



Department of Justice

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CALIFORNIA DENTIST SENTENCED TO PRISON FOR TAX FRAUD

Hid \$300,000 in Income from IRS in Offshore Bank Accounts

WASHINGTON, D.C. - Roy Albert Lewis, a dentist from Danville, Calif., was sentenced today by San Francisco U.S. District Court Judge Susan Illston to serve 24 months in prison, followed by a term of three years of supervised release, the Justice Department and the Internal Revenue Service (IRS) announced. Lewis was convicted by a federal jury on Aug. 10, 2006 of conspiring to defraud the United States and evading his income taxes from 1998 through 2001.

“Tax evasion is a crime and people who engage in it pay a steep price,” said Eileen J. O’Connor, Assistant Attorney General for the Justice Department’s Tax Division. “The Department of Justice and the IRS continue to vigorously investigate and prosecute taxpayers who harm the federal Treasury and all honest taxpayers.”

According to the indictment and evidence introduced at trial, in approximately 1995, Lewis became a client of Tower Executive Resources, a Denver organization that promoted a tax evasion scheme involving the use of false invoices and secret offshore bank accounts. Lewis’ medical practice paid bogus expenses to Tower to generate false tax deductions. Tower then deposited the bulk of the funds into a secret offshore bank account that Lewis controlled.

Over a 10-year period, Lewis sent approximately \$300,000 to a secret offshore bank account through the Tower system. In addition, when the IRS learned of the Tower scheme and audited Lewis’s tax liabilities, he stopped filing income tax returns and falsely claimed that he believed the law did not require him to file returns.

Lewis’ father, Leroy Albert Lewis, an oral surgeon in California, was also charged in the same indictment with conspiracy to defraud the United States and attempting to evade tax on income he earned from his medical practice through his participation in the Tower program. He is currently awaiting trial.

“The government will not tolerate the use of offshore accounts to illegally escape tax obligations,” said John H. Imhoff, Jr., Acting IRS Chief, Criminal Investigation. “Those Americans who file accurate, honest and timely returns can be assured that the government will hold accountable those who don’t.”

In April 2005, two promoters of the Tower scheme, Paul D. Harris and Lester R. Retherford, were convicted of conspiracy and willfully aiding and assisting in the preparation of fraudulent tax returns after a trial in Denver. In December 2006, Robert N. Bedford, the Tower organization’s “tax expert,” was also convicted of the same conspiracy. In December 2005, Retherford was sentenced to 48 months in prison, and in January 2006, Harris was sentenced to 66 months in prison. Bedford’s sentencing is set for April 27, 2007. Numerous other Tower clients across the country have either pled guilty or have been convicted of tax offenses for engaging in conduct similar to the conduct alleged in the indictment against the Lewises.

Additional information about the Justice Department’s Tax Division and its enforcement efforts may be found at <http://www.usdoj.gov/tax>.