



# Department of Justice

**United States Attorney Sarah R. Saldaña  
Northern District of Texas**

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INQUIRIES: KATHY COLVIN

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214.659.8600  
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**Colleyville, Texas, Father and Son, Who Were Convicted on Tax and Tax-Related Charges,  
Receive Lengthy Federal Prison Sentences and are Ordered to Pay Large Fines**

***Larry Lake Was Part-Owner of Grapevine Drug Mart -  
Son Travis Lake Managed the Business***

**FORT WORTH, Texas** — Larry Lake and his son, Travis Lake, were sentenced today in U.S. District Court in Fort Worth, Texas, by U.S. District Judge John McBryde, to 168 months and 13 months in federal prison, respectively, following their convictions earlier this year on tax and tax-related charges. In addition, Judge McBryde ordered that Larry Lake pay a \$550,000 fine as well as any taxes, interest and penalties owed, which will equal approximately \$25 million. Judge McBryde ordered that Travis Lake pay a \$30,000 fine; he has already paid \$26,816 in restitution prior to sentencing. Today's announcement was made by U.S. Attorney Sarah R. Saldaña of the Northern District of Texas.

Larry Lake was convicted at trial in February 2013 on one count of concealment of assets (bankruptcy fraud) and three counts of tax evasion. He was remanded into custody following the conviction. Travis Lake pleaded guilty in February 2013 to an indictment charging three counts of fraud and false statements in connection with tax returns he filed for tax years 2006, 2007 and 2008. He was remanded into custody after today's sentencing hearing.

According to the public court record, Larry Lake is a resident of Colleyville, Texas, and owns and operates several businesses including VIP Finance of Texas, an auto title loan business with branches throughout the Dallas-Fort Worth area; Cash Auto Sales, which handles the auto club memberships for VIP Finance; and is a part owner of Grapevine Drug Mart, a family-owned and operated pharmacy in Grapevine, Texas.

According to the factual resume filed in his case, Travis Lake manages Grapevine Drug Mart, and according to an order setting conditions for his release, Travis Lake is also a resident of Colleyville.

According to evidence presented at Larry Lake's trial, the day before he filed for bankruptcy in November 2004, Larry Lake knowingly and fraudulently transferred and concealed more than \$3 million held in an E\*TRADE account and a Compass Bank account. The funds were subsequently transferred by Larry Lake through a series of bank deposits, wire transfers and cashier's checks. In addition, Larry Lake utilized a "shell" company to assist in concealing the assets.

Additionally, according to evidence presented at trial, Larry Lake devised a scheme to evade the assessment of his personal income taxes by under-reporting income on his and his spouse's joint tax returns for the tax years 2006 through 2008. The unreported income was derived from his businesses, VIP Finance and Grapevine Drug Mart.

Further evidence presented by the government at trial showed that from August 2006 through November 2009, Larry Lake and his spouse agreed to structure more than 1,100 currency deposits, into at least 13 different bank accounts, knowing that structuring was illegal. These accounts were spread among several financial institutions, and the total amount structured during this time period was in excess of \$9.3 million. Larry Lake and his spouse created at least two "shell" companies, which were used to open some of the 13 bank accounts used in the structuring scheme.

Larry Lake, according to evidence presented at trial, failed to disclose the structured funds, and the existence of the accounts containing the structured funds, to his income tax return preparer. In addition, Larry Lake failed to report income he received from Grapevine Drug Mart, having told his return preparer that he sold the business during the 2003 calendar year. By willfully withholding this information from his return preparer, the IRS suffered a total tax loss of \$4,838,032.

According to the factual resume filed in Travis Lake's case, from 2006 through 2008, he received quarterly and weekly payments of income drawn on Grapevine Drug Mart's business bank accounts. The quarterly payments were generally received three to five times per year and varied in amounts ranging from \$25,000 to \$100,000. Each quarterly payment was made payable to Certified Tech Services, a dba that Travis Lake established, and deposited into Certified Tech Services' business bank account. The weekly payments, in the form of checks, were much smaller and were made payable to Travis Lake or his wife, and deposited into personal accounts Travis Lake controlled. The factual resume further states that Travis Lake timely filed his federal income tax returns for 2006, 2007 and 2008, but willfully omitted income of approximately \$77,070 for 2006; \$82,540 for 2007; and \$54,000 for 2008, all of which he received from Grapevine Drug Mart.

In related cases, two pharmacists at Grapevine Drug Mart, have also pleaded guilty to tax evasion, according to factual resumes filed in those cases. Norvell Moss admitted that he failed to report approximately \$194,150 in income he received from Grapevine Drug Mart for tax year 2008, and as a result of not reporting all of his income, Norvell Moss had an additional tax due

and owing of \$58,233 for that year. He was sentenced in May 2013 to 18 months in federal prison and ordered to pay \$8,277 in restitution as well as a \$30,000 fine.

Another pharmacist, Joseph Moss, admitted that he failed to report approximately \$159,450 in income he received from Grapevine Drug Mart for tax year 2008, and as a result of not reporting all of his income, he had an additional tax due and owing of \$58,554 for that year. He was sentenced last month to 12 months and one day in federal prison and ordered to pay \$51,150 in restitution and a \$3,000 fine.

The cases were investigated by Internal Revenue Service Criminal Investigation. Assistant U.S. Attorney Brian Poe and Tax Division Trial Attorney Robert A. Kemins were in charge of the prosecutions.

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