



PRESS RELEASE

FOR IMMEDIATE RELEASE
April 4, 2003

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FORMER MARICOPA COUNTY JUDGE AND WIFE ARRESTED

PHOENIX, ARIZONA -- Paul K. Charlton, United States Attorney for the District of Arizona, and Eileen J. O'Connor, Assistant Attorney General, United States Department of Justice, Tax Division, announced today that JOHN J. RIZZO, 51 years old, and his wife CAROL A. RIZZO, age 57 years old, were arrested yesterday and charged pursuant to criminal complaints unsealed in United States District Court. Both defendants, who are residents of Scottsdale, Arizona, are being held at the request of the Government without bail until at least Tuesday, April 8, 2003, at 2:00 p.m. when a detention hearing will be held before United States Magistrate Judge Morton Sitver.

JOHN J. RIZZO, a former Assistant Magistrate Judge in Tolleson, Arizona and nationally known tax protestor, was charged in a criminal complaint with committing the crimes of Obstruction of Justice and Perjury Before a Federal Grand Jury, in violation of Title 18, United States Code, Sections 1503 and 1623. JOHN J. RIZZO faces maximum penalties of ten years of imprisonment and a \$250,000 fine under Section 1503, and five years of imprisonment and a \$250,000 fine under Section 1623 of the United States Criminal Code. CAROL A. RIZZO, is charged in a criminal complaint with the crime of Conspiracy to Defraud the United States

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Government, in violation of Title 18, United States Code, Section 371. CAROL A. RIZZO faces a maximum penalty of five years of imprisonment and a \$250,000 fine.

As outlined in the criminal complaints, it is alleged that JOHN J. RIZZO, with the assistance of his wife, CAROL A. RIZZO, sold an “educational package” called the Millennium 2000 Reliance Defense package promoting the theory that the Nation’s income tax laws are invalid because the Sixteenth Amendment to the United States Constitution was never ratified. The complaint charges defendant JOHN J. RIZZO conducted seminars in judicial robes and has stated that his anti-tax efforts have cost the United States Government \$70 million dollars in lost revenue. The Millennium 2000 Reliance Defense Package is stated to have sold for approximately \$2,000. It is alleged in the complaint that on January 29, 2003, defendant JOHN J. RIZZO appeared before a federal grand jury and committed perjury with respect to whether he had filed his own federal income tax returns.

The conspiracy to defraud the United States Department of Treasury, Internal Revenue Service, is alleged in the complaint to have included the use of a false social security number on a bank account, the failure to file income tax returns and the shipment of over \$300,000 inside a Federal Express envelope which was destined for a foreign bank account held by the RIZZOS in the City of the Nassau, Bahamas.

Evidence presented in court yesterday revealed that a search warrant was executed at the time of arrest. During the search, IRS Special Agents recovered nine weapons, body armor and other evidence from the defendants’ home/office in Scottsdale.

A criminal complaint is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

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This prosecution is the result of an investigation by the Internal Revenue Service Criminal Investigation, of the United States Department of Treasury. The prosecution is being handled by Trial Attorneys Edward E. (Ted) Groves and Mark Odulio of the United States Department of Justice, Tax Division, Washington, D.C.

Paul Charlton, the United States Attorney for the District of Arizona, states “This case underscores the need for taxpayers to seek legitimate and reasonable advice when paying your taxes.”

CASE NUMBER: CR-03-6090M and 03-6091M
RELEASE NO. 2003-049