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**ROCKLIN CHIROPRACTOR PLEADS GUILTY
TO FILING FALSE TAX RETURNS**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that Dr. DAVID R. FUNK, 52, of Rocklin, California, pleaded guilty in U.S. District Court to two counts of filing false income tax returns. Sentencing before U.S. District Court Judge William B. Shubb was scheduled for January 12, 2005.

This case was investigated by the Internal Revenue Service-Criminal Investigations.

According to Benjamin B. Wagner, who is prosecuting the case, FUNK in his plea of guilty admitted that he filed false tax returns for the tax years 1997 and 1999. In the two tax returns, FUNK reported negative adjusted gross income which reflected his use of two tax evasion schemes that involved the creation of shell companies to hide taxable income and create paper losses. In one of the schemes, taxable income was diverted away from FUNK on paper through a series of corporate entities that in fact had no economic substance. Although he actually earned and used the income, he did not report it on his returns. In the other scheme, FUNK created a joint venture entity which reported bogus "losses," supposedly incurred through advertising expenses, which losses were passed on to FUNK and reported on his personal tax return. In fact, the joint venture entity engaged in no real business, and incurred no real losses. FUNK admitted evading over \$183,000 in federal income taxes during the three tax years from 1997 through 1999.

FUNK admitted that he had been a client of RICHARD MARKS, who created the tax evasion systems FUNK used in the late 1990s. MARKS, 61, formerly of Sacramento, California, was a leader of the Anderson's Ark & Associates organization, and was convicted of money laundering in U.S. District Court in Sacramento in 2002. MARKS was sentenced on November 14, 2002, to 81 months in prison. At least eight other members of the Anderson's Ark & Associates ("AAA") organization have been convicted in federal criminal cases since mid-2001, and numerous AAA clients have been prosecuted for tax evasion. MARKS and several other AAA leaders face tax evasion and fraud charges in a federal criminal trial that is scheduled to begin this week in Seattle, Washington.

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