



U.S. Department of Justice

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PRESS RELEASE
***JURY FINDS BLAYDE CROCKETT
GUILTY OF CONSPIRACY TO DEFRAUD IRS;
AIDING AND ASSISTING IN THE PREPARATION
OF FALSE TAX RETURNS***

SALT LAKE CITY -- A federal jury deliberated about six hours this afternoon before finding Blayde Crockett (11-27-51) guilty of one count of conspiracy to defraud the Internal Revenue Service and three counts of aiding and assisting in the preparation of false tax returns. (Current address for Mr. Crockett is unknown.)

The jury's decision followed four days of testimony in U.S. District Court in Salt Lake City before Judge Dale Kimball. Sentencing is scheduled for August 24, 2004. Crockett faces a potential maximum sentence of up to five years in prison, three years of supervised release, and a fine of up to \$250,000 for the conspiracy conviction. Assisting in the preparation of false tax returns carries a maximum potential sentence of up to three years in prison, one year of supervised release, and a fine of up to \$250,000. Crockett was not detained.

"Today's conviction serves as a reminder that these tax schemes are illegal and will be investigated and prosecuted to the fullest extent of the law. It is only fair to the vast majority of law abiding citizens who pay an honest and fair tax that we aggressively pursue those who do not," U.S. Attorney Paul M. Warner said.

The jury acquitted Mark Crockett (DOB 7-17-57), Blayde Crockett's brother, who also had been indicted on conspiracy and aiding and assisting in the preparation of false tax returns charges. (Current Utah is unknown.)

Blayde Crockett, operating under the names Business Research and Development and TNT Company in Midvale, Utah, promoted and sold sham trust schemes and was in the business of preparing tax returns. Evidence presented at trial showed that Blayde Crockett sold sham trusts to the Reed family of Lander, Wyo., who owned and operated Nuway, Inc., a company providing support services to firefighters working on U.S. Forest Service land. He filed numerous false and fraudulent corporate, trust, and individual tax returns for the Reed family between 1993 and 1995. According to the scheme, Crockett instructed the Reeds to assign their wages to sham trust entities and pay personal expenses through the trusts thereby reducing and in most cases eliminating all tax liability. In addition, evidence at trial demonstrated that in 1994, Nuway, Inc., had a profit of \$2.1 million which Crockett falsely reported as a deduction for payment to an offshore entity when, in fact, the money remained in the Nuway bank account. This 1994 false deduction resulted in a loss to the government of more than \$700,000.

Eileen J. O'Connor, Assistant Attorney General for the Tax Division, U.S. Department of Justice, thanked Tax Division Trial Attorneys Caryn Mark and Albert Kleiner, who prosecuted the case. She also thanked special agents of the Internal Revenue Service whose assistance was essential to the successful investigation and prosecution of this case.

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