



PRESS RELEASE

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PROMOTER OF TAX EVASION SCHEME PLEADS GUILTY

PHOENIX, ARIZONA -- Assistant Attorney General for the Justice Department's Tax Division Eileen J. O'Connor, U.S. Attorney for the District of Arizona Paul K. Charlton and Internal Revenue Service Criminal Investigation Chief David B. Palmer, today announced that resident John F. Poseley, 60, of Casa Grande, Arizona, pled guilty to his role in a conspiracy to defraud the U.S. Government by marketing bogus trusts through an organization known as Innovative Financial Consultants.

"Contrary to the assertions of tax scam promoters, you cannot magically avoid income taxes by diverting income to a trust," said Eileen J. O'Connor. "People who promote or participate in such schemes are risking serious civil and criminal penalties."

The conspiracy charge alleged that from 1995 to 2003, Innovative Financial Consultants - based in Tempe Arizona - created and sold over 3,000 bogus "onshore" and "offshore" trust packages for financial gain by falsely claiming that taxpayers could avoid paying income taxes by placing their income and assets into such a trust.

(MORE)

The defendant, who pled guilty before Judge Mary Murguia of the U.S. District Court for the District of Arizona, worked as a salesperson for Innovative Financial Consultants and sold offshore and onshore trust packages to taxpayers. Poseley admitted that he had falsely represented to taxpayers that they could avoid paying income taxes by placing assets into the trusts while retaining use, control and dominion of those assets. Poseley further acknowledged ignoring readily available information that flatly refuted Innovative Financial Consultants' false tax claims.

Judge Murguia scheduled sentencing for the defendant on April 26, 2004. The defendant faces a maximum penalty of five years imprisonment and a \$250,000 fine.

The Internal Revenue Service's Criminal Investigation Division investigated this matter. Trial attorneys Edward E. Groves, Larry J. Wszalek and Mark T. Odulio of the Justice Department's Tax Division prosecuted this case.

More information about the Justice Department's Tax Division can be found at www.usdoj.gov/tax

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