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**PARKS SENTENCED TO 27 MONTHS FOR WIRE FRAUD RELATING TO
FRAUDULENT REFINED COAL TAX CREDITS AND FORFEITS MILLIONS**

Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas, David T. Resch, Special Agent in Charge of the Little Rock Field Office of the Federal Bureau of Investigation (FBI), and Christopher A. Henry, Special Agent in Charge of the IRS-Criminal Investigation Nashville Field Office; announced today that, Stephen K. Parks, 62, of Little Rock, Arkansas, was sentenced to 27 months imprisonment, three years of supervised release, and ordered to pay \$845,000 in restitution to the IRS. Parks pled guilty to a Federal Information charging him with wire fraud relating to a fraudulent investment scheme involving the sale of refined coal tax credits on May 27, 2015.

In addition to serving 27 months in federal prison, Parks agreed to forfeit jewelry purchased with money obtained from the fraudulent sale of tax credits, and consented to the forfeiture of all property seized to date in Case No. 4:13-CV-00054 SWW, to include approximately \$7.5 million, plus other pieces of real and personal property, with the exception of a home at 2020 N. Spruce Street, Little Rock, AR, and approximately \$73,000 seized from that home.

The refined coal tax credit was added to the tax code by the American Jobs Creation Act of 2004. The credit requires that the refined coal be produced by the taxpayer at a refined coal production facility during the 10-year period beginning on the date the facility was originally placed in service, and sold by the taxpayer to an unrelated person.

On or about June 1, 2010, Parks formed Global Coal, LLC, and served as its CEO, President and Manager. He was also President of Ecotec Coal, LLC and King Coal, LLC. Global Coal has never refined any coal or sold any refined coal to an unrelated third party, as required by Title 26, United States Code, Section 45. Global Coal has never had a facility in place to refine coal, as required by 26 U.S.C. § 45. As of March 2015, Global Coal has failed to file any federal income tax returns and has never purported to create

refined coal tax credits pursuant to 26 U.S.C. § 45 in any federal tax return. Despite knowledge of these facts, Parks approved and facilitated the sale of nonexistent Global Coal refined coal tax credits through a broker to the investor, representing that the tax credits were valid and available for sale. Parks subsequently used a large portion of the proceeds of that sale for his personal use and the use of his family.

In late 2011, a broker acting on behalf of Parks and Global Coal began communicating with the representative of a potential investor regarding Global Coal and Ecotec Coal refined coal tax credits. Parks represented to the broker that Global Coal tax credits were available for sale and was in communication with the broker throughout the course of the Global Coal tax credit transaction.

On January 9, 2012, the investor agreed to purchase 845,000 Global Coal tax credits and 268,000 Ecotec Coal tax credits for total payment of \$723,450. On January 13, 2012, the investor wired \$549,250 from a bank in Iowa into King Coal Holding LLC's account at Delta Trust & Bank in Arkansas. A backdated invoice dated December 30, 2011, reflected the sale of 845,000 Class C Units of interest of Global Coal, LLC, the sole benefit of which is \$845,000 of Refined Coal Tax Credits to the investor. The invoice reflected the total due as \$549,250 to be wired to a Delta Trust & Bank account with account name "KHC, LLC c/o Global Coal". The Global Coal, LLC subscription documents reflect that Stephen Parks is the manager and CEO and contain his signature. The documents also acknowledge receipt by Global Coal of \$549,250 from the investor. A separate invoice was sent for the Ecotec Coal tax credits, which directed that \$174,200 be wired Ecotec Coal's account at First Security Bank.

From the proceeds of the Global Coal tax credit sale, Parks wrote a \$40,000 check to his wife for "Coal Rights Arkansas." This \$40,000 was part of approximately \$1.3 million paid to Parks' wife from 2008-2012 for "advanced royalties." According to a "Royalty Agreement" backdated to December 1, 2007, Parks' wife "controls certain mineral rights within the state of Arkansas and King Coal, LLC . . . desires to extract coal from these properties . . ." In fact, Parks' wife had no interest in any land with coal rights in Arkansas and had no mineral rights to coal during the time she was receiving the "advanced royalties." In 2014 tax court pleadings, the explanation of Parks' wife's receipt of royalties was altered, alleging that Parks' wife "assisted and facilitated the negotiations" between the parties to a lease agreement regarding coal rights.

Also from the proceeds of the Global Coal tax credit sale, a check to Delta Trust & Bank for \$301,271.50 was used to purchase a cashier's check. That cashier's check was used to purchase 4817 Stonewall Road, Little Rock, Arkansas, a residence located behind the Parks family residence, and was purchased to be torn down and used as a back yard for the Parks family.

The case was investigated by special agents from the FBI and the IRS-Criminal Investigations.

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