



U.S. Department of Justice

Paul M. Warner

United States Attorney
District of Utah

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CONTACT: MELODIE RYDALCH
801-325-3206
801-243-6475 (cell)

PRESS RELEASE

SHAM TRUST PROMOTER SENTENCED TO 70 MONTHS IN FEDERAL PRISON

CONVICTED OF CONSPIRACY TO DEFRAUD IRS, AIDING AND ASSISTING IN THE PREPARATION OF FALSE TAX RETURNS CONVICTIONS

SALT LAKE CITY -- Blayde Crockett (11-27-51) of Clearfield, Utah, convicted in April of one count of conspiracy to defraud the Internal Revenue Service and three counts of aiding and assisting in the preparation of false tax returns, was sentenced today to 70 months in federal prison, three years supervised release, and a \$2,500 fine.

Judge Dale Kimball issued the sentence today in U.S. District Court.

"Today's sentence serves as a reminder to the public that tax schemes have consequences. They impact our country and all citizens. It is only fair to the vast majority of law abiding citizens who pay an honest and fair tax that we aggressively pursue those who do not," U.S. Attorney Paul M. Warner said.

At trial, the evidence established that Blayde Crockett, operating under the names Business Research and Development and TNT Company in Midvale, Utah, promoted and sold sham trust schemes and was in the business of preparing tax returns. Evidence presented at trial showed that Blayde Crockett sold sham trusts to the Reed family of Lander, Wyo., who owned and operated Nuway, Inc., a company providing support services to firefighters working on U.S. Forest Service land. According to the scheme, Crockett instructed the Reeds to assign their

wages to sham trust entities and pay personal expenses through the trusts thereby reducing and in most cases eliminating all tax liability. Crockett filed numerous false and fraudulent corporate, trust, and individual tax returns for the Reed family between 1993 and 1995.

In addition, evidence at trial demonstrated that in 1994, Nuway, Inc., had a profit of \$2.1 million which Crockett falsely reported as a deduction for payment to an offshore entity when, in fact, the money remained in the Nuway bank account. This 1994 false deduction resulted in a loss to the government of more than \$700,000.

In sentencing Crockett today, Judge Kimball found that the tax loss from the scheme exceeded \$950,000. In addition, Judge Kimball found the scheme involved sophisticated concealment and that Crockett obstructed justice during his testimony at trial.

Eileen J. O'Connor, Assistant Attorney General for the Tax Division, U.S. Department of Justice, and Warner thanked Tax Division Trial Attorneys Caryn Mark and Albert Kleiner, who prosecuted the case, and special agents of the Internal Revenue Service whose assistance was essential to the successful investigation and prosecution of this case.