



*U.S. Department of Justice
United States Attorney
Southern District of Mississippi*

FOR IMMEDIATE RELEASE
April 27, 2010

**PEARL RIVER COUNTY WOMAN PLEADS GUILTY TO
PREPARING FALSE TAX RETURN**

Gulfport, Miss -- Carolyn T. Lilly, 47, of Carriere, Mississippi, pled guilty today in U.S. District Court to preparing a false tax return, announced U.S. Attorney Donald R. Burkhalter and Michael J. DePalma, Special Agent in Charge of the Internal Revenue Service-Criminal Investigation, New Orleans Field Office.

A criminal information was filed on February 10, 2010, charging Lilly with one count of aiding and assisting in the preparation of a false 2005 federal tax return. In entering her plea of guilty today, Lilly admitted that she assisted in the preparation of the false tax return for two individuals who were not entitled to claim \$323,449.00 in casualty loss deductions from Hurricane Katrina as had been reported on their return.

Lilly will be sentenced by U.S. District Court Judge Sul Ozerden on July 27, 2010. She faces a maximum penalty of 3 years in prison and a \$250,000.00 fine.

Michael J. De Palma, Special Agent in Charge of Internal Revenue Service Criminal Investigation stated: "We are pleased with today's announcement. The tax system is built on the premise that taxpayers file accurate and timely tax returns. Willfully aiding or assisting in the preparing of false tax returns is a serious crime, punishable under Federal law. To ensure confidence in our tax system, Special Agents of IRS Criminal Investigation are committed to the aggressive pursuit and prosecution of individuals who intentionally violate the nation's tax laws. "

U.S. Attorney Burkhalter commended the investigative efforts of the Special Agents and Revenue Agents of the Internal Revenue Service – Criminal Investigation. The case is being prosecuted by Assistant United States Attorney Mike Hurst.

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