UNITED STATES ATTORNEY'S OFFICE Western District of Washington



April 11, 2008

SOFTWARE DEVELOPER PLEADS GUILTY TO FILING FALSE TAX RETURN

Owner of Red Planet Corp. Failed to Report more than \$1 Million in Income

LYLE R. LARSON, 43, of Edmonds, Washington pleaded guilty today in U.S. District Court in Seattle to one count of filing a false tax return with the Internal Revenue Service. LARSON faces up to three years in prison, one year of supervised release and a fine of \$250,000 when sentenced by U.S. District Judge Marsha J. Pechman on July 25, 2008.

According to documents filed with the Court and statements made in court, from 2000 to 2003 LARSON earned over \$2.8 million in compensation and commissions as a computer programmer and consultant. In April 2001, LARSON filed his federal income tax return for calendar year 2000 on which he showed business income of \$21,185. In fact, LARSON earned over \$1.5 million in 2000. LARSON used the proceeds of his unreported income to buy cars, a yacht and real estate.

The plea agreement states that LARSON will make full restitution resulting from his fraudulent conduct. LARSON remains liable for all civil penalties, interest and back taxes owed to the IRS.

The case was investigated by the Internal Revenue Service Criminal Investigation (IRS-CI) and is being prosecuted by Trial Attorney Michael J. Watling with the Department of Justice Tax Division.

For additional information please contact Emily Langlie, Public Affairs Officer for the United States Attorney's Office, at (206) 553-4110.

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