

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

September 24, 2007

Crematorium operator guilty of tax evasion

Attorney General Kelly A. Ayotte, Rockingham County Attorney James Reams, New Hampshire Department of Revenue Administration Commissioner G. Philip Blatsos and New Hampshire State Police Colonel Frederick H. Booth announce that Derek Wallace (DOB: 11/19/70) of Salisbury, Massachusetts pled guilty yesterday to four class B felony charges of tax fraud. Rockingham County Superior Court Judge Tina L. Nadeau accepted Wallace's guilty pleas to three charges of Attempting to Evade Taxes and one charge of Making and Subscribing a False Tax Return. The Court will schedule Wallace's sentencing hearing in 45 to 60 days, after the Department of Corrections completes a pre-sentence investigation.

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 willfully filing with the New Hampshire Department of Revenue Administration a false tax return with underreported business income and other disclosures related to Bayview Crematory that Wallace did not believe to be true.

The State had 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 related tax felonies.

In exchange for Wallace's four guilty pleas, the State agreed to request a prison sentence of no more than 1 ½ to 3 years. The agreement also includes prison sentences of 3 to 6 years, suspended for 10 years, and a payment of \$240,000 to the New Hampshire Department of Revenue Administration. 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. 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.

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 are being prosecuted jointly by the New Hampshire Attorney General's Office and the Rockingham County Attorney's Office.

For More Information Contact:

NH Department of Revenue Administration
45 Chenell Drive, Concord, NH 03301
Central Taxpayer Services/Customer Service
(603) 271-2191