



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

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PRESS RELEASE
***HATCH SENTENCED TO 20 MONTHS
IN FEDERAL PRISON
FOR ROLE IN TAX FRAUD SCHEME***

SALT LAKE CITY -- Lance Hatch, of Walla Walla, Washington, will serve 20 months in federal prison for conspiring to defraud the Internal Revenue Service (IRS), in connection with the promotion of a tax fraud scheme.

U.S. District Judge Ted Stewart issued the sentence this afternoon in federal court in Salt Lake City. Hatch also was ordered to serve 36 months of supervised release upon the completion of his prison term and ordered to pay a \$10,000 fine. Hatch is one of 11 individuals involved in the promotion of the fraudulent trust scheme, including four attorneys, a CPA, and a former IRS revenue agent, who have pleaded guilty in this case.

In March 2004, Hatch, a Chiropractor, pleaded guilty to the conspiracy. According to Hatch's plea agreement, in 1993 Hatch purchased a trust program from David Orr, who was then operating as Advanta Strategies. Hatch placed his Chiropractic business into trust but continued to operate his business the same way as before the business was placed into trust. Hatch also promoted and sold the fraudulent trust scheme as a licensee of Advanta Strategies and World Contractual Services.

Hatch admitted holding himself out as a trustee, even though he did not perform any duties as a trustee and had no knowledge of, or involvement with, the underlying trusts. For one of his client's, Hatch admitted to filing a lien against the client's assets in an attempt to frustrate the Internal Revenue Service's efforts to collect an outstanding tax debt. Hatch admitted he caused a total tax loss to the

United States of approximately \$1,055,000.00, including a tax loss of \$248,000 as a result of his personal participation in the trust scheme.

Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division and Brett L. Tolman, United States Attorney for the District of Utah, thanked Tax Division trial attorneys Nicholas D. Dickinson and Lea A. Carlisle who prosecuted the case. They also thanked the special agents of the Internal Revenue Service and Federal Bureau of Investigation whose assistance was essential to the successful investigation and prosecution of the case.

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