



April 9, 2008

## JOHN T. MINEMYER INDICTED BY FEDERAL GRAND JURY IN DENVER FOR TAX EVASION

DENVER – Troy A. Eid, United States Attorney for the District of Colorado, and Terry L. Stuart, Special Agent in Charge, IRS Criminal Investigation Division, announced today that a federal grand jury in Denver, Colorado returned a two count indictment charging **JOHN T. MINEMYER**, age 49, of Casper, Wyoming, with tax evasion. The tax evasion charges stem from when **MINEMYER** was a resident of Colorado Springs, where he was a fifty percent partner in a company known as Lozon. Lozon manufactured and sold non-corrosive coupler devices that were used to connect pipes that hold underground fiber optic cables. **MINEMYER** has been summonsed to appear in U.S. District Court in Denver.

According to the indictment returned late yesterday, as a partner of Lozon, a limited liability corporation, **MINEMYER** was required to file U.S. Return of Partnership Income. A partnership does not pay taxes on its income, instead passing through profits or loses to the partners. Each partner must then report their allocated share of annual partnership income on their individual tax return. Lozon did not file partnership tax returns with the IRS during tax years 1999, 2000, and 2001. **MINEMYER** instead allegedly concealed the proceeds and assets of Lozon by establishing two Nevada corporations.

Count one charges **MINEMYER** with filing a fraudulent 2000 joint tax return, substantially understating his income by reporting taxable income as \$139,038, and a total tax liability as \$36,702, after concealing and then knowingly omitting partnership income from Lozon.

Count two charges **MINEMYER** with filing a fraudulent 2001 joint tax return, substantially understating income by reporting taxable income as \$51,026, and a total tax liability as \$10,634, after concealing and then knowingly omitting partnership income from Lozon.

"This is one of many criminal prosecutions involving schemes to hide income and assets from the IRS," said US Attorney Troy Eid. "People who promote or use fraudulent tax schemes face federal prison, along with civil penalties and interest on any unpaid taxes."

"With the April 15 tax deadline just days away, it is important for people to have confidence that when they pay their taxes, their neighbors and competitors will do the same," said Terry L. Stuart, Special Agent in Charge of the IRS-Criminal Investigation, Denver Field Office.

If convicted of tax evasion, the defendant faces up to 5 years in federal prison, and not more than a \$100,000 fine, per count.

The case was investigated by the Internal Revenue Service Criminal Investigation Division (IRS CID).

The case is being prosecuted by Assistant U.S. Attorney Bob Mydans and Monica Edelstein, Trial Attorney, Tax Division, Department of Justice.

The charges are only allegations, and the defendant is presumed innocent unless and until proven guilty.

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