



PRESS RELEASE

Federal Deposit Insurance Corporation

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DALLAS TAX-SERVICES FIRM TO PAY \$250,000 TO SETTLE CLAIM OF FALSELY BILLING FDIC

FOR IMMEDIATE RELEASE

FDIC Inspector General Gaston L. Gianni, Jr. announced that a Dallas, Texas-based tax-services firm, Tax Valuation, Inc. (TVI), and its President and Vice President have agreed to pay \$250,000 to settle the U.S. Government's claims that TVI fraudulently billed the FDIC for services it never performed.

TVI President S. Lewis Hill and J. Stan Blacklock, Vice President, agreed to the settlement in lieu of a trial.

The United States' complaint alleged that around June 1991, TVI had a number of contracts with the FDIC in Massachusetts, Texas and other locations to perform tax services on real estate properties acquired by the FDIC after various financial institutions failed. The tax services included conducting municipal tax protest procedures to obtain lower assessments of FDIC properties, which would create a savings to the FDIC on the property taxes. Under the terms of the contracts, TVI would be paid a contingency fee of 15 to 20 percent of the tax savings.

According to the U.S. Government's complaint, TVI billed the FDIC on at least 360 occasions for contingency fees based on tax reductions on FDIC properties that TVI had no role in obtaining. The tax reductions occurred at the initiative of other contractors or previous owners, or because municipal tax assessors in the Commonwealth of Massachusetts and the state of Texas had conducted periodic re-evaluations of the



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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properties' market values and lowered the taxes. The government alleged that the FDIC paid TVI at least \$154,000 for property tax reductions that TVI had not achieved.

The defendants agreed to an entry of judgment that they had been unjustly enriched by receiving payments from the FDIC. This case was investigated by the FDIC's Office of Inspector General and prosecuted by Assistant U.S. Attorney Anita Johnson of the U.S. Attorney's Office, Civil Division, District of Massachusetts.

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