

The United States Attorney's Office

Southern District of Florida

Press Release

LAKE WORTH TAX RETURN PREPARER SENTENCED TO 151 MONTHS IMPRISONMENT ON TAX FRAUD, CONTEMPT CHARGES

July 20, 2007

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, Richard T. Morrison, Acting Assistant Attorney General for the Justice Department's Tax Division, and Michael Yasofsky, Jr., Special Agent in Charge, Internal Revenue Service (IRS), Criminal Investigation Division, announced today that, in West Palm Beach, Florida, United States District Court Judge Daniel T.K. Hurley sentenced **Louis Wayne Ratfield**, a former Lake Worth, Florida tax return preparer, to one hundred and fifty-one (151) months' imprisonment, followed by five (5) years of supervised release, for his participation in a tax fraud scheme designed to hide income and assets in bogus trusts. Judge Hurley also ordered Ratfield to pay \$40,000 for the costs of prosecution.

On April 30, 2007, a federal jury in West Palm Beach, Florida found Ratfield guilty of fifty (50) counts associated with the tax fraud scheme. The evidence at trial established that Ratfield operated a tax preparation business, LWR Accounting and Tax Service, which was later called LWR Financial Services Trust in Lake Worth where Ratfield also resided. The evidence also established that Ratfield provided advice to clients on setting up and using "common law trusts" to claim deductions for ordinary living expenses on their returns to which they were not lawfully entitled, such as the costs of utilities, food, clothing, vehicles and education.

Ratfield marketed "common law trust" packages to clients throughout the United States via group seminars and individual client meetings; sold over 100 trust packages at prices ranging from \$2,995 to \$5,995 each; and prepared at least 252 federal tax returns in connection with the scheme. The U.S. Treasury sustained a tax loss in excess of \$9.3 million as a result of Ratfield's activities.

"Those who engage in promoting tax fraud will be prosecuted and will pay the price for their crimes with prison sentences", said Richard T. Morrison, Acting Assistant Attorney General for the Justice Department's Tax Division.

U.S. Attorney Alex Acosta stated, "By fraudulently advising taxpayers that they could claim deductions for ordinary living expenses, including food, clothing, and the cost of education, Ratfield caused a tax loss to the U.S. Treasury of more than \$9.3 million. The U.S. Attorney's Office will continue to help the Internal Revenue Service to enforce our nation's tax laws and stop fraud and abuse."

"Those who participate in or encourage taxpayers to use sham entities for the purpose of evading taxes are engaging in criminal activity. We will vigorously investigate those individuals who use abusive trust arrangements to evade their tax obligation", said IRS Special Agent-in-Charge Michael Yasofsky, Jr.

Mr. Acosta and Acting Assistant Attorney General Richard T. Morrison thanked Assistant U.S. Attorney Ellen Cohen and Trial Attorneys Tracy Gostyla and Stephanie Evans of the Tax Division, who prosecuted the case. They also thanked the special agents of the Internal Revenue Service whose assistance was essential to the successful investigation and prosecution of the case.

Further details about these and other tax enforcement cases are available on the Tax Division's Web site <http://www.usdoj.gov/tax/>, on the IRS's Web site <http://www.irs.gov/>, and on the IRS Criminal Division's Web site <http://www.ustreas.gov/irs/ci/>.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.