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## Four-month trial ends with no convictions

### Federal income tax evasion case involved nine defendants

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A criminal tax case alleging income tax evasion and conspiracy dissolved in federal court this week, when a jury returned zero convictions on 161 charges faced by nine defendants.

Monday's verdict "sends a strong message," said defense attorney Lisa Rasmussen, who represented Joel Axberg, a tile layer.

Informally called the Kahre case -- after the primary defendant, local business owner Robert Kahre, who paid workers in gold and silver coins -- the trial lasted four months. It relied heavily on evidence gathered in a controversial armed raid in May 2003 on several of Kahre's local business places. The raid entailed keeping more than 20 workers handcuffed, at gunpoint, in 106-degree heat without shade or water while agents collected records and equipment.

"Yeah, that's a pretty major victory," said defense lawyer William Cohan. "If you go 0 for 160 (in baseball), they'd send you down to the minor leagues."

Cohan was upbeat although his client, Kahre, was not acquitted of any of his 109 charges. Rather, the jury hung on all of Kahre's counts.

The jury also hung on all counts faced by Kahre's sister, Lori Kahre, and defendant Alex Loglia.

Four defendants acquitted of all the charges against them were Axberg, Robert Furman, Ron Ruggles, and Kahre's mother, Myra Buonomo.

"It was the most wonderful feeling and the most wonderful day in ages," Buonomo, 66, said of her acquittal. She said she works "more or less as a runner" for her son's construction-related businesses. Part of the case hinged on whether Kahre's workers were employees or independent contractors, who are responsible for paying their own taxes.

Two other defendants, Dannielle Aires and Debra Rosenbaum, were partly acquitted, with the jury hung on one count each.

Before trial, five additional defendants had pleaded guilty.

Michael Kennedy, who defended Lori Kahre, said the case turned on the notion that taxpayers could be wrong without being criminal. He was referring to the fact that his client, Lori Kahre, and other defendants had not paid taxes according to the market value of the precious metal content of the coins in which they were paid, as opposed to their face value. He conceded at trial that his

client may owe federal taxes for her mistakes.

The Internal Revenue Service had never before provided guidance on how to handle gold and silver coins that circulate, only on noncirculating collectible coins, according to Kennedy, who is a federal public defender. "If that's the case, we're not going to take someone's liberty from them, on something that a (certified public accountant) with a master's degree doesn't even know. That's a scary country, and I don't live in that country."

J. Gregory Damm, the assistant U.S. attorney who led the prosecution, declined to say whether the government will retry any of the five defendants on the charges that resulted in a hung jury. Damm referred the newspaper to Natalie Collins, public affairs specialist for the U.S. attorney's office in Las Vegas.

Acting U.S. Attorney Steven W. Myhre issued a statement through Collins that thanked jurors, investigators and prosecutors. "Ultimately, the responsibility lies with the jury to decide whether the government met its burden of proof in the case and we accept their decision." He said the office will "soon decide" whether to retry any defendants.

Jurors got stuck on the question of whether the government had proved defendants intentionally violated tax law, according to David Ramirez, jury foreman. "Oh my God, the willfulness is very hard to prove, as we found out," Ramirez, 49, said Wednesday. "That was the hard part, especially in the conspiracy charge." Ramirez works in management for the U.S. Postal Service.

The government "did not present one witness who agreed with the conspiracy theory," said attorney Joel Hansen, who defended Loglia. Currently unemployed, Loglia did paralegal work for Kahre.

The jurors favoring acquittal varied by defendant, Ramirez said. "Personally, I went guilty (on some counts) and some, not guilty." He said when the 12 jurors split on a count, it was usually a 6-6 or 7-5 split.

Ramirez said the prosecuting team had a clear, although silent, reaction to the verdict: "The head was hanging down, the shoulders were low." He said "shocked" was the term some prosecutors used to describe themselves when they talked to him after the trial.

Cohan did not want Robert Kahre, who testified during the trial, to talk to reporters after the trial because his client and five others still face additional charges in a separate criminal tax case set for trial in January. That case alleges Kahre hid assets by having relatives or friends buy property in their names using his funds.

Once the criminal cases are over, Kahre will pursue related civil actions he has filed against several parties, including federal prosecutor Damm, Internal Revenue Service agents and North Las Vegas police officers who had roles in the raid or indictment process.

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