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SAN ANTONIO / AUSTIN BUSINESSMAN PLEADS GUILTY TO FEDERAL TAX CHARGE

(SAN ANTONIO, TEXAS) **ROBERT P. STANTON**, the owner of several San Antonio and Austin nightclubs, faces Federal prison time after pleading guilty this morning to one count of corruptly endeavoring to obstruct and impede the Internal Revenue Service.

Appearing before U.S. District Judge Edward C. Prado, the 59-year-old San Antonio resident admitted to engaging in a scheme to obstruct the IRS from determining how much income he and his various corporations received from 1990-1996. Stanton is the sole owner of the Dallas nightclub in Austin; Sneakers, Rockwave and Tejano Rose nightclubs in San Antonio; and, was part owner of the Midnight Rodeo in San Antonio.

According to the factual basis filed in this case, Stanton failed to file 20 Federal Income tax returns on behalf of four nightclubs which received over \$30 million in gross receipts from 1990-1995. In addition, Stanton used funds held in the names of corporations he controlled and owned to satisfy personal obligations and to make personal investments. In so doing, he concealed and disguised from the IRS his ownership, control and the nature of the funds being used.

After Stanton failed to file individual income tax returns for 1993 and 1994—by the time required by law—the IRS in San Antonio initiated a personal audit for those two years. In response, on or about August 4, 1995, Stanton caused to be prepared and filed with the U.S. Virgin Islands Bureau of Internal Revenue an individual income tax return for 1993 knowing that U.S. citizens need not file individual income tax returns with the IRS if they file an individual income tax return with the Virgin Islands Bureau of Internal Revenue that reports all income from all sources, identifies the source of each item shown on the tax return, and if they fully pay the tax liability to the Virgin Islands with respect to that income. By filing a 1993 individual income tax return with the U.S. Virgin Islands that failed to report all income from all sources, and by failing to file a 1993 individual income tax return with the IRS, Stanton impeded the IRS from determining his true income during the IRS audit.

If accepted by the Court at the time of sentencing, the plea agreement calls for Stanton to serve a 27-month prison sentence and to pay the sum of \$1.37 million prior to the imposition of sentence to be applied to his individual income tax liability for tax years 1990-2001. The plea agreement also states that for the tax years 1990-2001, Stanton will file appropriate and correct income tax returns for himself and for 17 different corporations he owns or controls and pay any taxes, penalties and interests due and owing to the IRS for those returns.

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Copies of the indictment, plea agreement, and factual basis filed in this case (SA 01 CR 433 EP) can be obtained from the U.S. District Clerks Office for the Western District of Texas in San Antonio.

This case is the result of a seven-year-long investigation by the Internal Revenue Service - Criminal Investigation. Assistant United States Attorney William R. Harris and Department of Justice Trial Attorney Michael R. Pauze are prosecuting this case on behalf of the Government.

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