



# Department of Justice

United States Attorney A. Brian Albritton  
Middle District of Florida

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Jacksonville Fort Myers Ocala  
CONTACT: STEVE COLE  
PHONE: (813) 274-6136  
FAX: (813) 274-6300

## **SARASOTA MAN CHARGED WITH FRAUDULENT SCHEME TO OBSTRUCT IRS**

Tampa, Florida - United States Attorney A. Brian Albritton, along with Tracey Montaño, Acting Special Agent in Charge, Internal Revenue Service, Criminal Investigation, today announced the unsealing of a superseding indictment charging CAREL A. PRATER, A/K/A CHAD PRATER, (age 70, of Sarasota) with corrupt interference with Internal Revenue Service laws; aiding and assisting in the filing of false tax returns; failure to file a tax return; criminal contempt; structuring transactions to avoid reporting requirements; and false declarations before a grand jury. If convicted on all counts, PRATER faces maximum penalties of 33 years' imprisonment and a fine of \$1.95 million.

According to the superseding indictment, PRATER, who operated New Found Freedom doing business as "Tax Escape Service", engaged in a fraudulent scheme to interfere with the internal revenue laws by selling services that he claimed would legally remove his customers from the federal tax system. PRATER advocated the position that income earned in the United States is generally not taxable, and, in exchange for fees, PRATER prepared false tax returns and bogus documents that were submitted to the Internal Revenue Service (IRS) and recorded in the public records. PRATER also advised his customers to conceal assets and income from the IRS through shell limited liability companies (LLCs) and unincorporated business trust organizations (UBTOs) and by transferring ownership of assets to nominees. Between 2000 and 2003, PRATER's gross receipts exceeded \$2 million.

In December 2002, a federal district court in Tampa enjoined PRATER from promoting his anti-tax views and business. The superseding indictment alleges that PRATER violated that injunction, and subsequent orders from the court, by continuing to provide false tax advice to customers and concealing revenue derived from his business. The superseding indictment also alleges that PRATER made false declarations to a grand jury investigating the matter.

U.S. Attorney A. Brian Albritton stated, "As we begin moving into the tax-filing season, we want to remind tax payers to beware of individuals promoting anti-tax views and promising people and businesses tax relief by illegal methods. Millions of citizens pay their fair share of taxes, and those who don't will be investigated and prosecuted."

Tracey Montaña, Acting Special Agent in Charge, IRS (CI), stated, "Federal taxes build our roads, educate our children, and defend our nation. Mr. Prater and those who promote frivolous and abusive anti-tax schemes are a threat to the security of the tax system that supports our country. IRS Criminal Investigation will continue to investigate and seek prosecution of individuals who attack our taxation system by unlawful means."

This case was investigated by the Internal Revenue Service, Criminal Investigation. It will be prosecuted by Assistant United States Attorney Robert T. Monk and Department of Justice Trial Attorney Steven D. Grimberg.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent until, and unless, proven guilty.