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SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

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For Immediate Release

**ALMOST FIVE YEARS IN CUSTODY FOR
DEFENDANT WHO STOLE IDENTITIES
OF DECEASED CHILDREN TO EVADE
TAXES**

NEWS RELEASE SUMMARY – November 17, 2014

SAN DIEGO - Lloyd Irving Taylor, formerly a licensed California tax attorney and certified public accountant, was sentenced today by U.S. District Court Judge Michael Anello to 57 months in prison and ordered to pay over \$2.2 million in restitution to the Internal Revenue Service (“IRS”).

A jury previously convicted Taylor of 19 felony charges, including aggravated identity theft, false statements to a financial institution, tax evasion, corrupt interference with the IRS, and making false statements on United States passport applications. Taylor has been in custody since his arrest in San Diego in April 2013.

According to evidence presented at trial, Taylor stole the identities of deceased children and used them as aliases to obtain fraudulent passports and other identification documents. He then used the passports (which he obtained from U.S. Embassies throughout Europe) and other fraudulent documents to open and maintain multiple financial accounts so that he could hide his income and assets from the IRS. Taylor also misused the stolen identities to transfer funds between his

nominee accounts, and to purchase various assets, such as gold coins, which he used to evade taxes.

Similarly, Taylor fabricated over a dozen fraudulent religious institutions, and opened 31 related bank and investment accounts in the names of these fake churches. Defendant then misused the tax-exempt status of these fake religious institutions to fraudulently claim that his income was not subject to federal taxes. Following a week-long trial in June 2014, the jury deliberated for just 30 minutes before finding the defendant guilty on all counts.

Among the witnesses who testified at trial was the brother of one of the deceased victims whose identity was stolen, as well as a blind elderly woman whose social security number was stolen and misused by the defendant. The jury also saw the \$1.6 million worth of gold coins that the defendant had hidden in a storage locker prior to the execution of a search warrant.

Evidence introduced at trial proved that despite working and earning money for over 40 years, Taylor filed federal tax return just seven times. All told, Taylor failed to report approximately \$5 million in income, on which he owed the IRS approximately \$1.6 million.

U.S. Attorney Laura E. Duffy commented: “Identity theft is a dangerous crime that not only traumatizes the unsuspecting victims and their family members, but also facilitates the commission of further criminal activity. For years, Lloyd Taylor stole the identities of deceased children and travelled internationally to obtain fraudulent identification documents. Far from living up to his obligation to be an officer of the court and trusted financial advisor, Mr. Taylor took advantage of his victims to line his pockets and avoid paying his taxes.”

U.S. Attorney Duffy praised the efforts of the San Diego Regional Fraud Task Force, working cooperatively with the IRS and Department of State, to uncover the defendant’s criminal activities and bring him to justice.

“Mr. Taylor, a former tax professional, tried in every conceivable way to avoid paying his taxes—from using the identities of dead children and fake churches to converting income to gold coins,” said IRS Criminal Investigation’s Special Agent in Charge Erick Martinez. “Today’s sentence reinforces our commitment to every American taxpayer to investigate and prosecute those who use the identities of others to evade their tax obligations.”

“The sentencing of Lloyd Taylor brings to a conclusion the multi-agency investigation in which the U.S. Department of State’s Bureau of Diplomatic Security (DS) brought passport fraud investigative experience and a global reach, to bear. DS is committed to protecting the integrity of the most highly sought after travel document in the world – the United States Passport,” said Michael Rohlf, DS Resident Agent-in-Charge for San Diego.”

DEFENDANT

Criminal Case No. 13CR1390-MMA

Lloyd Taylor Age: 71

San Diego, California

SUMMARY OF CHARGES

- Counts 1-3:** Title 18, United States Code, Section 1542 – Making a False Statement on a United States Passport Application
Maximum penalties: 10 years custody; \$250,000 fine; \$100 Special Assessment; 3 year supervised release.
- Count 4:** Title 26, United States Code, Section 7212 – Corrupt Endeavor to Impede and Impair the Due Administration of the Internal Revenue Laws
Maximum penalties: 3 years in prison, a fine up to \$250,000, and term of supervised release of not more than 1 year.
- Counts 5-6:** Title 26, United States Code, Section 7201 – Tax Evasion
Maximum penalties: 5 years in prison, a fine of \$250,000, and a term of supervised release of not more than 3 years.
- Counts 7-13:** Title 18, United States Code, Section 1014 – False Statements to a Federally Insured Financial Institution
Maximum penalties: 30 years in prison, a fine of \$1,000,000, and a term of supervised release of 5 years.
- Counts 14-19:** Title 18, United States Code, Section 1028A – Aggravated Identity Theft
Maximum penalties: 2 years consecutive to the sentence imposed for the underlying offense.

INVESTIGATING AGENCIES

San Diego Regional Fraud Task Force (multi-agency task force comprised of members of the United States Secret Service, the San Diego Police Department, and the San Diego District Attorney's Office)

Internal Revenue Service – Criminal Investigation

United States Department of State, Office of Diplomatic Security