



NEWS

State of Delaware
Department of Finance
Division of Revenue
www.revenue.delaware.gov

FOR IMMEDIATE RELEASE
Wednesday, April 8, 2009

FOR FURTHER INFORMATION
David M. Smith
Division of Revenue
(302) 577-8958

FORMER CFO OF SUSSEX COUNTY BUSINESS ENTERS GUILTY PLEA TO THEFT & EVADING TAXES

(Wilmington, DE) – Director of Revenue, Patrick T. Carter, announced that on April 8, 2009, a Milford man entered a guilty plea to a “criminal information,” charging him with two felony counts including theft over \$100,000 and attempting to evade tax, after he embezzled more than \$2.5 million from a Sussex County business.

While serving as chief financial officer of Coastal Supply Co., John M. Burkett, 36, allegedly authorized as many as 90 corporate checks be written to a fictitious company he admittedly formed and controlled. Investigators say that Burkett made the checks payable to “A & S Services,” which Burkett then converted to his own use. Burkett used a significant portion of the stolen funds to purchase real estate, including a primary residence in Milford, Delaware. In addition, Burkett authorized company checks to pay his personal expenses, failed to report the embezzled funds as income and failed to pay tax on the proceeds. As a result, Burkett avoided paying a total of more than \$100,000 in state income taxes.

The investigation was initiated after an alert employee at the victim’s bank alerted the company to suspicious transfers of funds from the company’s business checking account.

To date, Coastal Supply Co. has managed to recover about \$2 million by selling Burkett’s home and other property.

This case stems from an investigation conducted by the Delaware State Police and the Delaware Division of Revenue’s Criminal Investigation Unit and referred to the Delaware Attorney General’s office for prosecution.

Burkett awaits sentencing in Sussex County Superior Court on June 26, 2009, facing up to 15 years in jail on the theft charge and an additional 5 years on the charge of tax evasion.

###