

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 09-CR-60202-COHN (s)  
26 U.S.C. § 7212(a)  
18 U.S.C. § 514  
26 U.S.C. § 7201

FILED BY \_\_\_\_\_ D.C.  
2010 MAR 11 PM 2:02  
STEVEN M. LARIMORE  
CLERK U.S. DIST. CT.  
S.D. OF FLA. FTL

UNITED STATES OF AMERICA, :  
 :  
v. :  
 :  
MICHAEL D. BEITER JR., :  
Defendant. :  
/

**SUPERSEDING INDICTMENT**

The Grand Jury charges that at times relevant to this Superseding Indictment:

1. The defendant **MICHAEL D. BEITER, JR.**, was a resident of the Southern District of Florida.
2. In approximately April 2004, the defendant **MICHAEL D. BEITER, JR.**, began marketing a debt elimination and abusive tax scheme. The scheme was premised on the idea that individuals are “sovereigns” who can “declare their independence” from ordinary obligations such as paying creditors and federal income taxes. He had at least 100 clients.
3. To facilitate his scheme, the defendant **MICHAEL D. BEITER, JR.**, established Double Edged Sword Ministries (“DESM”) and Financial Group Management (“FGM”).
4. The defendant **MICHAEL D. BEITER, JR.**, used the scheme to avoid paying his creditors and his federal income tax liability.

5. The Internal Revenue Service (the "IRS") was and is an agency of the U.S. Department of the Treasury charged with the collection of revenue, to wit, income taxes.

**COUNT 1**

6. Paragraphs 1 through 5, above, are hereby incorporated by reference as if realleged and recited in full.

7. From in or about June 2003, up to and including to date of this Superseding Indictment, in Broward County, in the Southern District of Florida and elsewhere, the defendant,

**MICHAEL D. BEITER, JR.,**

did corruptly endeavor to impede the due administration of the Internal Revenue laws by the following acts, among others:

- (a) filing and causing to be filed false documents and tax returns with the IRS and the U.S. Department of the Treasury;
- (b) attempting to intimidate IRS employees and members of the Federal judiciary;
- (c) holding seminars and one-on-one meetings to promote abusive tax programs that were designed to hide assets and income from the IRS;
- (d) establishing for his own personal use bank accounts opened with fictitious Taxpayer Identification Numbers ("TINs") and accounts in warehouse banks and recommending to others the use of such accounts;
- (e) creating purported business entities, including Wyoming-based limited liability companies, "corporations sole," "pure trusts" and "private contract trusts" designed to hide assets and income;

- (f) listing as “trustees” and “managers” of these entities individuals who exercised no control whatsoever over these assets, and who, in some cases, did not exist;
- (g) sending correspondence to the U.S. Department of the Treasury purporting to create a bank account drawn on his birth certificate.

### **CORRUPT ACTS**

Among the corrupt acts taken by **MICHAEL D. BEITER, JR.**, were the following:

8. On or about June 25, 2003, the defendant **MICHAEL D. BEITER, JR.**, prepared and caused to be prepared articles of incorporation for DESM, a purported religious organization.
9. In or about July 2004, the defendant **MICHAEL D. BEITER, JR.**, established a bank account with “BUBO,” a warehouse bank.
10. In or about August 2004, in exchange for at least \$2,400, the defendant **MICHAEL D. BEITER, JR.**, set up, for DESM clients whose initials are L.D. and E.D., three nominee entities named Agape Consulting, Liberty Leasing, and Stadium Holdings.
11. On or about September 20, 2004, the defendant **MICHAEL D. BEITER, JR.**, transferred the title to his Broward County residence to Dee Vine Properties, a nominee.
12. In or about January 2005, in exchange for approximately \$4,000, the defendant **MICHAEL D. BEITER, JR.**, set up, for a DESM client whose initials are R.C., three nominee entities named Hammerhead Management, Blue Sky Properties, and Matrix Consulting Group.
13. In or about July 2005, in exchange for approximately \$10,450, the defendant **MICHAEL D. BEITER, JR.**, set up, for DESM clients whose initials are R.H. and L.H., four nominee entities named Hope Masonry Contractors, LLC, HEPHZIBAH Group, Mikva Management and Leasing, and Trans-National Services.

14. In or about August 2005, the defendant **MICHAEL D. BEITER, JR.**, transferred to Paradigm Leasing the title to his Toyota Solara and BMW automobiles.

15. In or about October 2005, in exchange for approximately \$7,000, the defendant **MICHAEL D. BEITER, JR.**, set up, for a DESM client whose initials are S.A., three nominee entities named Apex Holdings Trust, Zeus Leasing Group, and Pinnacle Management.

16. On or about October 4, 2005, the defendant **MICHAEL D. BEITER, JR.**, caused to be filed with the Secretary of State of Wyoming articles of organization in the name of FGM, which failed to identify defendant **MICHAEL D. BEITER, JR.**, as the manager.

17. On or about October 16, 2005, the defendant **MICHAEL D. BEITER, JR.**, conducted a seminar, in which he advised potential clients about the purported benefits of his abusive tax schemes.

18. On or about October 17, 2005, the defendant **MICHAEL D. BEITER, JR.**, met with an IRS undercover agent, who was posing as a potential client, and recommended that she set up Wyoming limited liability companies to conceal her assets and income.

19. On or about June 6, 2006, the defendant **MICHAEL D. BEITER, JR.**, met with the same IRS undercover agent, who was posing as a potential client, and advised her about the purported benefits of using his services to conceal the undercover agent's assets and income.

20. On or about July 9, 2006, the defendant **MICHAEL D. BEITER, JR.**, opened and caused to be opened a bank account for Brown Group, LLC, using a fictitious TIN.

21. In or about August 2006, in exchange for approximately \$12,500, the defendant **MICHAEL D. BEITER, JR.**, set up for an individual whose initials are R.S., four nominee entities named, Portside, LLC, Starboard Leasing, Anchor Holdings, and Compass Consulting.

22. On or about August 11, 2006, the defendant **MICHAEL D. BEITER, JR.**, opened and caused to be opened a bank account in the name of FGM using a fictitious EIN.

23. In or about February 2007, the defendant **MICHAEL D. BEITER, JR.**, mailed false U.S. Individual Income Tax Returns, IRS Forms 1040, for tax years 2004 and 2005.

24. On or about April 18, 2007, the defendant **MICHAEL D. BEITER, JR.**, mailed a false U.S. Individual Income Tax Return, IRS Form 1040, for tax year 2006.

25. On or about April 24, 2007, the defendant **MICHAEL D. BEITER, JR.**, mailed a letter to the personal residence of an IRS Special Agent.

26. On or about September 20, 2007, the defendant **MICHAEL D. BEITER, JR.**, mailed a letter to the U.S. Marshal Service requesting the home address of a federal magistrate judge who previously had signed a search warrant to search FGM's office.

27. From in or about December 2003 until on or about December 1, 2008, the defendant **MICHAEL D. BEITER, JR.**, sent fictitious financial instruments, including the documents listed in Counts Two through Seven, to the U.S. Department of the Treasury.

All in violation of Title 26, United States Code, Sections 7212(a) and 2.

**COUNTS 2-7**

28. Paragraphs 1 through 5, and 27, above, are hereby incorporated by reference as if realleged and recited in full.

29. On or about the dates listed below, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

**MICHAEL D. BEITER, JR.,**

with the intent to defraud, did knowingly pass, utter, present, offer, and attempt to pass, utter, present, and offer, a false and fictitious instrument, document, and other item, as described below, appearing, representing, purporting and contriving through scheme and artifice, to be an actual security and other financial instrument issued under the authority of the United States and other political subdivisions of the United States:

<b>COUNT</b>	<b>DATE</b>	<b>SECURITY/INSTRUMENT</b>	<b>PAYABLE/ CREDIT TO</b>	<b>AMOUNT</b>
2	Aug. 20, 2004	Bond to discharge attachment for debt for ERIC B. ZWIEBEL P.A., Account Number Case No.: 04-04890 (80)	Agents for the Crown AGENTS-ERIC B. ZWIEBEL P.A.	\$2,124.50
3	Aug. 20, 2004	Bond to discharge attachment for debt for MIETTE K BURNSTEIN, CIRCUIT COURT JUDGE OF THE 17 <sup>TH</sup> JUDICIAL CIRCUIT OF THE STATE OF FLORIDA, IN AND FOR BROWARD COUNTY CIVIL DIVISION, Account Number Case No: 04-06861	Agents for the Crown AGENTS-MIETTE K BURNSTEIN, CIRCUIT COURT JUDGE	\$33,312.71
4	Aug. 20, 2004	Bond to discharge attachment for debt for RUDEN, MCCLOSKEY, SMITH, SCHUSTER & RUSSEL, P.A., Account Number Case No:04-06861	Agents for the Crown AGENTS RUDEN, MCCLOSKEY, SMITH, SCHUSTER & RUSSEL, P.A.	\$2,730.30
5	Sept. 24, 2007	PRIVATE OFFSET BOND	United States Department of the Treasury - Michael David Beiter Jr.	\$300,000,000

6	Oct. 9, 2007	PRIVATE OFFSET BOND	United States Department of the Treasury - Michael David Beiter Jr.	\$150,000,000
7	Dec. 1, 2008	BONDED PROMISSORY NOTE	CLERK OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA Case No, FGJ 06-04-03 FTL and 07-6317-SNOW and all related cases Penal Sum to the benefit of MICHAEL D. BEITER JR SS NO. [xxx-xx-8748] and DONNA LEE BEITER SS No. [xxx-xx-8628] and any other named parties	\$300,000,00

All in violation of Title 18, United States Code, Sections 514 and 2.

**COUNTS 8-10**

30. Paragraphs 1 through 28 above, are hereby incorporated by reference as if realleged and recited in full.

31. On or about the dates listed below, in Broward County, the Southern District of Florida, and elsewhere, the defendant,

**MICHAEL D. BEITER, JR.,**

did willfully attempt to evade and defeat a large part of the income tax due and owing by R.H. and L.H. to the United States of America for the calendar years listed below, in the approximate amounts listed below, by among other things, setting up nominees entities to hide R.H.'s assets and income from the IRS:

COUNT	DATE	CALENDAR YEAR FOR WHICH TAX WAS OWED	AMOUNT OF INCOME TAX DEFENDANT ATTEMPTED TO EVADE AND DEFEAT
8	April 17, 2006	2005	\$198,466
9	April 16, 2007	2006	\$437,408
10	April 15, 2008	2007	\$326,494

All in violation of Title 26, United States Code, Sections 7201 and 2.

A TRUE BILL

  
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JEFFREY SLOMAN  
UNITED STATES ATTORNEY

  
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BERTHA R. MITRANI  
ASSISTANT UNITED STATES ATTORNEY

  
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JED M. SILVERSMITH  
TRIAL ATTORNEY