

EXHIBIT B



THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* TENNESSEE

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U.S. Attorney's Office

Eastern District of Tennessee

FOR IMMEDIATE RELEASE

Wednesday, September 12, 2018

Southeastern Provision Owner James Brantley Pleads Guilty to Federal Information

GREENEVILLE, Tenn. – On September 12, 2018, James Brantley, 61, of Bean Station, Tennessee, pleaded guilty before the Honorable J. Ronnie Greer, U.S. District Judge, to tax fraud, wire fraud, and employment of unauthorized illegal aliens. Brantley is the owner of Southeastern Provision, LLC (Southeastern Provision), a slaughterhouse and meatpacking plant located in Bean Station, Tennessee.

Brantley faces up to five years in prison, a \$250,000 fine, and three years of supervised release for the tax counts. He faces a maximum of 20 years in prison, a \$250,000 fine, and three years of supervised release on the wire fraud charge. Finally, he faces up to six months in prison and a fine of not more than \$3,000 per unauthorized alien on the employment of unauthorized alien charge. Brantley also agreed to pay restitution to the United States government in the total amount of \$1,423,588 on or before the date of his sentencing. Sentencing has been set for 1:30 p.m., February 4, 2019, in U.S. District Court.

A detailed account of Brantley's scheme is contained in his plea agreement on file with the U.S. District Court and available to the public. According to the plea agreement, beginning in 1988 and continuing through April 2018, Brantley knowingly hired, or caused others employed by him to hire, unauthorized aliens to work as employees at Southeastern Provision. The unauthorized aliens were knowingly hired to reduce Brantley and Southeastern Provision's FICA tax obligations, unemployment insurance premiums, unemployment tax obligations, and workers' compensation insurance premiums.

In April 2018, a federal search warrant was executed at Southeastern Provision, during which agents discovered at least 104 unauthorized aliens employed there. Evidence showed that Brantley had previously reported to the Internal Revenue Service (IRS) that he had only 44 wage-earning employees. Further investigation revealed that he paid the unauthorized aliens in cash at a rate of \$8-\$10 per hour. The employees were also often asked to work overtime at their standard rate of pay, rather than the "time and a half" required by the Fair Labor Standards Act for overtime work.

"The April 2018 raid on Southeastern Provision came after a lengthy investigation by the Internal Revenue Service-Criminal Investigations and Homeland Security Investigations and resulted in the discovery of the unlawful employment of many illegal aliens and the seizure of voluminous records which documented the operation of Mr. Brantley's wire and tax fraud schemes," said U.S. Attorney J. Douglas Overbey. "The agents and prosecutors working on this case have diligently poured over the records and evidence since the

raid to ensure that charging Mr. Brantley would result in bringing him to justice and ultimately his conviction. With this guilty plea, that has been accomplished.”

“As ICE Homeland Security Investigations has stated repeatedly – this agency is equally focused in its worksite enforcement efforts on the foreign nationals who unlawfully seek employment as well as the employers who knowingly hire them. This case was a criminal investigation from day one, not simply an immigration enforcement action, and today’s guilty plea clearly illustrates HSI’s dual focus on the issue,” said ICE Homeland Security Investigations New Orleans Special Agent in Charge Jere T. Miles. “Tax fraud is an outrage to hard-working Americans directly harmed when criminals cheat their obligation to society by failing to pay their fair share, and the employment of illegal workers also poses a serious threat to public safety as the use of fraudulent identity documents exposes Americans to potential identity theft and other financial harm.”

"Tax violations have been erroneously referred to as victimless crimes, but it's the honest law-abiding citizens that are harmed when someone tries to manipulate our nation's tax system for their personal gain," said Matthew D. Line, Special Agent in Charge. "Business owners like Mr. Brantley have a responsibility to withhold income taxes for their employees and then remit those taxes to the Internal Revenue Service. Failure to do so not only results in the loss of tax revenue to the United States government, but it also harms employees who lose future social security or Medicare benefits and creates an unfair business advantage over those employers who follow the law. Investigating cases of employment tax fraud is an investigative priority for IRS Criminal Investigation.”

Being neither a flight risk nor posing a danger to the community, Mr. Brantley was released on a recognizance bond pending sentencing.

This case was investigated by IRS-Criminal Investigation, U.S. Homeland Security Investigations, and Tennessee Highway Patrol. Assistant U.S. Attorneys TJ Harker and Meghan Gomez represented the United States in court proceedings.

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Topic(s):

Immigration

Tax

Component(s):

USAO - Tennessee, Eastern

Updated September 12, 2018