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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

BY 

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
RONALD IRVING ANSON, )  
 )  
Defendant. )

No. CR 08- **CR08-00575**  
I N F O R M A T I O N  
[18 U.S.C. § 371: Conspiracy  
to Defraud the United States]

The United States Attorney charges:

COUNT ONE

[18 U.S.C. § 371]

I. INTRODUCTORY ALLEGATIONS

At all times relevant to this information:

1. Defendant RONALD IRVING ANSON ("ANSON") was a certified public accountant licensed by the State of California.
2. The tax code distinguished between income earned and losses incurred through active participation of a taxpayer, such as wage income, and income earned and losses incurred passively, such as receiving income from a partnership managed by other persons.

1           3.    The tax code permitted active income to be offset only  
2 by active losses, and not by passive losses.

3           4.    Persons who actively participated in a partnership were  
4 called "material participants" and could claim any losses as  
5 active, and offset these losses against any active income on  
6 their tax returns.

7           5.    However, if the persons were not material participants  
8 in the partnership, then their partnership losses would be  
9 passive losses and could only offset passive income, if any, on  
10 their tax returns.

11          6.    Defendant ANSON well knew at all times relevant to this  
12 information that Department of Treasury regulations classified  
13 participation in a partnership or business as "material" or "not  
14 material" based largely on the number of hours that a taxpayer  
15 spent in the direct management or operation of the partnership or  
16 business.

17          7.    Many of defendant ANSON's tax-return clients to whom  
18 defendant ANSON spoke about becoming partners in certain hotel  
19 partnerships had substantial active income from wages and other  
20 sources, but comparatively smaller amounts of passive income from  
21 passive investments.

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1 II. OBJECT OF THE CONSPIRACY

2 From in or about December 1998 through at least December  
3 2002, in Los Angeles County, within the Central District of  
4 California, and elsewhere, defendant RONALD I. ANSON ("ANSON"),  
5 together with other persons known and unknown to the United  
6 States Attorney, knowingly and with the intent to defraud by  
7 deceitful and dishonest means combined, conspired, and agreed to  
8 defraud the United States by impeding, impairing, obstructing,  
9 and defeating the lawful Government functions of the Internal  
10 Revenue Service of the Treasury Department in the ascertainment,  
11 computation, assessment, and collection of the revenue, namely:  
12 income taxes, in violation of Title 18, United States Code,  
13 Section 371.

14 III. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE  
15 ACCOMPLISHED

16 The object of the conspiracy was carried out, and to be  
17 carried out, in substance, as follows:

18 1. During the December 1998 through December 2002 period,  
19 defendant ANSON discussed with certain tax-return clients how to  
20 reduce the clients' federal income tax liabilities, which  
21 discussions were characterized by defendant ANSON as either  
22 formal or informal "tax planning sessions."

23 2. During these tax planning sessions, defendant ANSON  
24 told his clients, including A.F., that if the clients would pay a  
25 certain amount of money, then the clients would receive  
26 partnership interests in a hotel partnership that would generate  
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1 a tax loss equal to five times the amount of money made payable  
2 to the hotel partnership.

3 3. Defendant ANSON told some clients, including A.F., that  
4 the money paid would be in exchange for an interest in a  
5 partnership that owned a hotel that was generating substantial  
6 tax losses that were available to partners.

7 4. Defendant ANSON was in Los Angeles County, California,  
8 during most of these in-person or telephonic tax planning  
9 sessions.

10 5. At the time that defendant ANSON told his clients about  
11 the tax benefits of purchasing the hotel partnership interests,  
12 defendant ANSON explained to some of his clients, including A.F.,  
13 that the clients would generally have to spend at least 500 hours  
14 per year in the management of the hotel partnership to qualify as  
15 material participants, in order to qualify to offset any tax  
16 losses against active income.

17 6. Defendant ANSON knew that A.F. and most of the other  
18 clients to whom he pitched the hotel partnership interests had  
19 full-time jobs or ran businesses that precluded them from  
20 spending enough time to qualify as material participants in a  
21 hotel partnership.

22 7. Therefore, defendant ANSON knew when he was proposing  
23 that clients, including A.F., purchase hotel partnership  
24 interests that his clients, including A.F., would have to claim  
25 falsely on the clients' federal income tax returns that the  
26 clients were material participants in the hotel partnership in  
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1 order to be able to offset the losses against the clients' active  
2 income.

3 8. Further, clients, including A.F., knew at the time they  
4 purchased the hotel partnership interests that they would not  
5 spend any time, and certainly not a sufficient number of hours,  
6 per year in the management of the hotel partnership to qualify as  
7 material participants.

8 9. Defendant ANSON also knew at the time that he sold the  
9 hotel partnership interests to his clients, including A.F., that  
10 he and his accounting firm would prepare the federal income tax  
11 returns that would falsely claim that the clients, including  
12 A.F., were material participants in the hotel partnerships.

13 10. All of the clients' returns were prepared by defendant  
14 ANSON or under his direction in Los Angeles County, California.

15 11. In particular, defendant ANSON held a tax planning  
16 session with A.F. in Los Angeles County, within the Central  
17 District of California, in or about December of 1998, and sold  
18 A.F. a partnership interest in the hotel partnership that A.F.  
19 used to defraud the government by understating the tax due on his  
20 1999 federal income tax return.

21 12. When he was selling the hotel partnership interest to  
22 A.F., defendant ANSON knew that A.F. would be defrauding the  
23 government by purchasing the hotel partnership interest and then  
24 claiming that he was a material participant in the hotel  
25 partnership and offsetting any hotel partnership losses against  
26 active income, and that he would be assisting A.F. in so doing.

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1           13. A.F., as a result of his discussion with defendant  
2 ANSON, knew that if he bought a hotel partnership interest and  
3 claimed to be a material participant in the partnership on his  
4 tax returns, more federal income tax would be owed than would be  
5 declared due on A.F.'s 1999 federal income tax return.

6           14. A.F. took substantial steps toward defrauding the  
7 government by purchasing the partnership interest after defendant  
8 ANSON told A.F. how A.F. would need to qualify as a material  
9 participant, and by signing the 1999 federal income tax return  
10 falsely claiming that the hotel partnership losses were active  
11 instead of passive.

12           15. In purchasing the hotel partnership interest and in  
13 signing his 1999 federal income tax return, A.F. acted willfully  
14 to defraud the government by understating his income tax  
15 obligation for 1999.

16           16. By selling the partnership interest as a source of  
17 active losses to A.F. and by preparing A.F.'s 1999 federal income  
18 tax return, defendant ANSON knowingly and intentionally conspired  
19 with A.F. and others to defraud the United States by deceitful  
20 and dishonest means.

21           17. In addition, defendant ANSON conspired and agreed with  
22 others to mislead the Franchise Tax Board ("FTB") and the  
23 Internal Revenue Service ("IRS") during their examinations of  
24 defendant ANSON's clients who falsely claimed the hotel tax  
25 losses as active losses.

26           18. Defendant ANSON caused others to represent falsely to  
27 the FTB and IRS that the clients had actively and materially  
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1 participated in managing hotel partnerships, when the clients had  
2 not materially participated in managing hotel partnerships.

3 19. Defendant ANSON sold hotel partnership interests to at  
4 least eight clients between December 1998 and December 2002 that  
5 relate to 1999, 2000, 2001, and 2002 federal income tax returns.

6 20. Tax losses from tax returns prepared by or at the  
7 direction of defendant ANSON stemming from the eight clients'  
8 improper characterization of partnership losses as "active"  
9 resulted in a tax loss to the government of approximately \$9  
10 million.

11 IV. OVERT ACTS

12 In furtherance of the conspiracy and to accomplish its  
13 object, defendant ANSON, together with others known and unknown  
14 to the United States Attorney, committed and willfully caused  
15 others to commit the following overt acts, among others, in the  
16 Central District of California and elsewhere:

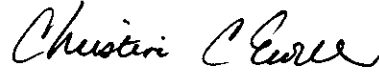
17 1. In or about December 1999, defendant ANSON met with and  
18 sold to A.F. a partnership interest in the hotel partnership that  
19 A.F. used to defraud the government by understating the tax due  
20 on his 1999 federal income tax return.

21 2. On or about October 15, 2000, defendant ANSON prepared,  
22 and A.F. signed and filed, A.F.'s 1999 federal income tax return,  
23 which falsely stated that losses from the hotel partnership were  
24 active losses as a result of A.F.'s material participation in the  
25 hotel partnership, which A.F. and defendant ANSON well knew was  
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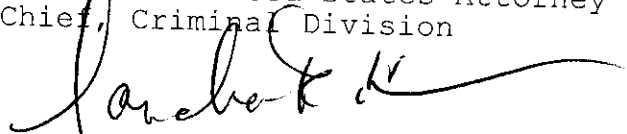
1 false, in that A.F. did not materially participate in the hotel  
2 partnership in 1999.

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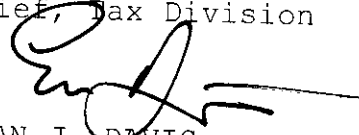
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