



*Office of the United States Attorney
District of Arizona*

FOR IMMEDIATE RELEASE
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For Information Contact Public Affairs
SANDY RAYNOR
Telephone: (602) 514-7625
Cell: (602) 525-2681

SEDONA, ARIZ. TREATMENT CENTER OPERATORS INDICTED FOR CONSPIRACY AND TAX EVASION

PHOENIX - A Sedona, Ariz., couple who operate a drug and alcohol rehabilitation center in that city have been indicted for tax evasion and conspiracy to impede and impair the Internal Revenue Service. Dr. William Howard Steiniger, 64, and his wife, Diane Goulder Steiniger, 51, who operate Desert Canyon Treatment Center, are each charged in a 9-count indictment with one count of conspiracy and four counts of tax evasion. The indictment was unsealed at their initial appearance on Friday, January 16, 2009. The couple was released on a \$100,000 bond. An arraignment is set for Wednesday, January 21, 2009. The trial will take place before U.S. District Judge Mary H. Murguia in U.S. District Court in Prescott but a trial date has not been set.

The indictment alleges that from as early as 1997 until at least August 2007, the Steinigers conspired to defraud the United States and to defeat the IRS in its attempts to assess and collect income tax. According to the indictment, this was accomplished by the Steinigers' funneling of their substantial incomes into entities which they created. William Steiniger's earnings from Desert Canyon were allegedly directed to National Career & Life Institute, while Diane Steiniger's income was allegedly directed to Flair International, Ltd., which is purported to be an International Business Company in the Central American nation of Belize. The indictment says no federal income tax was paid on this income.

The indictment also charges each defendant with income tax evasion for 2002 through 2005, alleging that no income tax was paid by either defendant in any of those years. More specifically, the indictment alleges that William Steiniger filed no income tax returns during those four years, while his wife filed returns in two of the years, but claimed no taxable income for either year in which she filed.

Each of the counts of the Indictment carries a maximum sentence of five years in federal prison and a \$250,000 fine. An indictment is the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until a jury determines that a defendant's guilt has been proven beyond a reasonable doubt.

The investigation was conducted by Special Agents of the Internal Revenue Service, Criminal Investigation Division. The prosecution is being handled by Assistant U.S. Attorney Frank T. Galati.

CASE NUMBER: CR-09-8004-PCT-MHM
RELEASE NUMBER: 2009-018(Steiniger, et al)

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