



PRESS NOTICE

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FOR IMMEDIATE RELEASE
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ANDERSON COUNTY MAN GETS PRISON FOR INCOME TAX EVASION

Columbia, South Carolina ---- United States Attorney W. Walter Wilkins stated today that Barry G. Lusk, age 61, of Lowe Road in Easley, was sentenced late yesterday to 33 months in federal prison for income tax evasion. United States District Judge Henry F. Floyd also ordered that Lusk be supervised for three years upon his release from prison.

Evidence presented during Lusk's trial earlier this year revealed that in the year 2000, Lusk, who operated two successful businesses, sold them for about \$ 1.5 million. As the sole owner of these businesses, the profits from the sale were taxable to Lusk. Other evidence presented showed that in addition to profits from

the sale of his businesses, Lusk received income from rents and the sale of assets. The proceeds were used to, among other things, buy houses, invest in real estate, and to purchase an airplane.

Other evidence demonstrated that during the year 2000, in spite of a warning from his CPA to file tax returns and pay taxes, Lusk became involved with a movement advocating that the income tax was not applicable to him, and in December, 2000, documents in Lusk's name were sent to the IRS indicating that the tax laws of the United States did not apply to him. The IRS responded with a letter informing Lusk that his position was not tenable and that the Agency would not respond further to correspondence of this nature.

In the fall of 2002, the IRS began a civil audit of Lusk. An IRS representative attempted to contact Lusk regarding his responsibility to file an individual tax return for the year 2000. (Individual returns for 2000, without extension, would have been due on or about April 15, 2001.) Lusk again tendered to the IRS documents supporting his position that he did not have to file returns or pay taxes.

On January 8, 2003, Lusk filed with the IRS a joint 1040 return for the calendar year 2000 (which should have been filed in 2001), wherein he claimed that he and his spouse had no income and that there was no tax due or owed. It was signed under penalty of perjury. He did, however, ask for a refund of an estimated tax which had been paid in 2000. It was also demonstrated that Lusk attempted to get refunds from two prior tax years by having amended returns filed

claiming that the original returns had been filed in error.

An IRS tax calculation on Lusk's income for the year 2000 in which adjustments and deductions were made resulted in an income in excess of \$843,000.00. On this income there was a tax in excess of \$183,000.00 due to the United States for the year 2000.

The case was investigated by agents of the Internal Revenue Service - Criminal Investigation. Assistant United States Attorney William C. Lucius of the Greenville Office handled the case.

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