



# Department of Justice

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## **FORMER ORTHODONTIST CONVICTED OF TAX AND FRAUD CHARGES**

### ***Tried to Bilk \$36 Million from the IRS***

ALBANY, NEW YORK – A federal jury in Albany returned its verdict today convicting GLENN RICHARD UNGER (62, of Ogdensburg, NY) of the following offenses: obstructing and impeding the Internal Revenue Service (IRS); filing false claims against the United States; tax evasion; and passing fictitious obligations announced Richard S. Hartunian, United States Attorney, Northern District of New York, Toni M. Weirauch, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, New York Field Office, and Andrew W. Vale, Special Agent in Charge of the Federal Bureau of Investigation, Albany Division. Sentencing is scheduled for March 10, 2014 before Senior U.S. District Judge Thomas J. McAvoy.

U.S. Attorney Hartunian stated, “This trial detailed the callous contempt for state and federal authority that is the hallmark of the sovereign citizen movement. Like other sovereign citizens, GLENN RICHARD UNGER filed numerous false claims for refunds, tried to avoid paying his fair share of taxes, filed false documents with the Saratoga County Clerk’s office and attempted to pay a debt with a phony promissory note. We will continue to work with our law enforcement partners to aggressively investigate and prosecute anyone who refuses to honor every citizen’s duty to file honest tax returns and pay their taxes. I congratulate the IRS CID, the FBI, the New York State Police, and the Treasury Inspector General for Tax Administration for their diligence, professionalism, and hard work in bringing about a just and appropriate verdict.”

Special Agent-in-Charge Toni Weirauch said, “The prosecution of individuals who brazenly attempt to obstruct the Internal Revenue Service and prevent it from performing its mission is vital to maintaining public confidence in our tax system. This verdict conveys a strong message to those who contemplate abusing the tax system: They will be investigated, prosecuted and convicted. It also reassures the honest American taxpayer that the government is committed to making sure that everyone pays their fair share.”

SAC Vale stated, “The FBI is committed to vigorously investigate individuals like Mr. Unger who steal from the federal government for financial gain through schemes designed to avoid payment of taxes and other obligations owed the federal government. The victims of such schemes are the hardworking taxpayers in America, and we will continue to pursue these sovereign citizen movements, which result in damages for law-abiding citizens.”

The evidence at trial showed that between 2007 and 2011, UNGER filed 14 false tax returns claiming that he earned substantial income reported, had substantial withholdings on that

income, and was entitled to \$36 million in tax refunds. Despite numerous warning letters from the IRS that his returns were frivolous, he continued filing false tax returns.

In addition to obstructing the IRS by filing false and fraudulent claims for refund, the evidence at trial also showed that UNGER attempted to evade payment of taxes he owed to the IRS. During 2004 and 2005, UNGER earned income and failed to file tax returns reporting that income. The IRS assessed taxes for those two years and also assessed penalties for filing frivolous tax returns. After the IRS filed a tax lien against UNGER, UNGER attempted to file a false document with the Saratoga County Clerk's office attempting to release the lien. Evidence at trial also showed that UNGER tried to pay off a debt to another orthodontist with a fictitious document purported to be worth \$200,000.00.

As a result of the convictions, the defendant is facing a total statutory maximum term of imprisonment of 25 years and a maximum fine of \$250,000.00

This prosecution resulted from an investigation conducted by the Internal Revenue Service, Criminal Investigation, New York Field Office, the Federal Bureau of Investigation, Albany Field Office, the New York State Police, and the Treasury Inspector General for Tax Administration. The case was prosecuted by Assistant United States Attorney Ransom P. Reynolds (NDNY) and Jeffrey Bender (DOJ Tax Division).

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