



# Department of Justice

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Middle District of Florida

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## **TWO TAMPA AREA MEN CHARGED WITH FRAUDULENT SCHEME TO DISRUPT AND OBSTRUCT THE IRS**

Tampa, Florida - United States Attorney A. Brian Albritton announces the arrest yesterday of Joseph Nelson Sweet (age 64, of Bradenton) and the unsealing of a superseding indictment charging Sweet with conspiracy to defraud the United States, corrupt interference with the Internal Revenue Service (IRS), and criminal contempt. Sweet faces a maximum penalty of life in federal prison. The superseding indictment also charges Jack Lee Malone (age 59, formerly of the Tampa area) with one count of conspiracy to defraud the United States. Malone faces a maximum penalty of five years in federal prison. Malone has not been arrested.

According to the superseding indictment, in 1999 Sweet and Malone joined forces to sell and promote a scheme by which they claimed that purchasers could legally avoid the payment of federal income taxes by, among other things, placing income and assets in "sham" trusts called Unincorporated Business Trust Organizations (UBTOs). They sold these trusts and other materials through two UBTOs, "They JoY Foundation" and "EDM Enterprises." Sweet and Malone instructed their clients that income is generally not taxable and that filing a federal income tax return is a strictly voluntary act. According to the indictment, Sweet and Malone instructed clients to submit obstructive paperwork to deceive the IRS and to illegally conceal their income and assets.

On February 20, 2002, U.S. District Judge Steven D. Merryday [issued an order permanently enjoining](#) issued an order permanently enjoining Sweet and his employees, servants, and agents from further engaging in such activity. According to the superseding indictment, on March 2, 2005 and January 1, 2006, Sweet willfully and knowingly disobeyed Judge Merryday's order.

This case was investigated by Internal Revenue Service- Criminal Investigation. It is being prosecuted by Assistant United States Attorney Cherie L. Krigsman and Trial Attorney Todd Ellinwood of the Department of Justice, Tax Division.

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.