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FORMER "ESCORT" PLEADS GUILTY TO TAX EVASION

Stanford Law Graduate Took Up Career As High-End Prostitute

SAN FRANCISCO – Former Stanford Law graduate Cristina L. Warthen today plead guilty to tax evasion, announced United States Attorney Joseph P. Russoniello and IRS-Criminal Investigation Special Agent in Charge Scott O'Briant.

According to the plea agreement, Warthen, 35, formerly known as Cristina L. Schultz, operated an escort business in which she exchanged sexual acts for money. Warthen, who once resided in Palo Alto, Calif., and Oakland, Calif., but now lives in Los Angeles, used the stage name "Brazil." and used a Web site, "TouchofBrazil.net," to advertise her services, pricing and travel schedule. Warthen offered paid memberships to the Web site. The defendant also admitted to traveling to major cities throughout the United States to service her clients.

Warthen admitted that, in 2003, she grossed more than \$133,000 from her escort business. According to the information filed in the case, Warthen had no other income for that year. Her net income was \$81,797, resulting in a tax owing to the United States of \$25,424. Warthen further acknowledged that she did not file a tax return for that year and that she took steps to hide her income, including storing cash in a safe deposit box and buying postal money orders in amounts designed to avoid the generation of a Currency Transaction Report.

Warthen is to be sentenced on June 15 at 1:30 p.m. by The Honorable James Ware, United States District Judge. The maximum statutory penalty for tax evasion in violation of 26 U.S.C. § 7201 is five years imprisonment and a fine of \$100,000. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Assistant United States Attorney David Callaway is prosecuting the case with the assistance of legal technician Tracey Andersen. These charges are the result of an investigation by IRS-Criminal Investigation with the assistance of the Postal Inspection Service.

Further Information:

Case #: CR 08-00682 JW

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or

by email at Jack.Gillund@usdoj.gov.

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