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**UTAH MAN PLEADS GUILTY IN FEDERAL TAX EVASION CASE  
INVOLVING NATIONWIDE CONSPIRACY TO CONCEAL INCOME  
THROUGH OFF-SHORE BANK ACCOUNTS**

SACRAMENTO—United States Attorney John K. Vincent announced today that LONNIE D. CROCKETT, 52, of Bountiful, Utah, pleaded guilty in U.S. District Court in Sacramento to one count of defrauding the Internal Revenue Service in a nationwide tax evasion conspiracy that involved the concealment of income through a chain of domestic and foreign bank accounts. CROCKETT advised clients across the country, including his codefendants, three doctors from northern California, on how to conceal income from the IRS. In the plea agreement, CROCKETT agreed that he was responsible for between \$2.5 and \$5 million of tax loss to the United States. Sentencing before U.S. District Court Judge Frank C. Damrell is scheduled for November 20, 2001, at 10:00 am.

CROCKETT is currently on probation as a result of a 1996 federal conviction in the District of Utah for aiding and assisting in the filing of false tax returns. As a result of his plea, CROCKETT faces up to five years in prison and a \$250,000 fine.

A jury trial involving the remaining three defendants in the case, DANIEL BULLOCK, 49, an orthopedic surgeon from Mount Shasta, California, RICHARD D. PFEIFFER, 67, an orthodontist

from Yreka, California, and RICHARD SHEARER, 49, an ear, nose and throat specialist from Mt. Shasta, California, is scheduled to commence on October 29, 2001. In addition to the conspiracy charge, each of the remaining defendants is charged with multiple counts of filing false tax returns. All the charges are felonies. The defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

According to Assistant United States Attorneys Benjamin B. Wagner and Robin R. Taylor, who are prosecuting the case together with Lori Hendrickson of the Tax Division of the U.S. Department of Justice, CROCKETT by his plea of guilty admitted that in or about December 1995, BULLOCK, PFEIFFER, and SHEARER began using the tax evasion scheme marketed by CROCKETT to cycle the income from their medical practices through domestic and foreign bank accounts in a manner intended to conceal the funds from the IRS. The scheme, which continued through the date of their indictment in August, 2000, used false invoices, code names, and other means to conceal the movement of funds.

Assistant U.S. Attorney Wagner stated that the IRS is cracking down on schemes, abusive and sham trusts, and that other investigations into similar tax evasion schemes using bogus trusts are underway. The IRS maintains a web site which contains a warning notice to the public concerning abusive trust programs. The web site address is [www.trea.gov/irs/ci](http://www.trea.gov/irs/ci).

The case was the product of an extensive investigation by the Criminal Investigation Division of the Internal Revenue Service.

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