

created the HOMER trust for estate planning purposes; and that the clients exchanged the options for third-party notes for sound economic reasons. In order to participate in the HOMER transaction, the Indictment states that the client had to pay fees of six percent of the desired tax loss.

OHLE has also been charged in a separate conspiracy with WILLIAM BRADLEY, a Hammond, La., attorney and friend of Ohle, to defraud the IRS and commit wire fraud in relation to a scheme to fraudulently obtain referral fees on HOMER transactions. The Indictment asserts that OHLE, BRADLEY, Chicago businessman and co-conspirator DOUGLAS STEGER, and others created false and fraudulent invoices to obtain referral fees to which they were not entitled for HOMER deals.

The Indictment asserts that OHLE and his co-conspirators schemed to run the funds through BRADLEY and STEGER's bank accounts, as well as the bank account of a business acquaintance of OHLE in San Francisco. Ultimately, according to the Indictment, OHLE ended up with more than \$700,000, STEGER took more than \$200,000, and BRADLEY took \$25,000 in fraudulent fees. At OHLE's direction, STEGER, who pleaded guilty in July to tax charges related to the scheme, reported fraudulent fees on his tax return that should have been reported by OHLE, and then eliminated taxes on those fees and the fees he retained through the use of a fraudulent shelter. BRADLEY paid another Chicago businessman \$184,000 of the false and fraudulent referral fees BRADLEY generated, which the businessman reported on a corporate return but on which he paid no taxes due to his also claiming false expenses at OHLE's suggestion, according to the Indictment.

OHLE also is charged with attempting to evade the taxes of three HOMER clients and his own personal taxes for 2001 and 2002. According to the Indictment, OHLE filed false personal tax returns in 2001 and 2002 that failed to report at least \$642,634 and \$1.4 million, respectively in income, and concealed the receipt of income through the use of nominees. OHLE eliminated taxes due on his 2002 return through the use of a fraudulent shelter.

The Indictment seeks forfeiture of OHLE's home in Wilmette, Ill., OHLE's condominium in New Orleans and OHLE's sports memorabilia collection.

"Hard-working Americans who pay their taxes should know that we are committed to vigorously investigating and prosecuting those who design and promote fraudulent tax shelters," said JOHN A. MARRELLA, Deputy Assistant Attorney General of the Justice

Department's Tax Division. "These schemes cheat not only the United States Treasury, but all of the honest taxpayers who play by the rules."

OHLE faces up to 38 years in prison and fines of up to \$2 million or twice the gross tax gain or loss on the charges. BRADLEY faces up to 5 years in prison and fines of up to \$250,000 or twice the gross tax gain or loss on the charge.

"Today's Indictment demonstrates our resolve to hold accountable those who play fast and loose with the tax code," said EILEEN MAYER, IRS Criminal Investigation Division Chief. "At some point such conduct passes from clever business strategies and lawyering to theft from the people. We simply can't tolerate flagrant abuse of the law and of professional obligations by tax practitioners, that by virtue of their prominence set the standard of conduct for others. Bankers, accountants and attorneys should be the pillars of our system of taxation, not the architects of its circumvention."

The prosecution is being handled by NANETTE L. DAVIS, Assistant Chief with the Northern Criminal Enforcement Section of the Tax Division, and STANLEY J. OKULA JR., an Assistant U.S. Attorney in the Southern District of New York. The Indictment was unsealed today in Manhattan federal court.

An Indictment is merely an allegation and a defendant is presumed innocent until proven guilty beyond a reasonable doubt.

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