



The United States Attorney's Office

District of New Hampshire



U.S. Department of Justice

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MEDIA RELEASE
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EXETER CHIROPRACTOR INDICTED FOR TAX EVASION AND BANK FRAUD

CONCORD, NEW HAMPSHIRE – Acting United States Attorney Michael J. Gunnison and Acting Assistant Attorney General John A. DiCicco of the Justice Department's Tax Division announced today that a federal grand jury has indicted Paul J. Loch of Exeter, New Hampshire, on charges of tax evasion, bank fraud, and willfully failing to file a tax return.

The Indictment charges that Loch evaded the payment of his individual income taxes for calendar years 1996 and 1997 by, among other things: filing false amended returns; concealing and attempting to conceal from the Internal Revenue Service the nature and extent of his assets; placing funds and property in the names of nominees; and paying creditors instead of the government.

The Indictment also charges Loch with bank fraud. In 2004, Loch allegedly submitted false loan applications, to Sovereign Bank, in which he failed to disclose his outstanding tax debts for calendar years 1996 and 1997. The Indictment also alleges that Loch submitted to Sovereign Bank two U.S. Individual Income Tax Returns, Forms 1040, for calendar years 2002 and 2003, representing such documents to be his filed tax returns when, in fact, he knew that the documents had not been filed with the IRS.

The Indictment alleges that Loch failed to file returns for calendar years 1999, 2000, 2001, 2002, 2003, and 2004. He is charged with willful failure to file returns for calendar years 2002 and 2003.

If convicted, Loch faces possible maximum prison sentences of 5 years for tax evasion, 30 years for bank fraud, and 1 year for each of the willful failure to file counts. He is also subject to a total possible maximum fine of \$1.45 million.

An indictment merely alleges that a crime has been committed and all defendants are presumed innocent until proven guilty beyond a reasonable doubt.

This case is being investigated by the Portsmouth, New Hampshire, Office of the IRS Criminal Investigation Division. It is being prosecuted by Assistant United States Attorney Arnold H. Huftalen and Tax Division trial attorney Mark F. Daly.