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women's group that offered shoulders to lean on and a way to make \$40,000.

Jan. 30, 2013

Mary Jo Walker said she was “intrigued” by her long-time friend’s invitation to join a women’s group that offered shoulders to lean on and a way to make \$40,000.

But, the tax professional testified in court Monday, her financial background led her to feel suspicious about the group, called the Women’s Gifting Table. Walker took the stand in U.S. District Court on the third day of a Connecticut trial focusing on her friend Donna Bello and Jill Platt, who are accused of being leaders of the gifting tables.

Prosecutors also offered testimony Monday from a Federal Trade Commission economist, who deemed the tables a pyramid scheme, and from a woman who lost thousands of dollars by joining the group.

Attorneys also entered into evidence a purple paper bag with \$9,650 cash and a dried flower that Walker held in a safe for Bello, though Walker said she did not know if Bello earned it through gifting table activities.

Platt and Bello, both of Guilford, are accused of defrauding the IRS and gifting table participants.

Walker recalled hearing about such “tables” around 2006 from Bello, her pal of 30 years. They were described as women who met weekly, lent moral support and gave \$5,000 “gifts” to members. To join, a woman would give \$5,000 to a member who had climbed the ranks of the group and also would agree to find more women to bring aboard.

Over time, recruits would rise in status and receive \$40,000 total from eight new

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taxable income, and I would have had to report that as taxable income.”

That could have raised red flags with the IRS for other participants, who believed they did not have to report any money made through the tables on a tax return, Walker testified.

One crucial factor in the case is whether the initial \$5,000 given to another member constitutes a gift or an investment. Gifts under certain amounts don't need to be reported, while investments must be listed on tax documents.

To Walker, the \$5,000 was an investment, and she “frequently” told Bello — whom she described as “crazy in a good kind of way” and a “fun-loving, exuberant” woman who puts on good parties — that the IRS may view it as taxable.

Bello told Walker she had consulted a tax lawyer and general practice lawyer and both assured her the tables were legal and no taxes were due, Walker said.

Norm Pattis, attorney for Bello, questioned if money is a gift if a giver expects nothing directly back from the receiver, but gets something from someone else. Walker said she wasn't sure, but members of gifting tables expected money back through “the process.”

Donna Main testified that she joined in 2009, paid \$5,000 to a woman she'd never met and expected to earn \$40,000. She had been told by members the activity was legal and tax-free. She brought along two friends.

When some participants seemed unhappy and a newspaper article quoted Sen. Richard Blumenthal, D-Conn., who at the time was state attorney general, calling the tables a pyramid scheme, Main and her friends raised the concern with other members and soon left the group. They asked for money back from the woman they “gifted,” and were returned only \$1,000 each with recommendations to join the

“picnic table,” a less expensive version of the group that required a \$1,000 buy-in and

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Kelly's calculations and claimed he could not be seen as an independent voice because he works for the government.

“If a person chooses to get involved in this sort of thing, what's wrong with that?” Pattis asked.

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