



# Department of Justice

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### **PRISON TIME FOR DANVILLE, CALIFORNIA DENTIST CONVICTED OF TAX FRAUD AND CONSPIRACY**

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

WASHINGTON, D.C. - The Department of Justice, Tax Division, The United States Attorney's Office for the Northern District of California and the Internal Revenue Service today announced that United States District Court Judge Susan Illston sentenced defendant, Roy Albert Lewis, a dentist from Danville, California, to serve 24 months imprisonment, followed by a term of three years of supervised release, with restitution to be determined. Judge Illston also ordered Dr. Lewis to participate in a mental health treatment program and perform 100 hours of community service upon his release. On August 10, 2006, Lewis was convicted of conspiring to defraud the United States and evading his income taxes for 1998 through 2001.

According to the indictment and evidence introduced at trial, in approximately 1995, Lewis became a client of Tower Executive Resources, a Denver organization which promoted a tax evasion scheme involving the use of false invoices and secret offshore bank accounts. Lewis' medical practice paid bogus expenses to Tower for items such as franchise, consulting, or management fees to generate huge tax deductions. Tower then deposited the bulk of those funds into a secret offshore bank account which Lewis controlled.

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

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.

"People who attempt to cheat on their taxes will be prosecuted, convicted and sent to prison," said Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division. "The Department of Justice and the IRS continue to protect the U.S. Treasury and the interests of all honest taxpayers."

"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 of 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 of 2006, Robert N. Bedford, the Tower organization's "tax expert", was also convicted in Denver of the same conspiracy. On December 16, 2005, Retherford was sentenced to 48 months in prison and three years of supervised release. On January 18, 2006, Harris was sentenced to five and one-half years in prison, followed by three years of supervised release. Bedford is currently awaiting sentencing on April 27, 2007. Numerous other Tower clients across the country have either plead guilty or have been found guilty of tax offenses for engaging in conduct similar to the conduct alleged in the indictment against the Lewis'.

The hearing for determination of restitution in this case will be before U.S. District Court Judge Susan Illston on April 13, 2007 at 11am. Dr. Lewis is scheduled to turn himself over to the Bureau of Prisons to begin serving his prison sentence on April 20, 2007.

Assistant Attorney General O'Connor thanked Tax Division trial attorneys Robert Livermore and Edward Russo, who prosecuted the case. She also thanked the special agents and revenue agents of the IRS, whose assistance was essential to the successful investigation and prosecution of the case.

Additional information about the Justice Department's Tax Division and its enforcement efforts may be found at [www.usdoj.gov/tax](http://www.usdoj.gov/tax).

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