



U.S. Department of Justice

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FOR IMMEDIATE RELEASE
Nov. 19, 2009

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NEWS RELEASE
CERTIFIED PUBLIC ACCOUNTANT INDICTED
FOR WIRE FRAUD, MONEY LAUNDERING AND
FILING FALSE INCOME TAX RETURNS

SALT LAKE CITY -- A federal grand jury in Salt Lake City returned an indictment late Wednesday charging M. Bradley Folsom of Ogden Utah, a certified public accountant, with one count of wire fraud, two counts of money laundering, and three counts of filing false income tax returns.

According to the indictment, Folsom was a CPA in Ogden who provided two of his clients with tax preparation services and tax planning advice. From 2003 until June 2005, Folsom devised a scheme to defraud the clients and to obtain money and property from the clients by false and fraudulent representations and promises related to an investment in Antelope Island Ventures, L.P., doing business as Antelope Oil and Gas ("AOG").

Folsom, according to the indictment, presented AOG to the clients as a tax planning opportunity. However, Folsom intended to defraud the clients by representing to them that AOG was in the oil and gas business, when in fact it was merely a shell and by personally keeping all money paid by the clients to AOG, according to the indictment. In December 2004, according to the indictment, Folsom caused the clients to transfer, by means of an interstate wire transmission, \$700,000 from an account owned by the clients'

company to an account in the name of AOG. Then in April 2005, Folsom used the funds derived from the alleged fraud to purchase a cashier's check in the amount of \$116,485.98, which was then used to purchase real property in St. George, Utah.

Further, according to the indictment, Folsom filed (1) a false 2003 Return of Partnership Income, Form 1065, for AOG; (2) a false 2004 Tax Return for an S Corporation, Form 1120S, for M. Bradley Folsom CPA; and (3) a false 2004 Individual Income Tax Return, Form 1040.

"In this case, the clients were promised that their payments to AOG would result in a reduction of their taxes of approximately double the amount paid to AOG," U.S. Attorney Brett L. Tolman said today. "As we have cautioned on many occasions, individuals should exercise caution when presented with a scheme that sounds too good to be true. Even when you are dealing with someone with professional credentials, investors need to be very careful. We will continue to aggressively prosecute professionals who take advantage of trust placed in them by their clients," Tolman said.

"The American public needs to feel confident that when they hire a tax professional he or she will provide honest and trustworthy service. That is why we aggressively pursue any allegation of a licensed tax professional promoting a scheme to defraud his or her clients. In this country, we have due process so a jury will rightfully decide whether Mr. Folsom rendered honest services or defrauded his clients," Paul Camacho, IRS Criminal Investigation Special Agent in Charge of the Las Vegas Field Office, said today.

A summons will be issued to Folsom to appear for an initial appearance on the indictment. Defendants charged in indictments are presumed innocent unless or until proven guilty in court.

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