

Alabama Department of Revenue

News Release
Feb. 20, 2001

Former City Auditor Convicted of Criminal Tax Evasion and Embezzlement Charges

Bay Minette—A Baldwin County jury recently handed down criminal tax evasion and embezzlement charges against a former City of Daphne employee.

Faye B. Cheatham, 53, who worked for the City of Daphne Utilities Board from 1992 until October 1997, was found guilty Feb. 16, 2001, of embezzling up to \$189,000 from the Utilities Board during 1992 through 1997.

Cheatham was also convicted on three criminal counts of state income tax evasion for tax years 1995, 1996, and 1997. Bobby Cheatham, her husband, was acquitted on all tax charges.

The criminal tax charges against the Cheathams resulted from their failure to claim the embezzled funds as additional personal income on their 1995, 1996, and 1997 Alabama income tax returns. All income, even illegal income, must be reported on Alabama income tax returns.

Sentencing is set for March 21, 2001, in Baldwin County Circuit Court, Judge Charles Partin, presiding. Cheatham could be sentenced up to a maximum of 29 years in prison—up to three years for each felony income tax charge and from two to 20 years for embezzlement charges. Cheatham also faces potential fines up to \$300,000, plus restitution.

Commenting on the verdict, State Revenue Commissioner Michael Patterson commended Baldwin County District Attorney David Whetstone and Assistant District Attorney Robert Stankoski in the prosecution of the case and Department of Revenue Investigations Agent Randy Day, Daphne Police Detective James Mathews, and other officials for their teamwork in the handling of the case.

Media contact for more information:

ADOR Media Affairs Office: Carla A. Snellgrove or Carolyn Blackstock:
(334) 242-1390; FAX: (334) 242-0550

www.ador.state.al.us