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# U.S. sues Torrance lawyer in alleged tax evasion scheme

**COURTS:** The filing says Rivera, through his business, encourages his clients not to pay the government.

By Matt Krasnowski  
COPLEY NEWS SERVICE

The federal government filed a lawsuit against a tax-protesting Torrance lawyer on Thursday, seeking to shut down his business, which sells "abusive tax shelters."

The suit contends that Eduardo Marmolejo Rivera, 59, tells his clients that paying income tax is voluntary and that the tax applies only to federal employees. The government contends Rivera promotes three schemes:

Selling opinion letters for anywhere from \$100 to \$2,000 that falsely state his clients are not liable for taxes.

Representing people for a \$3,500 retainer fee in disputes with the Internal Revenue Service to help determine their "nonliability" for all federal taxes.

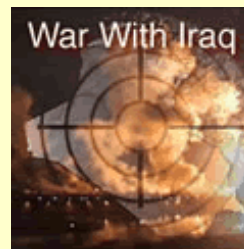
Promoting "asset protection" services that Rivera falsely implies can shield customers' assets from IRS levies.

All of those services are sold on Rivera's Web site, which also exhaustively addresses his philosophy on U.S. tax laws.

Officials are unsure how much Rivera's activities have cost the government, but the suit stated that he did represent six people, who according to the IRS owe more than \$9.5 million.

In a written statement, Eileen O'Connor, an assistant attorney general for the Justice Department's tax division, described Rivera as a "tax scammer" who tries to get rich by "helping others violate the law."

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The suit asks a federal judge to issue a permanent injunction against Rivera from “organizing or selling abusive tax shelters, plans or arrangements that advise or encourage taxpayers to attempt to evade the assessment or collection of their correct federal tax.”

The order would apply to the promotion of his services on his Web site.

“He’s selling bogus and false tax advice and that’s what we’re attempting to stop him from doing,” said Assistant U.S. Attorney Robert Conte.

“The tax system is not voluntary,” he said.

“And anybody who follows Mr. Rivera’s advice is opening themselves up to further scrutiny by the IRS.”

Rivera said he merely gives legal advice like any lawyer.

He described himself as the “only attorney in the world explaining the real deal with regard to the income tax.” He has been a licensed California lawyer for 30 years and ran for governor as a Republican in 1998.

Rivera said he has extensively researched the federal income tax, everything from its historical roots to federal laws and IRS handbooks.

“The government doesn’t understand what I’m doing,” Rivera said.

He said the government files such suits “to intimidate people. . . . This is just a form of harassment.”

No court date has been set in the suit.

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