



U.S. Department of Justice

United States Attorney Eastern District of Arkansas

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CONTACT: Jane W. Duke
United States Attorney
501-340-2600

RUSSELLVILLE COUPLE INDICTED IN \$1.4 MILLION TAX EVASION CASE

Little Rock - U. S. Attorney Jane W. Duke announced that Craig A. Hagerty, 45, and his wife, Angela L. Hagerty, 38, both of Russellville, Arkansas have been named in an eight count indictment returned by a federal grand jury in Little Rock, Arkansas. The Hagertys were charged with one count of conspiracy to defraud the United States, six counts of income tax evasion and one count of evasion of payment. They face a penalty of 5 years in prison and a fine of \$250,000 on each charged count.

The indictment alleges that the Hagertys filed tax returns for tax years 1999 through 2004 which understated their tax due and owing by approximately \$1.4 million. The joint returns they filed with the Internal Revenue Service (IRS) allegedly understated their true income, overstated their legitimate business expense deductions, or both. The indictment alleges that they understated their income for 1999 – 2004 by approximately \$3,952,010 and overstated expenses and deductions for 1999 – 2001 by approximately \$593,000.

The indictment details various actions taken by the Hagertys from 1999 through June 2006 to impede the lawful function of the IRS. These actions include: the Hagertys failed to file tax returns for various trust entities through which they passed substantial amounts of money; the Hagertys opened accounts at a foreign bank, deposited funds therein, and obtained and used a credit card from the foreign bank for various living expenses; and the Hagertys would not file Report of Foreign Bank and Financial Accounts (Foreign Bank Report) which they were obligated to file.

The indictment also states that the Hagertys, from time to time, would change the name of business entities through which they conducted business, or in whose name they owned and controlled assets, and would move monies and assets between the companies and entities as part of their effort to conceal income and avoid the collection of taxes. These various entities' names include Global One, Inc., Global One Business Company (GOBC), Global One Asset Management Company (GOAMC), Global One Services Company, LTD, SourceOne, A Corporation Sole (SourceOne), Premier Investments Property, RYE LLC, and Olen Caudle Irrevocable Trust (OCIT).

The Hagertys allegedly obtained information from Aegis Company (Aegis) on how to establish trust entities outside the United States in order to conceal and hide their income, conduct financial transactions, and claim expense and deductions that were improper. According to the indictment, the Hagertys used the Aegis system until the end of 2002 when they set up SourceOne. The Aegis Company has been the subject of a widespread IRS investigation. A number of people, including the principal operators of Aegis Company have been prosecuted and convicted for utilizing foreign accounts and trusts, and for encouraging other to utilize foreign accounts and trusts to evade payment of legitimate taxes.

This investigation was conducted by IRS Criminal Investigation. Assistant U.S. Attorney Michael D. Johnson will represent the government.

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Note: An indictment is a form of accusation and is not evidence of guilt. The defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.