



Department of Justice

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WEDNESDAY, MAY 12, 2004
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FOUNDERS OF "GLOBAL PROSPERITY" INDICTED FOR TAX FRAUD

Defendants Allegedly Concealed Income In Bogus Trusts And Offshore Accounts; Used Debit Cards And Wire Transfers To Return Money To The United States

WASHINGTON, D.C.- Eileen J. O'Connor, Assistant Attorney General for the Tax Division, Department of Justice; John McKay, U.S. Attorney for the Western District of Washington; and Nancy Jardini, Chief, Internal Revenue Service Criminal Investigation Division announced today that in Seattle, Washington, a federal grand jury returned an indictment charging the following individuals with conspiracy to defraud the United States by impeding the Internal Revenue Service (18 U.S.C. §371):

- Daniel Andersen, who resided in Leominster, Massachusetts and Oxnard, California;
- David Struckman, who resided in Renton and Issaquah, Washington;
- Lorenzo ("Zo") Lamantia (also known as Lorenzo Milano), who resided in Mountain Ranch, California;
- Kuldip Singh (also known as Kay Singh and Kay Milano), a citizen of Fiji who resided in Mountain Ranch, California; and
- Dwayne Robare, who is residing in Leominster, Massachusetts.

"Some people pay a great deal of money for tax advice of very little value," said Assistant Attorney General Eileen J. O'Connor. "Moving assets offshore or into bogus trusts to hide them from the IRS is a great strategy if your goal is to merit criminal prosecution."

"These most recent indictments are a result of the IRS' continuing efforts to pursue investigations of promoters and their clients who would try to move money offshore to evade taxes," said Nancy Jardini, Chief, Internal Revenue Service Criminal Investigation Division. "Those attempting to illegally evade United States income tax through the use of 'so-called' tax haven countries will find they are not beyond the arm of the IRS. Promoters and clients of international evasion schemes can continue to expect scrutiny and enforcement by the IRS and the Department of Justice."

The indictment alleges that the defendants conspired to defraud the Internal Revenue Service by utilizing a system of bogus trusts, nominee entities and related domestic and offshore bank accounts to conceal millions of dollars in income generated from the sale of "Global Prosperity" products. From 1996 and continuing until May 2002, the defendants allegedly formed and operated "Global Prosperity," which received more than \$50 million from sales of a "home-study" series of "wealth-building" audiotapes and compact discs, which sold for \$1,250. Tickets to domestic and offshore seminars

allegedly sold at prices ranging from \$6,250 to \$37,000 each.

The so-called "wealth building" strategies allegedly included fraudulent methods of income tax elimination, including allegedly placing assets in purported foreign or common law trusts without giving up control of the assets, and attempting to remove oneself from the jurisdiction of the United States. The defendants allegedly concealed income earned from the sale of Global Prosperity products through the use of bogus trusts, nominee entities and related bank accounts that they owned and controlled, including offshore bank accounts into which the defendants deposited portions of their profits. They allegedly maintained signature authority over the offshore bank accounts and transferred funds back into the United States through wire transfers and debit cards.

Several individuals associated with Global Prosperity have already been convicted. In February 2003, Margo Jordan, a Global Prosperity retailer from Wilton, ME, pled guilty to a charge of income tax evasion (26 U.S.C. § 7201). In May 2003, Jeffrey and Shoshanna Szuch of Charleston, SC, who, respectively, served as Seminar Coordinator and Director of Operations for Global Prosperity, pled guilty to a charge of income tax evasion. In May 2003, Laura J. Struckman, the wife of defendant David Struckman, was found guilty on a charge of conspiracy to structure a financial transaction. She was recently sentenced to 21 months' imprisonment.

If convicted, each defendant faces maximum potential sentence of five years in jail and \$250,000 in fines. A defendant also may be required to pay restitution to all victims of the crime.

The charges contained in the indictment are only allegations. In the American justice system, a person is presumed innocent unless and until he or she is proven guilty in a court of law.

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