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Oct. 16, 2009

RENAISSANCE FOUNDER'S 'RIGHT HAND MAN' SENTENCED TO FEDERAL PRISON FOR TAX FRAUD

KANSAS CITY, KAN. – **Todd Eugene Strand**, 39, Topeka, Kan., has been sentenced to 51 months in federal prison for tax fraud, U.S. Attorney Lanny Welch said today. Strand, who pleaded guilty to one count of conspiracy to defraud the Internal Revenue Service, and one count of mail fraud, also was ordered to pay more than \$10.6 million in restitution.

In his plea, Strand admitted that in November 1995 he began working as a marketing associate with Renaissance, the Tax People, Inc. The company, which was based in Topeka, Kan., offered its members services including tax advice, tax return preparation, and so-called "audit protection." Over time, Strand became a right-hand man to the company's founder, Michael Craig Cooper, and rose eventually to serve as vice president and national marketing director.

Renaissance offered its members the so-called "Tax Advantage System," which was based on fraudulent claims that business owners could legally reduce the taxes they owed by converting personal expenses to business deductions. Strand and other defendants falsely assured Renaissance clients the tax reduction methods were legal. In fact, tax returns filed using Renaissance's methods were based on providing false and fraudulent information to the IRS.

From 1995 through April 2002, the conspiracy in which Strand was a participant fraudulently generated approximately \$75 million in income from Renaissance members by means of false and misleading claims made in marketing materials and during conference calls, rallies, and promotional meetings.

"The Tax Division is committed to the investigation and prosecution of those who promote fraudulent tax evasion schemes," said John A. DiCicco, Acting Assistant Attorney General of the Justice Department's Tax Division. "As today's sentence shows, those who sell products designed to illegally hide income from the IRS face serious consequences, including significant jail time."

"IRS Criminal Investigation has made the investigation of promoters and clients using abusive tax schemes one of its highest tax enforcement priorities," said Toni Weirauch, Special Agent in Charge of IRS Criminal Investigations. "Taxpayers should be wary of anyone claiming to be an expert on how to hide income from the IRS."

Co-defendants in this and related cases include:

- **Michael Craig Cooper**, founder and president of Renaissance, the Tax People, who is set for sentencing Nov. 18, 2009.
- **Jesse Ayala Cota**, who was sentenced to 24 months in federal prison on Aug. 26, 2009.
- **Daniel Joel Gleason**, a tax return preparer who is set for sentencing Oct. 20, 2009.
- **Thomas Steelman**, another former long-time IRS employee, who was sentenced to 46 months.
- **Gene Franklin**, a tax return preparer who was sentenced to 30 months.
- **Elizabeth Crofts**, a tax return preparer who was sentenced to two years probation.
- **Frances Ruth**, a tax return preparer sentenced who was sentenced to two years probation.
- **Alexander Federico**, a tax return preparer who was sentenced to two years probation.

Welch commended the Internal Revenue Service - Criminal Investigation Division, the U.S. Postal Inspection Service, Department of Justice Tax Division Attorney Charles O'Reilly and Assistant U.S. Attorney Scott Rask for their work on the case.

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