

***OFFICE OF THE UNITED STATES
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SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

United States Attorney

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For Immediate Release

**SAN DIEGO MAN WHO STOLE IDENTITIES OF
DECEASED CHILDREN CONVICTED ON ALL
COUNTS OF IDENTITY THEFT, TAX EVASION AND
FALSE STATEMENTS TO BANKS**

NEWS RELEASE SUMMARY – June 30, 2014

Lloyd Irving Taylor, a San Diego tax attorney and Certified Public Accountant, was convicted by a federal jury today in a complex tax-evasion scheme involving the creation of bank accounts in the names of deceased children and fake churches.

Following a week-long trial, a jury deliberated for 30 minutes before reaching a verdict that rendered Taylor, 71, guilty of all 19 counts charged, including aggravated identity theft, false statements to a financial institution, tax evasion, corruptly endeavoring to impair or impede the IRS and making false statements on United States passport applications. The defendant has been in custody since his arrest in April of 2013.

According to evidence presented at trial, Taylor stole the identities of deceased children, used them as aliases and obtained fraudulent passports and other identification documents. He then used the passports and other documents to open and maintain multiple financial accounts in order to hide his income from the IRS and to transfer funds from these accounts to purchase various assets, such as gold coins. The purchase of gold coins was done, in part, to evade taxes.

Likewise, Taylor formed over a dozen fraudulent tax-exempt religious institutions and opened 31 related bank accounts, including investment accounts in the names of the fake churches, so his income could grow tax free.

Among the witnesses who testified at trial were the brother of one of the deceased children as well as a blind elderly woman whose social security number was stolen and used by the defendant. Also during the trial, prosecutors showed the jury death certificates of four

deceased children, who died in the 1950s, and displayed \$1.6 million in gold coins the defendant had hidden in a storage locker.

According to trial witnesses, Taylor failed to report \$5 million in income during the span of the fraud, and he owed the IRS \$1.6 million. During his 42 years of working, Taylor had filed a tax return just seven times, according to trial testimony.

At Taylor's bond hearing in April, 2013, a judge ordered him detained while pending trial based on a number of circumstances, including his international travel on his false passports, the millions of dollars he controlled through dozens of bank accounts, and his numerous false statements to banks in furtherance of his criminal activity.

"We are very pleased with the jury's quick and decisive verdict," said U.S. Attorney Laura Duffy. "Lloyd Taylor was able to hide his money for a while, but his days of exploiting dead children and the elderly to line his pockets are over."

"Mr. Taylor tried in every conceivable way to hide his income from the IRS—from hiding income in the names of his stolen identities and non-existent churches to converting income to gold coins," said IRS Criminal Investigation's Special Agent in Charge Erick Martinez. "This conviction sends a clear message that IRS Criminal Investigation is working hard to make sure that all taxpayers file and pay their fair share of taxes."

"The U.S. Department of State's Diplomatic Security Service is committed to the protection of the U.S. passport, and the investigation of those who would obtain and use it for illegal gain. DSS is pleased to have contributed the initial charges in this investigation, leading to the arrest, indictment and conviction of Taylor," said DS Los Angeles Field Office Special Agent-in-Charge Robert Myers.

DEFENDANT

Criminal Case No. 13CR1390-MMA

Lloyd Taylor Age: 71 San Diego, California

SUMMARY OF CHARGES

Counts 1-3: Title 18, United States Code, Section 1542 – Making a False Statement on a United States Passport Application

Maximum penalties: 10 years custody; \$250,000 fine; \$100 Special Assessment; 3 year supervised release.

Count 4: Title 26, United States Code, Section 7212 – Corrupt Endeavor to Impede and Impair the Due Administration of the Internal Revenue Laws

Maximum penalties: 3 years in prison, a fine up to \$250,000, and term of supervised release of not more than 1 year.

Counts 5-6: Title 26, United States Code, Section 7201 – Tax Evasion

Maximum penalties: 5 years in prison, a fine of \$250,000, and a term of supervised release of not more than 3 years.

Counts 7-13: Title 18, United States Code, Section 1014 – False Statements to a Federally Insured Financial Institution

Maximum penalties: 30 years in prison, a fine of \$1,000,000, and a term of supervised release of 5 years.

Counts 14-19: Title 18, United States Code, Section 1028A – Aggravated Identity Theft

Maximum penalties: 2 years consecutive to the sentence imposed for the underlying offense.

INVESTIGATING AGENCIES

San Diego Regional Fraud Task Force (multi-agency task force comprised of members of the United States Secret Service, the San Diego Police Department, and the San Diego District Attorney's Office)

Internal Revenue Service

United States Department of State, Office of Diplomatic Security