

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
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San Diego, California***

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For Immediate Release

NEWS RELEASE SUMMARY - November 5, 2007

United States Attorney Karen P. Hewitt announced that L. Charles Matich was sentenced today in U.S. District Court in San Diego by the Honorable Barry Ted Moskowitz to serve 15 months in prison based on Matich's conviction for conspiring to defraud the United States by impeding and impairing the Internal Revenue Service (IRS) and attempting to evade payment of his personal income taxes. Judge Moskowitz also ordered Matich to serve a three-year term of supervised release upon completion of the prison sentence. Matich pled guilty in August 2001 to a two-count Information.

According to court records, Matich conspired with others in a fraudulent tax scheme centered around "The O'Brien Group," a San Diego area tax-preparation business, that promoted, sold, and used tax evasion packages that included the use of foreign and domestic trust arrangements. Co-conspirator Susan E. O'Brien, who owned and operated "The O'Brien Group," was convicted at trial in 2006 for conspiracy to defraud the United States and numerous other tax offenses and was sentenced to serve 10 years and 6 months in prison.

According to testimony from O'Brien's trial, the trust arrangements promoted and sold by Matich used offshore bank accounts that allowed various co-conspirators to evade federal taxes. Documents filed with the court stated that as part of his role in the conspiracy, Matich established more than 70 limited liability companies, each with its own bank account, to further the tax evasion scheme. Matich told clients that money sent offshore could be repatriated to the United States either as a loan or through the use of a debit card, according to trial testimony. Further, Matich admitted to owning an offshore bank in the Turks and Caicos Islands through which he prepared loan documents.

United States Attorney Hewitt thanked Tax Division trial attorneys Charles A. O'Reilly and Michael C. Vasiliadis, the prosecutors in this case, and the IRS special agents whose assistance was essential to the successful investigation and prosecution of this case.

"Those few dishonest tax preparers who make promises to reduce or eliminate tax liability and ultimately defraud their clients will be brought to justice," said Acting Assistant Special Agent in Charge Aimee Schabillon, IRS-Criminal Investigation, Los Angeles Field Office. "The public should be wary of anyone who guarantees such a program."

DEFENDANT

Case No. 01cr3178-BTM

CHARLES L. MATICH

SUMMARY OF CHARGES AND MAXIMUM PENALTIES

Counts: Two

Conspiracy to defraud in violation of Title 18, United States Code, Section 371.

Tax Evasion in violation of Title 26, United States Code, Section 7201.

AGENCY

Internal Revenue Service, Criminal Investigation