

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

LOCAL SAN DIEGO PHYSICIAN CHARGED WITH MULTIPLE COUNTS OF TAX EVASION

NEWS RELEASE SUMMARY – August 20, 2013

San Diego – A local physician was arraigned this afternoon on eight counts of tax evasion. According to the indictment, from at least calendar years 2004 through 2011, William Richard Bailey, a physician of osteopathic medicine, provided physician services to the patients of several clinics operated by at least two other local doctors. Despite earning significant income, Bailey accomplished his tax evasion by concealing his income and by preparing and filing false federal income tax returns for the years 2004 through 2011 reporting \$0 in taxable income and \$0 in tax due and owing to the Internal Revenue Service (IRS).

As charged in the indictment, Bailey accomplished his tax evasion by using a purported “trust” and “unincorporated business trust organization” (UBO) during calendar years 2004 through 2011 to conceal income he earned as a physician from the IRS. To further his evasion, Bailey opened a bank account in the name of the UBO. Bailey received checks from at least two physicians who operated clinics in San Diego County where Bailey provided physician services in exchange for compensation. Bailey directed that the checks be made payable to the name of the UBO. According to the indictment, Bailey deposited these checks into the UBO bank account. Bailey then transferred funds from the “UBO” bank account to pay for his own personal expenses and benefit. During Bailey’s court appearance today, Assistant U.S. Attorney

Joseph J.M. Orabona, who is prosecuting the case, stated that Bailey failed to report more than \$1.1 million in income he earned during the calendars years 2004 through 2011, resulting in an alleged tax loss of approximately \$300,000.

The arraignment took place today before U.S. Magistrate Judge Barbara L. Major. Bailey entered a plea of not guilty to the charges of tax evasion. The Court set a bond in the amount of \$40,000. A motion hearing and trial setting is scheduled for September 27, 2013, before U.S. District Judge Cathy A. Bencivengo.

DEFENDANTS

Criminal Case No. 13CR3046-CAB

William Richard Bailey

SUMMARY OF CHARGES:

Title 26, United States Code, Section 7201 – Tax Evasion
Maximum Penalties: 5 years of imprisonment and \$250,000 fine

AGENCY

Internal Revenue Service-Criminal Investigations

An indictment or complaint itself is not evidence that the defendant committed the crimes charged. The defendant is presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.