



January 15th, 2008

Local Businessman Sentenced on Tax Charges

Memphis, TN – Lawrence M. Simmons, 43, of Memphis, Tennessee, was sentenced by U.S. District Judge Bernice B. Donald to serve 18 months in prison, followed by 2 years of supervised release announced David Kustoff, United States Attorney for the Western District of Tennessee. Judge Donald also ordered Simmons to pay \$184,642.16 in restitution to the Internal Revenue Service.

Simmons, president of Simmons Industries, Inc. from 1994 – 2000, was indicted in August 2005, charged with three counts of income tax evasion pertaining to his 1998, 1999 and 2000 federal income tax returns. Simmons pled guilty on October 5, 2007, to one of those counts. Simmons Industries is an outdoor sign manufacturing company located in Memphis.

Simmons admitted that from 1998 and into 2000 he orchestrated a scheme where he diverted funds from Simmons Industries to pay his personal expenses. Simmons utilized accounts maintained at various local banks in the name of Simmons Industries to divert in excess of \$370,000. Simmons admitted that he failed to include these diverted funds on his personal tax returns for calendar years 1998, 1999, and 2000. These funds were used to make vehicle loan payments, mortgage payments, furniture purchases, and a down payment on a house, amongst other personal expenditures.

Simmons admitted that he failed to report approximately \$646,675 in income for 1998 through 2000, resulting in a tax loss to the United States of approximately \$184,641.

"The majority of citizens out there are working hard to pay their share of taxes, and to make the system fair for everybody," stated Michael J. De Palma, Acting Special Agent in Charge, IRS Criminal Investigation-Nashville Field Office. "As the 2008 filing season moves into high gear, it is important that honest, taxpaying citizens know we are working diligently to ensure that they are not bearing the burden of someone else's tax liability," said De Palma.

This investigation was conducted by IRS Criminal Investigation. Assistant U.S. Attorney Stuart J. Canale represented the government.

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