



## U.S. Department of Justice

*United States Attorney  
Eastern District of Arkansas*

FOR IMMEDIATE RELEASE  
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### **FUGITIVES ARRESTED TO FACE TAX CONSPIRACY CHARGE**

**Little Rock** – Jane W. Duke, United States Attorney for the Eastern District of Arkansas, and Christopher Pikelis, Special Agent in Charge for IRS Criminal Investigation - Nashville Field Office, announced today the arrest of Julia Freeman a/k/a Judy Ford, age 69, and Lydia Prisock, age 61, both formerly of Little Rock. The two were arrested last night at a home in Katy, Texas where they had been residing periodically for the past year and a half. Waller County, Texas Sheriff's Deputies assisted the Internal Revenue Service - Criminal Investigation (IRS-CI) in the arrest. The two had an initial appearance before the Honorable Stephen W. Smith, United States Magistrate Judge for the Southern District of Texas this afternoon. During that hearing, the defendants requested additional time to seek counsel, and a detention hearing was scheduled for 10:00 a.m. Friday, June 26, 2009 before the Honorable Frances H. Stacy, United States Magistrate Judge. The defendants were detained pending that hearing.

This arrest follows last week's arrest of Carol Spackman, age 63, formerly of Las Vegas, Nevada. IRS-CI arrested Ms. Spackman in Scottsdale, Arizona with the assistance of the United States Marshals Service. On June 18, 2009, Spackman appeared before the Honorable Lawrence O. Anderson, United States Magistrate Judge for the District of Arizona, where she was held pending a hearing tomorrow before the Honorable Edward C. Voss.

All three individuals were arrested relating to an Indictment that has been pending in the Eastern District of Arkansas since June 2006. These tax defiers were aware of the Indictment and have taken actions to elude authorities in determining their location.

The Indictment charges these individuals, along with Robert Colee, age 70 of Grant's Pass, Oregon, and Randall Jarvis, age 42 of St. George, Utah, with one count of conspiring to defraud the United States in violation of Title 18, United States Code, Section 371. The statutory sentence for that offense is up to five years imprisonment, a \$250,000.00 fine, or both, and not more than three years supervised release.

The five are charged with conspiring to defraud the Internal Revenue Service for tax years 1997 through 2004. The Indictment alleges that Freeman, Colee, and Prisock controlled a distributorship for Nikken, a multi-level marketing company engaged in the sale of alternative health care products, which generated commissions in excess of \$5,000,000 during the years 1997 through 2004. Spackman was an income tax preparer for the three, and Jarvis assisted in setting up entities through which the Nikken commissions were funneled in order to disguise the income received and to evade payment of personal income taxes. The indictment alleges that during the years in question, the defendants conspired with one another to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service of the Department of Treasury in the ascertainment, computation, assessment, and collection of over \$1,000,000 in income taxes due and owing on the commissions Freeman, Colee, and Prisock received from Nikken.

Colee and Jarvis have previously appeared in the Eastern District of Arkansas for plea and arraignment. The trial is currently set for November 30, 2009 before the Honorable J. Leon Holmes, Chief Judge, United States District Court, Eastern District of Arkansas.

"Citizens do not have the right to intentionally violate and disobey the tax laws. We treat these offenses seriously since this willful non-compliance increases the tax burden for the vast majority of our citizens that fully comply in meeting their tax obligations," stated Pikelis.

Duke agreed, "Not only does failure to pay taxes increase the tax burdens on those that do pay, attempting to elude law enforcement also increases the cost to the tax payers and places a drain on the resources of the Federal government. I would like to thank the Waller County, Texas Sheriff's Deputies and the United States Marshals who assisted the IRS - Criminal Investigation Agents in affecting these arrests so that these individuals may face the charges pending against them in this district."

An Indictment is only an allegation of wrong doing and the defendants are presumed innocent until proven guilty.

The case was investigated by the Internal Revenue Service - Criminal Investigation and is being prosecuted by Assistant United States Attorney Karen Whatley and Department of Justice Tax Division Attorney Robert A. Kemins.

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