



U.S. Department of Justice

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FORMER INVESTMENT ADVISOR SENTENCED TO 40 MONTHS IN FEDERAL PRISON ON TAX EVASION AND OTHER CONVICTIONS RELATED TO ILLEGAL OFFSHORE SHELTERS

DALLAS — Lanas Evans Troxler, of Dallas, was sentenced this morning by U.S. District Judge Ed Kinkeade to 40 months in prison and ordered to pay a \$10,000 fine, announced U.S. Attorney James T. Jacks of the Northern District of Texas. Troxler was convicted in April 2008 on all 17 counts of an indictment that charged him with various offenses related to his operations as a licensed investment advisor and estate planner. Judge Kinkeade ordered that Troxler surrender to the Bureau of Prisons by September 30, 2009.

As a licensed investment advisor and estate planner, Troxler sold financial and tax advice to his clients. Troxler did business as Trust Management Services, Troxler Insurance Agency, Contingent Liability Services, Troxler Financial Services, and Troxler Advisory Services and operated these businesses from his office in Dallas from at least 1998 through 2002.

Troxler was convicted of one count of corruptly endeavoring to obstruct and impede the due administration of the Internal Revenue laws, four counts of attempting to evade and defeat tax, and 12 counts of assisting in the preparation and presentation of false and fraudulent tax returns. The tax loss from Troxler's activities was more than \$630,000.

At trial it was proven that beginning in November 1997, Troxler set up a complex series of sham offshore entities in the Turks & Caicos Islands for himself and his clients and steered his clients to accountants who prepared fraudulent returns. Troxler's efforts to evade his own taxes, and assist his clients in the evasion of their taxes, involved using offshore entities to make it appear as if he and his clients had transferred their interests in their businesses to the offshore entities to make the income earned appear to be foreign-earned. Troxler and his clients retained full control over their assets, businesses, and income earned from them, and the income was taxable and should have been reported on their respective federal individual and business income tax returns.

The government also proved at trial that sometime between August 30 and November 8, 2002, Troxler sent a series of letters to an IRS Special Agent and a former IRS Commissioner. In those letters, Troxler wrote that (1) he was not a U.S. citizen; (2) he is a child of God and, therefore, his citizenship is in Heaven; (3) he is an inhabitant of Texas, a Republic established by the Spanish Land Grant; (4) "Lamas E. Troxler" is a fictitious name used without the defendant's permission; (5) IRS agents trespassed on his property during the June 28, 2002 search warrant; (6) the IRS Special Agent and a United States Magistrate Judge committed an act of war against "We the People of Texas," a Republic; (7) the defendant did not enter into a contract with the IRS Special Agent and the United States Magistrate Judge; and (8) the name "Lamas E. Troxler" is

copyrighted in the State of Texas and any use of it without the defendant's permission is a violation of law — all language that the government contended was typical "tax protestor" language designed to both impede the investigation and prosecution.

U.S. Attorney Jacks praised the investigative efforts of the Internal Revenue Service - Criminal Investigation (IRS-CI), Dallas Field Office. The case was prosecuted by Assistant U.S. Attorney Joe Revesz and U.S. Department of Justice Tax Division Trial Attorneys Robert A. Kemins and Jed M. Silversmith

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