



# Department of Justice

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## **TAX FRAUD COMPLAINT UNSEALED AGAINST FOUNDER OF ANDERSON ARK & ASSOCIATES**

**WASHINGTON, D.C.** - The founder of a nationwide abusive tax shelter promotion scheme was charged today with conspiring to defraud the United States by organizing a group of accountants who used a variety of shell corporations, trusts and partnerships to operate tax shelter schemes they sold to their clients, the Department of Justice's Tax Division announced today.

Keith E. Anderson, founder of Anderson Ark and Associates was charged in a criminal complaint which was unsealed today in Seattle.

Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division, said, "By encouraging people to cheat on their taxes, promoters of tax scams defraud honest taxpayers many times over." Assistant Attorney General O'Connor called on all taxpayers to report suspected tax fraud to the IRS. "Tax fraud promoters are like all con artists. If their sales pitch sounds too good to be true, it probably is not true."

The complaint alleges that from 1998 through 2001, Anderson Ark and Associates obtained more than \$30 million in illegal tax refunds for between 1,500 and 2,000 clients and received approximately \$50 million in fees and other funds from the clients.

The complaint further alleges that Anderson Ark & Associates' accountants prepared tax returns that claimed large tax deductions for fraudulent "loans" and "consulting expenses." In reality, the complaint alleges, the funds were not spent as claimed, but instead were wired to Costa Rica so that Anderson Ark & Associates' clients could later withdraw them with a debit card.

The tax charges against Anderson are in addition to an indictment returned in the Eastern District of California on May 3, 2001, charging Anderson and several other defendants with conspiring to commit money laundering through Costa Rica.

Anderson, who had been a fugitive from justice, was apprehended in Costa Rica on Saturday, February 9, 2002, and is awaiting extradition to the United States.

The tax fraud case is being prosecuted by Tax Division Trial Attorneys Corey J. Smith and Krista Tongring. Additional information about tax fraud schemes to watch out for can be found on the IRS Criminal Investigation website at <http://www.ustreas.gov/irs/ci>.

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