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LAUREL COUPLE PLEAD GUILTY TO FAILING TO PAY OVER \$312,000 IN TAXES ON
THEIR CONSTRUCTION COMPANY INCOME

Made Personal Expenditures from Corporate Funds to Conceal Income

Baltimore, Maryland - Ronald Dean Bateson, age 53, and his wife, Cynthia Bateson, age 51, both of Laurel, Maryland, each pleaded guilty today to tax evasion.

The guilty pleas were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Principal Deputy Assistant Attorney General John A. DiCicco of the U.S. Department of Justice Tax Division; and Acting Special Agent in Charge Jeannine A. Hammett of the Internal Revenue Service - Criminal Investigation (IRS-CI), Washington, D.C. Field Office.

"Paying taxes is a solemn obligation of citizenship," said IRS Special Agent in Charge Jeannine A. Hammett. "Those who hide income and evade taxes undermine our democracy."

According to their plea agreements, Ronald and Cynthia Bateson owned a construction company called Bateson Construction, Inc. (Bateson Construction) located in Columbia, Maryland. Bateson Construction was a frequent subcontractor on major commercial construction projects. They also owned a construction company called Bateson Construction Carolina, LLC (Bateson Construction Carolina).

The Batesons admitted that they failed to file tax returns and evaded the payment of taxes totaling \$312,104 for tax years 2003 through 2007. For the tax years 2003 - 2005, when the defendants were operating Bateson Construction, they concealed their personal income by making personal expenditures directly from business accounts. For example, the Batesons used funds from business accounts to purchase property in Oklahoma and materials for their home construction in Oklahoma. They also paid Bateson Construction employees for work on their Oklahoma house. The Batesons also charged personal expenditures to their corporate credit cards and paid the charges with corporate funds. By doing this, the Batesons made it difficult to determine their true personal income and made personal expenses appear to be business expenses.

The Batesons' gross income and tax due is as follows:

Tax Year Undeclared Gross Income Tax Due

2003	\$569,995	\$119,133
2004	\$336,829	\$ 76,582
2005	\$315,032	\$ 47,156
2006	\$179,220	\$ 6,734
2007	(\$155,263)	\$ 62,848

The defendants each face a maximum sentence of five years in prison and a \$250,000 fine. U.S. District Judge Marvin J. Garbis has scheduled sentencing for February 22, 2012.

United States Attorney Rod J. Rosenstein thanked IRS-CI for their work in the investigation and commended Assistant United States Attorney Joyce K. McDonald and Trial Attorney Daren H. Firestone of the Justice Department's Tax Division, who are prosecuting the case.

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