



FOR IMMEDIATE RELEASE

June 1, 2007

**COLORADO TAX FRAUD PROMOTER SENTENCED**

**Scheme Used Offshore Bank Accounts, Phony Loans and Debit Cards to Hide Income and Assets from IRS**

DENVER - United States Attorney Troy A. Eid and Terry L. Stuart, Special Agent in Charge of the IRS-Criminal Investigation, Denver Field Office, today announced the sentencing of ROBERT N. BEDFORD, age 60, Seminole, Florida, by U.S. District Court Judge Walker D. Miller, to serve 42 months (three and one half years) in federal prison, and three years supervised release.

BEDFORD was convicted on December 12, 2006 following a three-week trial, by a federal jury in Denver, Colorado on charges of Conspiracy to Defraud the United States and to Cause the Filing of False Tax Returns (18 U.S.C. §371).

The evidence established that BEDFORD provided legal and tax advice to his co-conspirators on how to circumvent IRS regulations and create false documents designed to disguise the movement of approximately \$8 million dollars of unreported income to secret offshore accounts.

In November, 2002, BEDFORD, a resident of Florida, together with PAUL D. HARRIS and LESTER R. RETHERFORD, residents of Colorado, were charged with conspiracy to defraud the United States. According to the evidence presented at trial, the scheme involved setting up shell corporations for businessmen that were used to conceal approximately \$8 million in taxable income in secret accounts in the Turks and Caicos Islands and other foreign countries from 1992 through 2001. The evidence also showed that the defendants made it appear as though the offshore transfers were payments for consulting services. To participate in this scheme, businessmen paid initiation fees of up to \$50,000. On April 28, 2005, after a nine-week trial, PAUL D. HARRIS and LESTER R. RETHERFORD were convicted of conspiracy and other charges. That jury failed to reach a unanimous verdict as to BEDFORD, necessitating the need for the retrial in 2006.

Assistant United States Attorney Thomas O'Rourke and Department of Justice Trial Attorneys Robert Livermore and Edward E. Russo prosecuted the case. Special Agents of the Internal Revenue Service conducted the investigation of the case.

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