



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

615 Chestnut Street

Suite 1250

Philadelphia, Pennsylvania 19106-4476

(215) 861-8200

For Immediate Release

January 28, 2008

COMMONWEALTH TRUST COMPANY * CO-FOUNDER AND 2 OTHERS CONVICTED OF FRAUD SCHEME

PHILADELPHIA - Today, a federal court jury returned guilty verdicts against John Michael Crim, John Brownlee, and Constance Taylor on the charge of conspiring to defraud and corruptly interfering with the Internal Revenue Service, causing tax losses of up to approximately \$10 million. John Crim was co-founder of the Commonwealth Trust company (CTC), based in Conroe, Texas, which persuaded investors to place income and assets into trusts for the purpose of avoiding payment of federal income tax. CTC marketed two domestic trust packages and one offshore trust package to its clients. Based on CTC instructions, many of the clients did not file tax returns or filed materially false tax returns.

John Brownlee and Constance Taylor were high-ranking members of the CTC. As part of the scheme, CTC told clients they could escape paying income taxes by diverting income through a series of trusts. CTC also instructed clients to transfer their assets into CTC's other domestic fraudulent trust package to conceal and protect real and personal property from IRS liens and seizure attempts.

The jury found defendant Paul Crim, the son of defendant John Crim, not guilty of participating in the conspiracy.

Defendants John Crim and Brownlee each face a maximum penalty of eight years imprisonment, a three year period of supervised release, and a \$500,000 fine. Defendant Taylor faces a maximum penalty of 11 years imprisonment, a three year period of supervised release, and a \$750,000 fine. Sentencings will be scheduled in May 2008.

* The defendants had no connection with the Commonwealth Trust Company of Wilmington, Delaware.

Bail for defendants Brownlee and Taylor was revoked and they were both remanded to the custody of the United States Marshals Service. John Crim previously was ordered held without bail.

The case was investigated by special agents of the Internal Revenue Service Criminal Investigation Division and was prosecuted by Assistant United States Attorneys Stephen A. Miller and Vineet Gauri.

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106**

**Contact: PATTY HARTMAN
Media Contact
215-861-8525**

*COPIES OF NEWS MEMOS AND RELATED DOCUMENTS CAN ALSO BE FOUND AT
www.usdoj.gov/usao/pae*