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FILED

JUN 23 2000

LOU ALEKSICH, JR. CLERK

By July D. Engerich
Deputy Clerk

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4 ATTORNEY FOR THE UNITED STATES

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IN THE UNITED STATES DISTRICT COURT

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FOR THE DISTRICT OF MONTANA

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BILLINGS DIVISION

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10 UNITED STATES OF AMERICA,

11 Plaintiff,

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13 vs.

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15 ALFRED (GENE) BRIDGES and
16 TERRY D. ALDERSON,

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18 Defendants.

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CR 00- 53 -BLG-JDS

Count I: 18 U.S.C. § 286

Conspiracy to Defraud the Government

Penalty: 10 years imprisonment and/or \$250,000
fine

Count II: 18 U.S.C. § 287

False Claims

Penalty: 5 years imprisonment and/or \$250,000
fine

Count III: 18 U.S.C. § 1341 and 2

Penalty: 5 years imprisonment and/or \$250,000
fine

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INDICTMENT

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THE GRAND JURY CHARGES:

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COUNT I

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Beginning in or about the spring of 1998 and continuing until on or about the
27 present, in the State and District of Montana and elsewhere, the defendants ALFRED
28 (GENE) BRIDGES and TERRY D. ALDERSON, together with other persons, including Teri

1 Alderson, M. Linda Bridges, Ashley Alderson, Erin Welles, Jeremy Welles, Mark Foos,
2 Carol Schweitzer, Ron Ostler, Jane Boodry, Bette Abelman, Linda Struckman, Al Hauff and
3 John Marshall, unlawfully, willfully and knowingly agreed, combined and conspired with
4 others and each other to defraud the United States by obtaining or aiding to obtain the
5 payment or allowance of false, fictitious or fraudulent claims.

6 **OBJECTS AND PURPOSES OF THE CONSPIRACY**

7 To file on behalf of clients false, fictitious and fraudulent claims requesting the return
8 of the past three years' worth of lawful federal income taxes paid by the client.

10 **MANNER AND MEANS**

11 1. Alfred (Gene) Bridges is the owner and creator of Associated Tax Consultants,
12 hereinafter referred to as "ATC". Terry D. Alderson is the manager of ATC and oversees
13 the day-to-day operations of the business in Bridge's absence. The defendants and others
14 acting on their behalf joined together for the purpose of promoting and selling a scheme
15 to defraud the IRS through the filing of false, fictitious and fraudulent claims for refund to
16 which the taxpayers/clients were not entitled. The defendants operated from a rented
17 office in Billings, Montana, where the defendants hired employees, opened a bank
18 account, maintained business records, scheduled seminars, and received payment sent
19 in by participants.

20 2. The defendants organized and conducted seminars in various locations
21 throughout the United States, where ATC leaders falsely told attendees that they were
22 "nonresident aliens" who were exempt from federal income taxes. Then, for a fee, typically
23 \$2,100.00 for a single person, ATC personnel would file a "revocation of election" with the
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1 IRS Philadelphia Service Center, claiming that the client was a "nonresident alien."
2 Subsequently or concurrently, ATC personnel would file on behalf of the client false claims
3 for refund of federal income taxes paid during previous tax years. In addition to collecting
4 the up-front fees, ATC required clients to sign a contract which stated that the client would
5 pay ATC 35% of the fraudulently obtained refund. Thus, the mailing address of ATC
6 commonly appeared on the false claim for refund so that any refund check would be sent
7 to ATC's address.

8 3. The defendants Alfred Bridges and Terry D. Alderson recruited individuals to sign
9 up with their business, ATC, which is solely and specifically in the business of aiding and
10 assisting clients in evading their past, present and future federal income tax liabilities.

11 4. The defendants Alfred Bridges and Terry D. Alderson would file with the Internal
12 Revenue Service a revocation of the client's "tax status" and purportedly change the "tax
13 status" of the client to that of a non-resident alien individual.

14 5. Alfred Bridges and Terry D. Alderson helped others to attempt to obtain payment
15 of false claims for refunds from the Internal Revenue Service by filing in their own names,
16 and by filing in the names of other persons, documents claiming refunds of federal income
17 taxes paid to which they knew they were not entitled.

18 6. Alfred Bridges and Terry D. Alderson solicited, instructed and assisted others in
19 falsely claiming federal income tax refunds through the preparation and submission of false
20 documents to the United States Government.

21 7. Alfred Bridges and Terry D. Alderson and others utilized a sophisticated
22 computer system and software to create false documents that appeared legitimate in
23 nature.

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CT	Name	Document Date	Mailing Date	Refund Year	Amount Claimed
2	Ashley Alderson	09/02/99	09/02/99	1997-1998	\$ 772.00
3	Kenneth J. Barela	10/18/99	10/18/99	1996-1997	\$52,114.00
4	Merle Bouma	11/19/99	11/19/99	1996-1998	\$37,811.00
5	Anthony Campos	04/15/99	04/15/99	1996-1998	\$23,828.00
6	Terry D. Alderson	10/07/99	10/07/99	1995-1998	\$41,625.00
7	Katherine J. Crane	03/10/99	03/10/99	1996-1998	\$ 7,045.00
8	Robert P. Gartner	06/22/99	06/22/99	1996-1998	\$35,661.00
9	Roberta Jenkins	02/22/99	02/22/99	1996-1998	\$33,868.39
10	Joann Krobath	03/29/99	03/29/99	1996-1998	\$ 8,650.42
11	Frank Mazziotti	05/04/99	05/04/99	1996-1998	\$40,027.00
12	Michael McGinity	04/20/99	04/20/99	1995-1997	\$65,289.00
13	Laura McKelvey	08/11/99	08/11/99	1996-1998	\$30,524.00
14	Steve Ornelas	04/16/99	04/16/99	1995-1998	\$27,497.00
15	Beatrice Ornelas	04/16/99	04/16/99	1995-1998	\$10,556.48
16	Kevin D. Steward	03/08/00	03/09/00	1996-1998	\$11,896.00
17	Chris P. Obenauer	03/14/00	03/14/00	1996-1998	\$12,336.00
18	Patricia Obenauer	03/14/00	03/14/00	1996-1998	\$12,336.00
19	David B. Pulsifer	03/08/00	03/09/00	1996-1998	\$60,322.00
20	Sandra Pulsifer	03/08/00	03/09/00	1996-1998	\$60,322.00
21	Donald Newhouse	04/16/99	04/16/99	1995	\$ 2,165.00
22	Corey Obenauer	02/22/99	02/22/99	1997-1998	\$ 3,413.91
23	David Tansey	10/27/99	10/27/99	1996-1998	\$29,852.00
24	John Golberg	06/24/99	06/28/99	1993	\$124702.98
25	James Kozlik	05/19/00 ⁹⁹	05/19/99	1995-1997	\$10,163.00
26	Kevin Marsh	08/17/99	08/17/99	1996-1998	\$ 6,039.81
27	Lois Heal	03/04/99	03/04/99	1996-1997	\$13,337.00

28	Henry Vasquez	05/12/99	05/13/99	1996-1998	\$43,579.00
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All in violation of 18 U.S.C. Section 287 and 2.

COUNTS 29 THROUGH 44

On or about the dates set forth below, in the State and District of Montana, and elsewhere, defendants, ALFRED (GENE) BRIDGES and TERRY D. ALDERSON, and others for the purpose of executing and attempting to execute the scheme and artifice described above in Counts 1 through 28, did knowingly place and cause the following items to be placed in an authorized depository for mail matter, to be sent and delivered by the United States Postal Service according to the directions thereon:

CT	Client	Mailing Date	Item	Person
29	Heal	12/15/98	Client Profile	John Marshall
30	Marsh	07/02/99	New Client Package	John Marshall
31	Kozlik	10/08/99	Client Report	Erin Welles
32	Kozlik	11/19/99	Client Payment	Alfred Bridges Terry Alderson
33	Crane	03/11/99	Client Package	John Marshall
34	Newhouse	10/25/99	Client Report	Carol Schweitzer
35	Newhouse	05/26/99	Client Payment	Alfred Bridges Terry Alderson
36	Jenkins	11/17/99	Client Report	Jeremy Welles
37	Jenkins	11/03/99	Letter	Mark Foos
38	Jenkins	10/14/99	Client Payment	Alfred Bridges Terry Alderson
39	Barela	08/27/99	Past Due Notice	Ron Ostler
40	Campos	12/07/99	Client Payment	Alfred Bridges Terry Alderson

41	Vasquez	08/27/99	Client Report	Ashley Alderson
42	Obenauer, Corey	10/01/99	Client Report	Jeremy Welles Linda Struckman
43	Tansey	11/10/99	Letter	Jane Boodry
44	Golberg	01/05/00	Client Report	Bette Abelman

All in violation of 18 U.S.C. Section 1341 and 2.

A TRUE BILL

Timothy E. Fisher

 FOREPERSON

Sherry Scheel Matteucci

 SHERRY SCHEEL MATTEUCCI
 United States Attorney

rim. Summons both dfts
 Warrant: _____
 Bail: _____

Returns:
 July 20, 2000 at
 11:00 am in Bellring
 before Mag. Anderson