

PRESS RELEASE

NH Department of Revenue Administration

109 Pleasant Street, Concord, New Hampshire 03301

Central Taxpayer Services: (603) 271-2191 - On the Web: www.nh.gov/revenue

March 13, 2008

Guilty pleas of Derek Wallace for Violations of New Hampshire Tax Laws

Derek Wallace (DOB: 11/19/70) of Salisbury, Massachusetts was sentenced to 1½ - 3 years in the New Hampshire State Prison for tax evasion. Sentencing took place before Judge Tina Nadeau, in Rockingham County Superior Court on February 28, 2008. Sentencing also included a payment of \$240,000 to the NH Department of Revenue Administration on or before August 28, 2008, and held in abeyance separate time to be served for non-payment.

Specifically, Wallace admitted that he willfully attempted to evade New Hampshire business profits tax by concealing the operations of one of his businesses, Wallace Enterprises, and failing to make a tax return for the business. He also admitted to willfully filing with the NH Department of Revenue Administration a false tax return with underreported business income and other disclosures related to Bayview Crematory that Wallace knew not to be true.

The State charged Wallace with tax crimes against the State of New Hampshire in connection with his operation of Bayview Crematory, LLC in Seabrook, New Hampshire between 2000 and 2004. Linda Stokes and Lawrence Stokes, Jr., Wallace's mother and stepfather, pled guilty in May 2007 to Bayview-related tax felonies.

Wallace's payment to the Department of Revenue is in addition to the \$248,000 that the Department received pursuant to the convictions of Mr. and Mrs. Stokes, which included Bayview's tax liability. The Stokes' prison sentences were suspended for 10 years. The businesses known as Bayview Crematory and Wallace Enterprises were also found guilty of tax crimes.

G. Philip Blatsos, Commissioner of the State Department of Revenue Administration, encouraged Judge Tina Nadeau to send Wallace to jail as a way of delivering a strong message to other business owners across New Hampshire.

"Derek Wallace can't leave this courtroom thinking that he won," Blatsos said. "Too many people like Wallace believe getting caught committing tax evasion is the cost of doing business."

These convictions result from a comprehensive investigation conducted by the New Hampshire Department of Revenue Administration and the New Hampshire State Police, Troop A in Epping. The charges were prosecuted jointly by the New Hampshire Attorney General's Office and the Rockingham County Attorney's Office.

A special note of thanks goes out to the Department's sister agencies. It is through such joint initiatives that we gain our best strength for the benefit of New Hampshire citizens. As the Commissioner said to the court "Don't bet your freedom on government's inability to work together."

For More Information Contact:

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