



Transcripts reveal Attorney John Lee aided in filing of fraudulent tax returns by unnamed Hattiesburg CPA



Hattiesburg Attorney John Lee pleaded guilty to tax evasion. Now, Lee cooperating with U.S. Attorney to bring down others. (Photo – Hattiesburg American. Click photo to read the

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article.)*

The September 22nd, 2017 transcripts from Hattiesburg Attorney John Lee's guilty plea hearing were filed in federal court by federal prosecutors on July 13th, 2018. The guilty plea remained under seal until February, 2018. The transcripts are only available for viewing at the federal courthouse at this time, and the parties have seven (7) calendar days (July 20th) to file with the Court a Notice of Intent to Request Redaction of this transcript.

The transcripts disclose that John Lee evaded income taxes for the years 2012, 2013, and 2014. In 2012 Lee showed no income, when his income was actually \$405,235. In that year he evaded \$141,832 in taxes.

In 2013, Lee reported a loss of \$5,969, when in fact, his income was \$159,737. Lee evaded taxes totaling \$55,900 in that year.

In 2014, Lee reported a loss of \$120.00 when in actuality his income was \$286,112. Lee evaded \$100,139 in income taxes for that year.

In total, Lee evaded \$297,871 in taxes for the period 2012 to 2014. According to the transcript, Lee deducted unlawful expenses, which included payments to his children, a life insurance policy, and other transactions.

The case originated with the U.S. Attorney's office in the Eastern District of Louisiana under the direction of Assistant U.S. Attorney Fred Harper. Harper prosecuted Charles and Linda Bolton in connection with Bolton having received, deposited, and cashed well over \$300,000 in checks from Lee over a five year period. The cashed checks were not declared as income by either the Boltons or Lee. The cashed checks were made payable to the Boltons' business, but a teller at the Bancorp South

Bank downtown Hattiesburg location cashed the checks for Bolton.

Charles Bolton was the Chief Deputy jailer at the Billy McGee Law Enforcement Complex. He was also a member of the Forrest General Board of Trustees. Since his convictions on nine tax related charges, Bolton's name was removed from the sign at the jail complex, and he was not reappointed to the hospital's board.

Since the Bolton's trial, Fred Harper has moved to the Southern District of Mississippi as a Special Assistant U.S. Attorney where he is focusing on public corruption prosecutions.

Harper told the court at Lee's plea hearing in September, 2017,

"Mr. Lee was aided and assisted in preparation of those returns and those false returns by a certified public accountant in Hattiesburg, Mississippi."

Judge Starrett asked Lee and his council, John Colette,

"Has anyone—does the plea agreement correctly state the entire agreement made between you and the government?"

John Colette replied,

"It does with one exception, Judge. On page two – or bottom of page one where it says, The government also agrees, will not bring other

charges, Southern District, arising from violation as long as he has truthfully informed law enforcement officials of the full and complete details of those crimes prior to his guilty plea in this case.

On the record, because of the timing, that has not been done. So we will be cooperating and proffering tax offences, maybe other offences, but that will occur after the guilty plea.”

According to the transcript, Lee must testify truthfully at any Grand Jury and must make himself available to meet with federal investigators any time they wish. The prosecution is recommending a \$250,000 fine, a \$100.00 assessment fee, and one year probation in exchange for Lee's cooperation. Judge Starrett is not bound by that agreement, and can sentence Lee for up to five years in prison.

Starrett told Lee during the September 22nd, 2017,

“You are now a convicted felon.”

Lee will be sentenced on July 17th, 2018 at 1:30 PM.