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Public Affairs
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U.S. ATTORNEY'S OFFICE HIGHLIGHTS RECENT ARIZONA FEDERAL TAX ENFORCEMENT RESULTS

PHOENIX - The U. S. Attorney's office and the Internal Revenue Service, Criminal Investigation Division, today announced highlights of their work so far this year to defend and enforce the nation's tax laws.

Special Agents from IRS Criminal Investigation have tracked down bogus trust promoters, tax defiers, unscrupulous return preparers, scam artists, and others who willfully violate our nation's tax laws, and a variety of tax related cases have been prosecuted by the U.S. Attorney's Office in the District of Arizona.

Among the successes during the past few months of 2009 in this area are the following:

January 2009:

- Dr. William Howard Steiniger and his wife, Diane Goulder Steiniger, who operate Desert Canyon Treatment Center in Sedona, Ariz., a drug and alcohol rehabilitation center, were indicted for tax evasion and conspiracy to impede and impair the IRS. Each was charged with one count of conspiracy and four counts of tax evasion in a 9-count indictment that alleges that the Steinigers conspired to defraud the U.S. and to defeat the IRS in its attempts to assess and collect income tax.

March 2009:

- Ira W. Gentry and Randy W. Jenkins were sentenced to 15 and 7.5 years in prison, respectively and were also ordered to forfeit assets that they acquired by virtue of their crimes, including a 2006 Mercedes Benz vehicle and approximately \$2,000,000 in cash from various accounts and investments. In addition, the court entered a money judgment against the pair in the amount of \$9,469,841.74. Gentry was the CEO and a member of UniDyn Corporation's board of directors when he conspired with Jenkins, a disbarred Arizona attorney, to secretly acquire approximately 20 million shares of UniDyn stock. The evidence introduced at the September 2008 trial in this matter included proof that the duo artificially inflated the value of the stock through the filing of misleading UniDyn SEC filings, filing of false corporate income tax returns, and the issuance of false and misleading press releases and also included proof that Gentry and Jenkins used aliases, offshore nominee entities, Canadian brokerage accounts, nominee bank accounts and false tax identification numbers to conceal their activities.
- Mario Alexander Pino pleaded guilty to Willful Failure to File his 2003 Federal Income Tax Return. Pino admitted that a reasonable estimate of his 2003 income is \$602,933 and that his federal income tax liability on that income is approximately \$192,244.
- Victor Paul Vasquez was arrested on a warrant arising out of a 3-count federal indictment and charged with Conversion of Government Property. The indictment alleges that on three occasions in 2006 and 2007, Vasquez arranged to have tax refunds for his clients deposited into a bank account controlled by Vasquez instead of into the clients' accounts. A tax refund remains the property of the federal government until it reaches the taxpayer. Each refund stolen by Vasquez exceeded \$4000.

April 2009:

- Lee B. Woodbury was sentenced to 18 months in prison and was ordered to pay restitution of \$97,232. Woodbury pleaded guilty in August, 2008 to Willfully Filing a False Tax Return. Between 1998 and 2001, Woodbury engaged in a number of income producing activities. Until contacted by the IRS Criminal Investigation Division, he had not filed returns for tax years 1998 through 2001. Woodbury willfully made and subscribed a 1998, 1999 and 2001 U.S. Individual Income Tax return, Form 1040, that under reported his taxable income. In total, the tax loss as a result of Woodbury's willfully filing false tax returns was \$35,633.
- Arlan R. Turley was indicted by a federal grand jury on two counts of willful failure to file a tax return and 20 counts of willful failure to pay over taxes. Turley was a licensed dentist in Arizona and operated the East Valley Dental Service in Mesa, Ariz. The indictment alleges that the charges for failure to file are the result of Turley's non-filing of his 2002 and 2003 income tax returns. In addition to failing to pay his own tax liability, Turley also failed to pay over employees' payroll taxes – which he deducted from their paychecks to the government
- Huy Phuoc Nguyen was sentenced to 21 months in prison after pleading guilty to one count of Aiding and Assisting in the Presentation of False and Fraudulent Income Tax Returns. Beginning as early as 2001 to 2005, Nguyen owned and operated Lucky Immigration and Income Tax Service in Phoenix. While operating his business, Nguyen personally prepared tax returns for members of the Vietnamese community. On nearly three dozen tax returns, Nguyen fraudulently represented the taxpayers' deductions and expenses, and understated the taxpayers' income. The fraudulent tax returns from Nguyen resulted in a tax loss of over \$90,000 to the United States.

“These cases show the lengths to which individuals will go to defraud the tax payer,” stated U.S. Attorney Diane J. Humetewa. “This office will do what is necessary to confront income tax related fraud schemes through strong prosecution efforts, whether the perpetrators are avoiding their own tax liability through fraud, creating fictitious claims for refund, or stealing other people's tax withholding or refunds.”

“As evidenced by the significant tax related convictions in Arizona, the IRS Criminal Investigation Division vigorously pursues investigations of those who seek to unlawfully avoid paying their taxes,” stated Andrea D. Whelan, Special Agent in Charge, IRS Criminal Investigation, Phoenix Field Office. “Those who are tempted to commit tax fraud should understand the end result could be professional and financial ruin, as well as time in federal prison.”

The Justice Department encourages anyone who has information about suspected tax fraud to report it to the IRS Web site at <http://www.irs.gov> and click on the links “Contact IRS” and “How Do You Report Suspected Tax Fraud Activity.”

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