



Department of Justice

United States Attorney James R. Dedrick

Eastern District of Tennessee

FOR IMMEDIATE RELEASE MONDAY, APRIL 14, 2008

KNOXVILLE AREA COUPLE ARRESTED ON TAX FRAUD CHARGES

KNOXVILLE, TN– Brett Edward Dirr, 44, and his wife, Renee Dirr, 50, of Walland, Tennessee, have been named in an eleven-count indictment that was returned earlier this month, but was sealed until their arrest today. Both had their initial appearance before U.S. Magistrate Judge C. Clifford Shirley, Jr.

Both of the Dirrs were charged with conspiracy to defraud the United States by attempting to impede, impair, obstruct and defeat the collection of income taxes by the Internal Revenue Service (IRS). Additionally, Brett Dirr was charged with five counts of income tax evasion and five counts of failure to file tax returns for calendar years 2001 through 2005.

According to the indictment Brett Dirr provided either a false Form W-4 or a Withholding Exemption Certificate in lieu of a Form W-4 to his employer claiming he was exempt from withholding for the tax years 2001 through 2005. It is also alleged that the Dirrs transferred ownership of their residence located in Walland, Tennessee, and their automobiles to a nominee entity created by them to conceal assets from the IRS.

It is also alleged that the Dirrs filed affidavits with various federal, state and local government officials and offices that they were “Natural-born, Free adult Citizens” of the “Indiana Republic” and “California Republic” and therefore not subject to Federal Income Tax laws and that they also purchased a Reliance Defense Package for the purpose of establishing a defense to possible tax prosecution.

Lastly, the indictment alleges that over five years Brett Dirr failed to pay income tax of more than \$64,000.00 on approximately \$374,937.00 in income.

If convicted of conspiracy to defraud the United States, Brett and Renee Dirr face up to five years imprisonment, up to three years supervised release, a fine of up to \$250,000.00, and a \$100.00 special assessment.

If convicted of tax evasion and failing to file an income tax return, Brett Dirr faces up to five years imprisonment, up to three years supervised release, a fine of up to \$100,000.00, and a \$100 special assessment on each count of tax evasion and up to one year imprisonment, one year of supervised release, a fine of up to \$25,000.00, and a \$25.00 special assessment on each count of failing to file an income tax return.

An arraignment is set before U.S. Magistrate Judge C. Clifford Shirley, Jr., on April 21, 2008, at 3:30 p.m.

The investigation was conducted by IRS Criminal Investigation.

Members of the public are reminded that an indictment constitutes only charges and that every person is presumed innocent until their guilt has been proven beyond a reasonable doubt.

For additional information, please contact United States Attorney Russ Dedrick, 865-545-4167, Assistant U.S. Attorney Charles E. Atchley, Jr., 865-545-4167, or Public Information Officer Sharry Dedman-Beard, 865-545-4167.