



The United States Attorney's Office

## District of Colorado

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October 5, 2009

### **FORMER COLORADO SPRINGS BUSINESSMAN SENTENCED FOR TAX EVASION**

DENVER – John T. Minemyer, age 49, of Casper, Wyoming, was sentenced last week by U.S. District Court Judge Marcia S. Krieger to serve 12 months in federal prison for tax evasion, U.S. Attorney David Gaouette and IRS Criminal Investigation Special Agent in Charge Christopher M. Sigerson announced. Following the prison term, Minemyer was ordered to spend 3 years on supervised release. Judge Krieger ordered Minemyer to pay a \$25,000 fine and restitution totaling \$200,918.22. Minemyer was also ordered to pay a \$100 special assessment to a victims of crime fund. Minemyer will be required to report to a facility designated by the U.S. Bureau of Prisons on or before December 1, 2009.

John T. Minemyer was indicted by a grand jury in Denver on April 8, 2008. On February 24, 2009, Minemyer plead guilty to tax evasion. He was sentenced by Judge Krieger on October 1, 2009.

According to the information contained in the indictment, as well as the plea agreement, the tax evasion charge stems from when Minemyer was a resident of Colorado Springs, Colorado, where he was a fifty percent partner in a company known as Lozon. Lozon manufactured and sold non-corrosive coupler devices that were used to connect pipes that hold underground fiber optic cables.

Minemyer intentionally and willfully filed with the Internal Revenue Service ("IRS") false joint U.S. Individual Income Tax Returns (Forms 1040), for the tax years 2000 and 2001 with the Internal Revenue Service ("IRS"). Specifically, during the tax years 2000 and 2001, Minemyer earned substantial partnership income from Lozon. Instead of reporting the partnership income on his Forms 1040 as he was required to do by law, he hid this partnership income by using the Lozon partnership bank account to pay for personal expenses and by using a series of offshore financial transactions.

In 2000 and 2001, Minemyer paid for personal expenses directly out of the Lozon partnership bank account and did not report this money as personal income on his 2000 or 2001 individual tax returns (Forms 1040). As a result of this conduct, Minemyer failed to report on his 2000 individual U.S. tax return partnership income in the amount of \$355,176, which resulted in an under-reported tax liability of \$140,561. Additionally, Minemyer failed to report on his 2001 individual U.S. tax return (Form 1040) partnership income in the amount of \$174,087, which resulted in an under-reported tax liability of \$60,357. The total loss for both years is \$200,918.

"This case is a good example of those who evade their tax obligations may end up finding themselves in federal prison and owing a lot more money than they would have originally had to pay," said U.S. Attorney David Gaouette.

"The majority of the citizens out there are working hard to pay their share of taxes, and to make the system fair for everybody, it is important that we prosecute those who intentionally do not pay their fair share," said Christopher M. Sigerson, IRS CI Special Agent in Charge of the Denver Field Office.

The case was investigated by the Internal Revenue Service Criminal Investigation (IRS CI).

The case was prosecuted by Assistant U.S. Attorneys Pegeen Rhyne and Bob Mydans, with Tax Division Trial Attorney Monica Edelstein.

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