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FEDERAL JURY CONVICTS FORMER INVESTMENT ADVISOR ON TAX EVASION AND OTHER CHARGES RELATED TO ILLEGAL OFFSHORE SHELTERS

DALLAS — Lanas Evans Troxler, formerly of Dallas and now a resident of Lubbock, Texas, was convicted by a federal jury today in Dallas on all counts of a 17-count federal indictment, said U.S. Attorney Richard B. Roper of the Northern District of Texas.

The government presented evidence at trial that Troxler, a licensed investment advisor and estate planner, sold financial and tax advice to his clients. Troxler did business as Trust Management Services, Troxler Insurance Agency, Contingent Liability Services, Troxler Financial Services, and Troxler Advisory Services and operated these businesses from his office in Dallas from at least 1998 through 2002.

The jury found Troxler guilty of one count of corruptly endeavoring to obstruct and impede the due administration of the Internal Revenue laws, four counts of attempting to evade and defeat tax, and 12 counts of assisting in the preparation and presentation of false and fraudulent tax returns. The tax loss from Troxler's activities was more than \$630,000.

At trial it was proven that beginning in November 1997, Troxler set up a complex series of sham offshore entities in the Turks & Caicos Islands for himself and his clients and steered his clients to accountants who prepared fraudulent returns. Troxler's efforts to evade his own taxes, and assist his clients in the evasion of their taxes, involved using offshore entities to make it appear as if he and his clients had transferred their interests in their businesses to the offshore entities to make the income earned appear to be foreign-earned. Troxler and his clients retained full control over their assets, businesses, and income earned from them, and the income was taxable and should have been reported on their respective federal individual and business income tax returns.

The government also proved at trial that sometime between August 30 and November 8, 2002, Troxler sent a series of letters to an IRS Special Agent and a former IRS Commissioner. In those letters, Troxler wrote that (1) he was not a U.S. citizen; (2) he is a child of God and, therefore, his citizenship is in Heaven; (3) he is an inhabitant of Texas, a Republic established by the Spanish Land Grant; (4) "Lanas E. Troxler" is a fictitious name used without the defendant's permission; (5) IRS agents trespassed on his property during the June 28, 2002 search warrant; (6) the IRS Special Agent and a United States Magistrate Judge committed an act of war against "We the People of Texas," a Republic; (7) the defendant did not enter into a contract with the IRS Special Agent and the United States Magistrate Judge; and (8) the name "Lanas E. Troxler" is

copyrighted in the State of Texas and any use of it without the defendant's permission is a violation of law — all language that the government contended was typical “tax protestor” language designed to both impede the investigation and prosecution.

Troxler faces a maximum statutory sentence of 59 years in prison and a \$4.25 million fine. He is scheduled to be sentenced by U.S. District Judge Ed Kinkeade on June 25, 2008.

U. S. Attorney Roper praised the investigative efforts of the Internal Revenue Service - Criminal Investigation (IRS-CI), Dallas Field Office. The case is being prosecuted by Assistant U.S. Attorney Joe Revesz and U.S. Department of Justice Tax Division Trial Attorneys Robert A. Kemins and Jed M. Silversmith.

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