



U.S. Department of Justice

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## **PRESS RELEASE**

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### **Maryland Sports Manager Pleads Guilty to Tax Evasion, Conspiracy to Commit Bank and Wire Fraud - Admits to Evading More Than \$1 Million in Taxes -**

WASHINGTON - Nathan A. Peake, 40, a sports manager and resident of Silver Spring, Md., entered a plea of guilty today in U.S. District Court for the District of Columbia to one count of tax evasion and one count of conspiracy to commit bank and wire fraud.

The plea was announced by U.S. Attorney Ronald C. Machen Jr., Principal Deputy Assistant Attorney General John A. DiCicco of the Department of Justice's Tax Division, Rebecca A. Sparkman, Special Agent in Charge of the Washington, D.C. Field Office of the Internal Revenue Service-Criminal Investigation, D.C. Office of Tax and Revenue Deputy Chief Financial Officer Stephen M. Cordi, and Assistant Inspector General for Investigations Scott Berenberg, of the U.S. Department of Commerce Office of Inspector General.

The Honorable Ricardo M. Urbina set a sentencing date of August 2, 2011. Peake faces a maximum prison sentence of 10 years. Under federal sentencing guidelines, the likely range is a prison term of 41 to 51 months.

According to court documents, Peake has managed professional basketball players and boxers since 1999 under the name Peake Management Group, Inc. (PMG). Peake did not file income tax returns for the years 2000 through 2007, despite earning significant amounts of income over that period of time.

Between 2000 and 2007, Peake diverted approximately \$5,836,940 in management and agent fees from his business to personal bank accounts or commercial bank accounts that he controlled in names other than PMG. Peake committed numerous affirmative acts of evasion, including misappropriating proceeds from a \$3.5 million commercial line of credit that one of his client athletes guaranteed and ultimately paid off, paying himself and his wife out of those commercial bank accounts that he controlled in names other than PMG, using cash to pay

personal and business expenses, withdrawing cash in amounts less than \$10,000 (an amount greater would have required banks to file currency transaction reports), and paying personal expenses with business receipts.

In total, Peake admitted to evading in excess of \$1 million in income taxes.

In addition, Peake and others conspired to provide false information to several mortgage lenders over a nine-year period regarding Peake's employment, income, rental receipts, and obligations to the federal government. This included fabricated letters that falsely represented that Peake had filed federal income tax returns, reporting self employment wages, which had been reviewed by a certified public accountant.

A co-defendant in the case, Gregory L. McCormick, 55, is awaiting trial on charges, including conspiracy to commit bank and wire fraud and obstruction of justice.

U.S. Attorney Machen, Principal Deputy Assistant Attorney General DiCicco, IRS Special Agent in Charge Sparkman, D.C. Deputy Chief Financial Officer Cordi, and Assistant Inspector General Berenberg praised the efforts of the many individuals from the Internal Revenue Service - Criminal Investigation, District of Columbia Office of Tax and Revenue, and Department of Commerce Office of the Inspector General who investigated the case. They also praised those who worked on the case from the U.S. Attorney's Office, including Assistant U.S. Attorney Diane Lucas, who is handling forfeiture issues, Legal Assistant Jared Forney and Paralegal Tasha Harris. Finally, they acknowledged the efforts of Assistant U.S. Attorney Susan Menzer and Department of Justice Trial Attorney Sean Delaney, who prosecuted this matter.

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