



NEWS RELEASE

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FOR IMMEDIATE RELEASE

JURY CONVICTS LEE'S SUMMIT COUPLE FOR FALSE TAX RETURNS

KANSAS CITY, Mo. – John F. Wood, United States Attorney for the Western District of Missouri, announced that a Lee's Summit, Mo., husband and wife, who operated a multi-million dollar firm marketing trusts and a retail business selling American Silver Eagle coins, were convicted in federal court today for aiding and abetting the filing of false tax returns.

James E. Aldridge, Jr., 51, and his wife, **Shirley L. Aldridge**, 49, both of Lee's Summit, were found guilty of all five counts contained in a federal indictment of aiding and abetting each other to file false tax returns from 2001 through 2005. They earned more than \$1,685,000 during that five-year period and evaded \$654,257 of federal income tax owed.

"The defendants devised a complicated network of sham trusts designed to evade paying federal income taxes," Wood said. "They lived in a nice home and drove expensive cars while claiming virtually no income on their tax returns. Revenue from a questionable business operation was hidden behind layers of abusive trusts. Ironically, this wealthy couple had no moral qualms about claiming the earned income credit, which is intended to help low-income people."

"Establishing and promoting abusive trusts unfairly shifts the tax burden to honest American taxpayers," said Toni Weirauch, Acting Special Agent in Charge, IRS-Criminal Investigation. "IRS-Criminal Investigation has made the investigation of abusive trust schemes a national priority."

Following the presentation of evidence, the jury in U.S. District Court in Kansas City deliberated less than an hour before returning the guilty verdict to U.S. District Judge Dean Whipple, ending a trial that began April 23, 2007.

James and Shirley Aldridge were co-owners of Concept Marketing International, which sold American Silver Eagle coins. CMI employed approximately 5,000 sales agents throughout the United States (designated as independent contractors) and generated gross sales of nearly \$4.4 million in 2004. CMI's business plan was based on a complex four-tiered pyramid commission sales strategy, claiming that a consumer could earn \$302,000 in monthly income if they continued to recruit more consumers into the

pyramid.

James Aldridge also conducted seminars at which he advised the purchasers of American Silver Eagle coins on how to avoid taxation by establishing a home-based business (the purchase of the coins) in order to deduct personal expenses. For \$15,000, CMI members could purchase a trust package that **James Aldridge** claimed would reduce their taxes by 97 percent or more, and allow them to deduct 90 percent of their personal living expenses, such as groceries, clothing, vacations, and pet care.

James and **Shirley Aldridge** created several trusts in order to evade federal taxation. Most of their income was funneled into the trusts, then used for their own personal purposes, such as purchasing their home and buying jet skis and a \$48,000 Cadillac DeVille. That income was not included in any federal tax return filed by any trust nor by **James** and **Shirley Aldridge** for the period 1999 to 2004.

Each of the five counts of the federal indictment charges a separate instance in which **James** and **Shirley Aldridge**, aiding and abetting each other, filed a Form 1040 that contained false information.

Under federal statutes, **James** and **Shirley Aldridge** could be subject to a sentence of up to 15 years in federal prison without parole, plus a fine up to \$500,000. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney William L. Meiners. It was investigated by IRS-Criminal Investigation.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow/index.html