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HEADLINE: Jury convicts two men on income tax fraud charges

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BODY:

A federal jury convicted a Clearwater man and a New Port Richey man on charges that they set up a series of trusts to create fraudulent income tax deductions and to conceal the income of two of their clients from the Internal Revenue Service, U.S. Attorney Charles Wilson said Friday.

Louis Ralph Mayer, 76, of Clearwater and Hawley T. Webb, 51, of New Port Richey were convicted Thursday on one count of conspiring to defraud the IRS and six counts of aiding and assisting the preparation of false income tax forms.

The conspiracy charge carries a maximum sentence of five years in prison while each false return conviction carries a maximum sentence of three years in jail. Each conviction carries a maximum \$ 250,000 fine.

A sentencing date has been set for April 29.

Federal prosecutors charged that the two men set up a series of trusts to conceal the income of Georgia and Tom Sherba, a New Port Richey couple, who had a corporation that sold supplies to industrial chemical laboratories. According to the indictment, they advised the couple to establish trusts designed to create the appearance that someone else owned and controlled assets.

Mayer and Webb were accused of then filing false corporate and individual income tax returns for the Sherbas, who testified for the prosecution.

Prosecutors argued that from 1990 to 1994, money was diverted under the guise of business expenses for the trusts but was actually sent to a Bahamian bank and spent on lavish items such as a \$ 211,000 powerboat, a \$ 61,000 1991 Acura NSX, an \$ 8,500 17-carat diamond necklace and a \$ 7,500 18-carat diamond Rolex watch.

Mayer was acquitted in July on similar charges from a September 1996 indictment involving a Palm Harbor chiropractor.

"It was a different jury with the same facts so as it stands today, 12 citizens think he's not guilty, 12 think he is," said Mayer's attorney, Marcelino Huerta, who said he plans to appeal the verdict. "So perhaps we should have another trial to see what a third jury would do."

The trial lasted three days. Jurors deliberated for four hours before finding both men guilty on all charges.

"I thought the jury worked hard and did a good job," said Assistant U.S. Attorney Bob Mosakowski, who prosecuted the case along with Beth Elfrey of the U.S. Justice Department's tax division.

Both men were released on their own recognizance.