



# Department of Justice

U.S. Attorney's Office  
Southern District of Texas

José Angel Moreno • United States Attorney

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COMPANY, OWNER AND THREE OTHERS CONVICTED FOR CONSPIRACY, TAX FRAUD,  
BANKRUPTCY FRAUD, BRIBERY AND OTHER CHARGES

(HOUSTON) - John F. Heard Jr., Janet F. Heard and Gary L. Lambert along with Superior Protection Inc. (SPI) have been convicted by a federal jury of conspiracy to defraud the United States of employment taxes totaling more than \$5.7 million, United State Attorney José Angel Moreno announced today. The jury returned its verdicts yesterday after 16 days of trial and two days of deliberation in federal court in Houston before U.S. District Court Judge Ewing Werlein Jr.

John Heard was also convicted of income tax evasion in 2001 and 2003, willfully making and subscribing to a false income tax return in 2007, corrupt interference with the tax laws and bribery of a public official. Janet Heard was convicted of five counts of making a false oath in bankruptcy.

According to court documents and evidence presented at trial, John Heard operated and controlled numerous private security companies, including SPI, since 1987 which failed to pay employment taxes totaling more than \$5.7 million. In the scheme, the conspirators opened and closed numerous corporations and used fictitious names for numerous documents, including tax returns, corporate documents, bank documents and payroll checks. The conspirators also named lower-level employees as company officials in corporate documents in an effort to impede the Internal Revenue Service (IRS) by concealing the true individuals who operated and controlled the security guard companies. The conspirators failed to file numerous IRS Forms 941, and when they did they were often false.

Lambert worked for Heard in the numerous predecessor security guard companies and was the initial chief financial officer at SPI. Janet Heard did not work at the security companies but assisted in the concealment of assets from the IRS. The Heards both signed a settlement agreement in 2006 with the company that had purchased SPI and acknowledged that Heard owed the IRS more than \$5.5 million in employment taxes. Shortly after signing that agreement, she created a trust in which the Heards placed assets in order to conceal them from the IRS. She made numerous false oaths in her bankruptcy proceeding in 2007 and 2008 when she did not disclose the existence of the trust. John Heard also failed to report significant amounts of funds that he pulled out of SPI for his personal use on his personal income tax returns in 2001 and 2003 and did not report any of the income that he earned in 2007 on his personal income tax return. John Heard also provided airline tickets, lodging and access to two celebrity golf tournaments to a government contracting official who oversaw a federal security guard contract related to SPI in exchange for a favorable reference on behalf of SPI to a contracting official and for pre-signed security-guard forms from the General Services Administration.

John Heard faces a maximum of 36 years in federal prison at his sentencing on Feb 4, 2011; while Janet Heard faces a maximum of 25 years in federal prison on Feb. 18, 2011. Sentencing for Lambert has been set for Feb. 11, 2011, at which time he faces a maximum of five years in federal prison. Michael Lane, who pleaded guilty Oct. 7, 2010, to providing an illegal gratuity to a public official, will be sentenced on Jan. 14, 2011. All of the defendants were permitted to remain on bond pending their respective sentencing hearings.

The case was investigated by Internal Revenue Service - Criminal Investigations; the Department of Homeland Security - Office of Inspector General; the Bureau of Alcohol, Tobacco, Firearms and Explosives; and the Federal Protective Service. The case was prosecuted by Assistant U.S. Attorney Mark McIntyre and Trial Attorney Todd Ellinwood of the U.S. Department of Justice, Tax Division.

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