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State Revenue Commissioner Julie P. Magee Announces Conviction in Tax Evasion/State Ethics Violation Case

Montgomery, Oct. 14, 2014—State Revenue Commissioner Julie P. Magee announced today the conviction and sentencing of **Shirley Jean Walters**, on charges of state income tax evasion and a state ethics violation for using her position for personal gain. Walters was a Personnel Assistant employed by the Alabama Department of Corrections until she resigned in 2014 after her indictment. She previously served as a payroll clerk at Tutwiler Prison in Wetumpka.

Walters' pleas of guilty to the two felony counts were accepted by Montgomery Presiding Circuit Court Judge Charles Price and the convictions were adjudicated on Sept. 12, 2014. She was convicted on one count of state income evasion under Section 40-29-110, *Code of Alabama 1975* for tax year 2008, and on one count of using her position as a public employee to obtain personal gain in violation of the state ethics laws, Section 36-25-5 (a), *Code of Alabama 1975*.

Walters used her position 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). She was able to avoid having income tax withheld from bi-monthly state paychecks. Since she did not file state income tax returns and had zero withholding, she paid virtually no Alabama income tax.

Walters was sentenced on Oct. 10, 2014 by Judge Price to serve forty-six (46) months in the penitentiary, suspended, with supervised probation. She was also ordered to pay restitution in the amount of \$11,631.51, plus interest and penalties for the tax years involved.

"It is a crime to falsely claim exemption from state income tax withholding or to fraudulently exaggerate exemptions on income withholding tax forms or payroll records," said Commissioner Magee. When combined with failing to file a tax return and/or to pay income taxes it is a felony. Ms. Walters was in a special position of trust as a Personnel Assistant and violated that trust for her own personal gain. This is yet another in many cases we have pursued for income tax evasion perpetrated in this manner. We expect more investigations and prosecutions of employees in both the private and public sector in the coming months for similar crimes."

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