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**UTAH MAN IS FOURTH PERSON SENTENCED TO PRISON TERM
IN TAX EVASION CASE INVOLVING CONCEALMENT OF INCOME
THROUGH OFF-SHORE BANK ACCOUNTS**

SACRAMENTO—United States Attorney John K. Vincent announced today that LONNIE D. CROCKETT, 52, of Bountiful, Utah, was sentenced by U.S. District Court Judge Frank C. Damrell to 42 months in prison in connection with his conviction for marketing a federal income tax evasion scheme in which he routed his clients' income through bank accounts in the names of trusts located in the United States and abroad in order to conceal it from the Internal Revenue Service. He was also ordered to pay a fine of \$67,500, and to serve a three year term of supervised release after his release from prison. Parole has been abolished in the federal criminal system, and CROCKETT will be required by law to serve at least 85% of the prison time imposed.

Three of his clients, all medical professionals from Northern California, were previously sentenced to prison terms in the case. RICHARD SHEARER, 49, an ear, nose and throat specialist from Mt. Shasta, California, was sentenced to 24 months in prison, RICHARD D. PFEIFFER, 67, an orthodontist from Yreka, California, was sentenced to 27 months in prison, and DANIEL BULLOCK, 50, an orthopedic surgeon from Mount Shasta, California, was sentenced to 18 months in prison. Each of those defendants began serving his prison term on March 4, 2002.

CROCKETT, who is on probation from a 1996 federal felony conviction for assisting in the filing of false tax returns, also is awaiting sentencing on a probation violation petition filed in the District of Utah. Sentencing in that case will be on April 25, 2002, in federal district court in Salt Lake City. Any prison time imposed in that case will likely run consecutive to the sentence imposed today.

In addition, in a separate case, CROCKETT has pleaded guilty to state felony securities fraud charges in the State of Utah. Those charges arise from CROCKETT's involvement in the marketing of a fraudulent high yield investment scheme. Sentencing in that case is scheduled for April 1, 2002.

CROCKETT pleaded guilty on August 27, 2001, to one felony count of conspiracy to

defraud the United States. According to Assistant United States Attorneys Benjamin B. Wagner and Robin R. Taylor, who are prosecuting the case together with Lori Hendrickson of the Tax Division of the U.S. Department of Justice, CROCKETT admitted in his guilty plea that in or about December 1995, BULLOCK, PFEIFFER, and SHEARER began using the tax evasion system marketed by CROCKETT to cycle the income from their medical practices through domestic and foreign bank accounts in a manner intended to conceal the funds from the IRS. CROCKETT charged a fee for running client income through his system of bank accounts and then back to an account controlled by the client. The scheme, which continued through the date of the indictment in August, 2000, involved the use of false invoices, code names, and other means to conceal the movement of funds. SHEARER, PFEIFFER and BULLOCK then filed federal income tax returns in which they failed to disclose the income that had been routed through the offshore accounts.

U.S. Attorney Vincent said: "American taxpayers have a right to expect that the system will operate fairly, and that everyone will pay their fair share. Intentionally hiding taxable income through engaging in a chain of sham transactions is illegal. As we approach tax season, these sentences should serve notice on both the promoters of such systems and their clients that engaging in such conduct can lead to substantial prison sentences."

Dwight J. Sparlin, Special Agent in Charge of IRS-Criminal Investigation for Northern California, said: "Those who attempt to conceal their true income from the Internal Revenue Service through sham transactions using trusts run a very high risk of being criminally prosecuted."

Assistant U.S. Attorney Wagner stated that the IRS is cracking down on schemes involving abusive and sham trusts, and that other investigations into similar tax evasion schemes using bogus trusts are underway. The IRS maintains a web site which contains a warning notice to the public concerning abusive trust programs. The web site address is www.treas.gov/irs/ci.

The case was the product of an extensive investigation by Special Agents with the Internal Revenue Service-Criminal Investigations.

A copy of this news release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/cae/home.

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