



\$4.4 Million In Income Tax Evasion Charged

3 Dixons Indicted On 28 Counts

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Frackville's (former) flamboyant politician, John P. (Jack) Dixon, his brother and cousin, Edward F. and John L. Dixon, Mount Carmel, were indicted on 28 counts of tax evasion and filing false income tax returns by a federal grand jury in Philadelphia.

The jury charged the Dixon trio with evading taxes in the amount of \$4,375,043.92 for themselves and for four corporations of which they were officers — Dixon Contracting Co., Inc., Chalk's Airlines, Miami, Fla., Commonwealth Development Association of Pennsylvania, and Tri-County Engineering Associates, Inc.

If convicted, the three face maximum sentences of 30 to 40 years in prison, and fines ranging from \$55,000 to \$75,000 each. (Maximum penalty for tax evasion is five years' imprisonment and/or a fine of \$10,000 for each count; for falsifying tax returns, imprisonment of three years and/or a \$5,000 fine for each count.)

These indictments stem from an 18-month in-depth and continuing investigations of the Dixons by the Philadelphia Strike Force of the Organized Crime and Racketeering Section, with assistance from agencies of the Internal Revenue Service.

That indictments would be forthcoming appeared inevitable since late last year when, on Nov. 29, the three Dixons and their related corporations were slapped with federal liens totaling \$8,687,436 for unpaid federal income taxes dating back to 1969.

According to an IRS spokesman at that time, the \$8.6 million included not only the assessed unpaid tax, but also a 50 per cent assessment penalty and a six per cent annual assessment interest charge.

Also taking credit for playing a leading role in the U.S. Grand Jury action against the Dixons is the Pennsylvania Crime Commission which has been probing the well-known family in connection with mine fire extinguishing contracts that cost the state millions in overruns.

Lawrence Hoyle, head of the commission, says he turned over substantial information to federal investigators, and that a detailed report on the activities of the Dixons, in regard to state contracts, will be released shortly.

The Dixons have been in the limelight since Auditor General Robert Casey disclosed that Dixon Contracting Co.

had received \$14 million from the total \$15 million spent by the state on its mine reclamation program which ran into about \$12 million in overruns.

The family made national headlines last October when national syndicated columnist Jack Anderson unveiled portions of correspondence between Casey and then Attorney General J. Shane Creamer, exposing alleged deals and attempts to fix state mine fire contracts in exchange for campaign funds.

Jack Dixon, the Dixon Contracting firm and U.S. Congressman Daniel Flood of Wilkes-Barre were named repeatedly in the correspondence between Casey and Creamer which was published in its entirety and exclusively in this newspaper.

The "Casey-Creamer Papers" (so labeled by The REPUBLICAN) had been leaked both to Anderson and State Representative James A. Goodman, Mahanoy City, who had been in the midst of a fierce campaign with his Republican opponent, (Jack) Dixon, to retain his 123d district legislative seat.

(Only after one of the hottest, lowest, dirtiest and most issue-less election battles, did Goodman return to the legislature ... by an overwhelming mandate of district voters).

Dixon as well as Congressman Flood emphatically and vehemently denied any wrongdoing or illegal intervention in the bidding for or awarding of state contracts for extinguishing mine fires as inferred in the Casey-Creamer exchange.

"I wouldn't go near any state contracts with a ten-foot pole", was Flood's reply to the exposition; "Nothing there", was Dixon's reaction.

Yet evidently something was there in the mounds of letters between the two state officials and the State Crime Commission apparently is soon going to tell the public exactly what it is.

In the meantime, the charges against the Dixon family cover just their own personal and corporate tax evasions.

The grand jury returned a 10-count indictment against John P. (Jack) Dixon — six counts for tax evasion and falsifying returns for himself for the years 1969-1971; four counts for tax evasion and filing false returns for Dixon Contracting Co., Inc., for the fiscal years ending September 30, 1970 and 1971, when he served as president.

Conviction could send him to prison for a maximum of 40 years and levy a fine against him in the amount of \$75,000.

Edward F. Dixon, formerly of Mount Carmel, now of Nassau, the Bahamas, the president of Chalk's Airlines, was named in eight counts. He was indicted on six counts of tax evasion and filing false returns for himself for the years 1968-1971. He is also charged with tax evasion and falsifying tax returns for Dixon Contracting Co., Inc., for the fiscal year ending September 30, 1969. If convicted, he faces a maximum sentence of 30 years imprisonment and a fine of \$55,000.

The third Dixon, John L., is facing a maximum prison sentence of 38 years and a \$70,000 fine if convicted as a result of the ten-count indictment returned against him by the grand jury.

Three counts charge him with filing false returns for himself for the years 1969-1971; four counts charge him with evading income taxes of the Commonwealth Development Association of Pennsylvania during 1968 through 1971 when he served as its executive director. He was also indicted in three counts for filing false tax returns for Tri-County Engineering Associates, Inc., for fiscal years ending June 30, 1969, 1970 and 1971 when he served as president.

Tri-County Engineering Associates was not included by the IRS when it filed liens against the Dixons and their companies last year in lieu of unpaid taxes.

The liens which were filed on Nov. 29 are:

John P. (Jack) Dixon — \$359,444 for 1971 unpaid taxes (Schuylkill County)

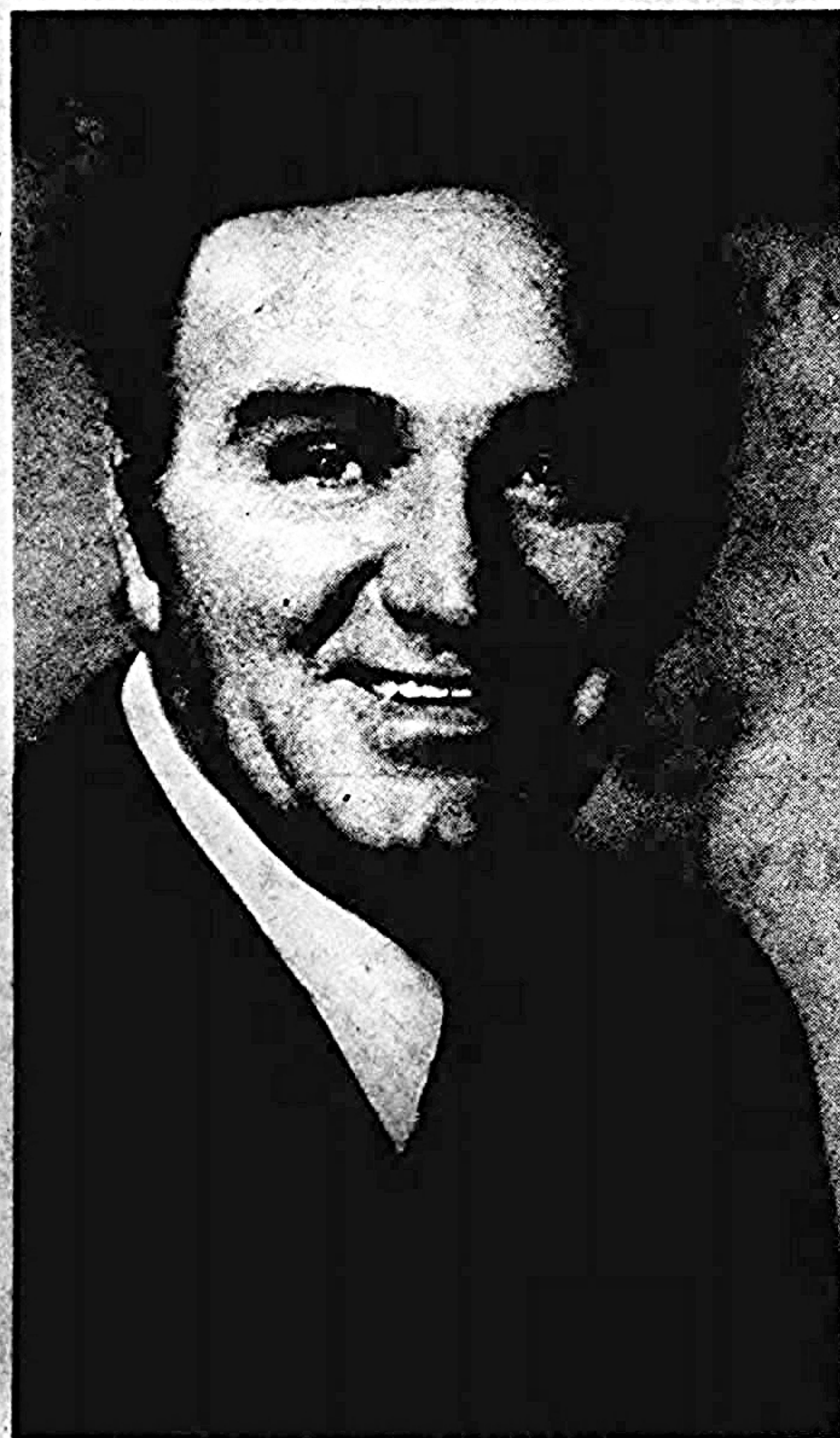
(John L. Dixon — \$399,467 for 1971 unpaid taxes (Northumberland County)

Edward F. Dixon — \$1,440,811, unpaid 1970 taxes; \$845,759, unpaid 1971 taxes (Northumberland and Dade counties)

Dixon Contracting Co., Inc. — \$704,756, unpaid taxes for fiscal year ending 11-30-69; \$1,472,189, unpaid taxes for fiscal year ending 11-30-70; \$1,096,820 unpaid taxes for fiscal year ending 11-30-71 (Dauphin, Northumberland counties)

Commonwealth Development Association of Pennsylvania — \$976,731, unpaid 1969 taxes; \$1,391,459, unpaid 1970 taxes (Dauphin, Luzerne, Lackawanna counties).

Also, late last year, the IRS seized two late model automobiles owned by John P. (Jack) Dixon and one of Edward Dixon's Chalk's Airlines planes in Miami.



JOHN P. (JACK) DIXON