulently exaggerate dependent exemptions on either state or federal income withholding tax forms. When combined with failing to file and/or pay income taxes for the year, it becomes a felony. We expect many more investigations and prosecutions of employees in the coming months for similar crimes,” said Commissioner Magee.

**An indictment is merely an accusation. The defendant is presumed innocent unless and until proven guilty.*