



U.S. Department of Justice

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FOR IMMEDIATE RELEASE
August 10, 2004

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NEWS RELEASE
**FORMER IRS AGENT PLEADS GUILTY
TO OBSTRUCTING IRS**

*Defendant Used Domestic and Offshore Entities to Hide Clients' Income;
Caught in the Act by Undercover IRS Agents Posing as Clients*

SALT LAKE CITY -- Former Internal Revenue Agent Marissa Hyde, 43, formerly of Layton, Utah, pleaded guilty to a felony charge of Interfering with the Administration of Internal Revenue Laws in U.S. District Court in Salt Lake City Wednesday afternoon.

Ms. Hyde faces a maximum potential sentence of three years in prison followed by up to one year of supervised release, a \$250,000 fine, and liability for the costs of prosecution. United States District Judge Ted Stewart set sentencing in the case for Jan. 11, 2005, at 2:30 p.m.

"The U.S. Attorney's Office and the U.S. Department of Justice will vigorously prosecute tax professionals, no matter what their background, who promote fraudulent tax evasion schemes," U.S. Attorney Paul M. Warner said today.

"Those who participate in or encourage taxpayers to use sham domestic and offshore entities for the purpose of evading taxes are engaging in criminal activity," said Erick Martinez, Special Agent in Charge of IRS Criminal Investigations in Utah and Nevada. "Taxpayers should be wary of anyone claiming to be an expert on how to hide income from the IRS."

In court today, Ms. Hyde admitted participating with others in an ongoing scheme to develop and promote the use of domestic and offshore entities in a way that purported to provide legitimate tax benefits but was actually intended to hide income and assets from the IRS and evade taxes. Ms. Hyde used her previous employment as an IRS Revenue Agent to lend credibility to the scheme. She told clients, based upon her knowledge of the IRS and its procedures, that the scheme would not be detected by the IRS.

Beginning in 2000, Ms. Hyde assisted two undercover IRS Criminal Investigation Agents and the corporation they claimed to own, in implementing the scheme for the purpose of evading federal income tax. She prepared three false and fraudulent federal tax returns for the undercover agents with the intent to secure unlawful tax benefits. In court today, federal prosecutors said the undercover agents' supposed benefit would have been to evade a \$500,000 capital gains tax on the bogus sale of their business and to evade future federal income taxes. She received \$3,000 for implementing the scheme, and another \$2,000 to prepare the fraudulent tax returns. She also proposed to the undercover agents that, together, they market the scheme to the undercover agents' purported clients.

United States Attorney Paul M. Warner thanked Department of Justice Tax Division Trial Attorneys Albert Kleiner, Nicholas Dickinson and Kevin Downing, who prosecuted the case, and special agents of the Internal Revenue Service, whose assistance was essential to the successful investigation and prosecution of the case.