



# Department of Justice

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## **LEADER OF ANTI-TAX ORGANIZATION EXTRADITED FROM COSTA RICA**

**WASHINGTON, D.C.** - The U.S. Justice Department announced today that Keith Anderson, 61, was extradited from Costa Rica last night and is in U.S. custody. Anderson is the founder and leader of Anderson's Ark & Associates, a multi-national, membership-based organization that has allegedly assisted hundreds of its members in evading income taxes and laundering money. In Costa Rica, Anderson's Ark & Associates maintains a business center, a conference center, and several villas and guest facilities. Keith Anderson had been in custody in Costa Rica since Feb. 9, 2002, when he was arrested by Costa Rican authorities with the assistance of the IRS.

Keith Anderson, who was flown from Costa Rica to Miami by U.S. Marshals and Federal Bureau of Investigation agents, made his initial appearance before U.S. Magistrate Judge Miles Simonton in Miami today. Further proceedings before the Magistrate Judge Stephen T. Brown are scheduled for Monday, Dec. 9, 2002 at 10:00 am. The Department of Justice will seek to have him ordered detained and transported in custody to either to the Western District of Washington, where he is charged in a complaint with conspiracy to defraud the United States, or to the Eastern District of California, where he is charged in an indictment with conspiracy to commit money laundering.

The complaint pending in the Western District of Washington alleges that Anderson's Ark & Associates, under Keith Anderson's direction, obtained approximately \$28 million in illegal tax refunds for more than 1,500 clients from 1998 to 2001. The complaint also alleges that Anderson's Ark & Associates handled more than \$50 million of clients' money. The complaint further alleges that the organization prepared tax returns that claimed large tax deductions for fraudulent "net operating losses" and "consulting expenses." The complaint alleges that the funds were not spent as claimed, but instead were wired to Costa Rica so that clients could later withdraw them with a debit card.

The indictment pending in the Eastern District of California alleges that Keith Anderson conspired with other leaders of Anderson's Ark & Associates to launder approximately \$370,000 through a network of foreign and domestic accounts controlled by the organization. Evidence introduced at the trial of two co-defendants in U.S. District Court in Sacramento in May 2002 established that the defendants moved funds through bank accounts in the name of shell companies located in the United States, Costa Rica, and several European and Caribbean countries. In order to conceal the nature of the money transfers, some of the transactions were characterized as "donations," while others were characterized as payments for "consulting" services.

The charges in both the Seattle and Sacramento cases followed lengthy undercover investigations by

special agents with IRS Criminal Investigations. Since the undercover operation ended with the execution of search warrants at locations nationwide on Feb. 28, 2001, nine persons have been convicted of felonies in federal courts in connection with the criminal activities of Anderson's Ark & Associates. Included among those individuals are:

- Wayne Anderson, 63, brother of Keith Anderson, was convicted in the Sacramento trial and was sentenced Nov. 14, 2002 to 59 months in prison, to be followed by a three-year term of supervised release and a fine of \$25,000. Evidence introduced at the trial showed that Wayne Anderson was the second in command of Anderson's Ark & Associates.
- Richard Marks, 59, was also convicted in the money laundering trial in Sacramento and was sentenced Nov. 14, 2002 to 81 months in prison, to be followed by a three-year term of supervised release and a fine of \$25,000. Evidence at trial established that Marks was the chief accounting officer for Anderson's Ark & Associates.
- Karolyn Grosnickle, 59, pleaded guilty to money laundering prior to the trial and was sentenced before Judge Karlton Oct. 1, 2002 to 26 months in prison. Grosnickle was the chief administrative officer for Anderson's Ark & Associates.

In a related case prosecuted in the District of Massachusetts, Michael Gonet pleaded guilty to money laundering charges March 5, 2002, and Anderson's Ark & Associates member Richard L. Castellini was convicted of money laundering and money laundering conspiracy charges July 19, 2002, following a two-week trial in U.S. District Court in Boston. Sentencing in that case has not yet been scheduled.

In prosecutions associated with the Seattle tax fraud case, Roosevelt L. Drummer, 46, and Roy Lentz, both accountants, pleaded guilty in U.S. District Court in Seattle to charges of conspiring to defraud the Internal Revenue Service, in connection with their work as accountants with Anderson's Ark & Associates. The pleas were entered Oct. 16, 2001 and July 25, 2001, respectively. The pair are due to be sentenced in Seattle before Chief Judge Coughenour Jan. 14, 2003.

In another related case, Terri Yvonne Lewis, 42, and Steven Lyle Anderson, 37, both children of Wayne Anderson, pleaded guilty April 22, 2002, in U.S. District Court in Fresno to conspiracy to obstruct justice relating to their efforts to shred documents and delete information from a computer in order to avoid revealing information to a federal grand jury. Sentencing has not yet been scheduled.

Criminal investigations are still underway and additional charges are expected.

Additional information about tax fraud schemes to watch out for can be found on the IRS Criminal Investigation website.

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