



Department of Justice

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JUSTICE ASKS COURT TO STOP ALLEGED MAJOR TAX-SCAM PROMOTERS

Irwin Schiff, Twice Convicted Of Tax Crimes, Allegedly Promotes Fraudulent Tax Schemes On Radio And Television

WASHINGTON, D.C. - Late yesterday, the Justice Department asked a federal court in Las Vegas to issue a restraining order stopping Irwin Schiff and two associates, Cynthia Neun and Lawrence N. Cohen, from promoting an alleged major tax fraud scam. In the complaint and brief filed in the District of Nevada, the government alleges that Schiff, Neun, and Cohen conduct seminars and sell audiotapes and other products designed to help customers evade federal taxes, primarily by filing income-tax returns falsely listing no income and no tax due.

The Justice Department further alleges that Schiff has promoted his scheme on national talk-radio shows and has twice appeared as a guest on a national cable-television news program. The Department has asked the court to stop Schiff and his associates from selling their tax scams, preparing federal tax returns and holding tax seminars, including one scheduled for March 29th in Las Vegas.

"Shutting down tax scammers is a high priority for the Justice Department," said Eileen J. O'Connor, Assistant Attorney General in charge of the Justice Department's Tax Division. "We have zero tolerance for those who make a living selling tax-scheme packages that falsely promise zero tax liability."

Previously, Schiff has been convicted twice for federal tax crimes. According to papers filed in the suit, Schiff's customers have also been found guilty of tax crimes and received monetary penalties for asserting Schiff's false positions about the tax laws; federal courts have called those positions "frivolous." The complaint also alleges that the IRS estimates that Schiff's customers have attempted to evade over \$56 million in income taxes, from 1999 to 2001.

This lawsuit is the latest in a series of actions brought by the Justice Department in recent years against alleged tax scam promoters across the country. In the past two years, the Department has filed suits asking for injunction orders against 32 promoters and has prevailed in every case decided so far.

"We plan to go after many more and will continue pursuing tax scam promoters until the problem is solved," said Assistant Attorney General O'Connor.

For copies of documents filed in this case and for information on other tax scam enforcement actions, go online to <http://www.usdoj.gov/tax/>.

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