Department of Justice

United States Attorney Lawrence G. Brown
Eastern District of California

FOR IMMEDIATE RELEASE	CONTACT: Lauren Horwood
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www.usdoj.gov/usao/cae	*usacae.edcapress@usdoj.gov*
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DISCOVERY BAY CONTRACTOR SENTENCED TO ONE YEAR IN PRISON FOR TAX EVASION

SACRAMENTO, Calif. — United States Attorney Lawrence G. Brown announced today that United States District Judge Lawrence K. Karlton sentenced BILL V. WILSON, 63, of Discovery Bay, to one year and one day in prison and to pay restitution of $307,204.95. WILSON pleaded guilty on October 27, 2008 to three counts of filing false tax returns.

This case is the product of an extensive investigation by the Internal Revenue Service, Criminal Investigation.

According to Assistant United States Attorney Kyle Reardon, who prosecuted the case, WILSON is the president of DLM Plastering Company Inc. Beginning in 2001, he began paying employees from two bank accounts. Payments made from the first account were reported to the IRS, but payments made from the second account were not properly reported in order to avoid paying monies owed to California's worker's compensation fund. He made a total of 16 false statements to the IRS, resulting in a loss to the government of more than $300,000.

Furthering the scheme, WILSON created a Nevada corporation entitled Duck Lands Management Company Inc. and opened a bank account in that name. He deposited the checks for work done by DLM into the Ducks Lands Management Company Inc. account and would transfer some of the funds to a hidden bank account to pay unreported wages to his employees.

For the tax years 2001, 2002, and 2003, WILSON understated his gross receipts from his plastering business by $530,000, $325,000, and $274,917.99, respectively. During the investigation, he provided IRS Forms 1099 to the investigators and stated that they had been prepared as bonus checks by a friend of his deceased son-in-law. In fact, he knew the 1099s were fraudulent and prepared by a tax consultant retained by WILSON to assist after the commencement of the criminal investigation.

Judge Karlton, in sentencing WILSON, balanced the defendant's history with his personal characteristics: his long work record and the fact that much of the income saved by the defendant's avoidance of taxes was used to pay his employees. Judge Karlton noted that this was the second time that WILSON had been in trouble with the Internal Revenue Service. In the late 1990s after an IRS audit, he had been ordered to pay back taxes relating to inappropriate accounting practices at his drywall contracting business.

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