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## Press Release

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For Immediate Release

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### HAWAII FEDERAL COURT BARS ALLEGED TAX FRAUD SCHEME

WASHINGTON - A federal court in Honolulu has permanently barred four Hawaii residents from promoting an alleged tax fraud scheme, the Justice Department announced today. The civil injunction orders were entered by Senior Judge Samuel P. King against Morgan Liddell, Cherie Bright, Loren Trenholm and Edward Coda as well as two companies—Bright Enterprises and Hawaii Financial Specialists. The defendants all consented to the injunction orders.

The Justice Department [complaint](#) in the case, filed last August, alleged that the defendants promoted a scheme that created false tax deductions for customers through a series of sham transactions involving purported business insurance and retirement accounts. The suit alleged that customers using the scheme transferred funds offshore as either purported tax deductible insurance premiums or IRA investments, and then got the funds back through transactions designed to conceal that the customers were merely recovering their own funds. Since 2001, the Justice Department's Tax Division has obtained injunctions against more than 340 tax preparers and promoters of tax-fraud schemes. Information about these cases is available on the [Justice Department website](#).

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