

1 ANN BIRMINGHAM SCHEEL
Acting United States Attorney
District of Arizona

2
3 FRANK T. GALATI
Assistant U.S. Attorney
Arizona State Bar No. 003404
frank.galati@usdoj.gov

4
5 JAMES R. KNAPP
Assistant U.S. Attorney
Arizona State Bar No. 021166
james.knapp2@usdoj.gov
6 Two Renaissance Square
40 N. Central Avenue, Suite 1200
7 Phoenix, Arizona 85004-4408
Telephone: (602) 514-7500

8 UNITED STATES DISTRICT COURT
9 DISTRICT OF ARIZONA

10 United States of America,
11
12 Plaintiff,
13
14 v.
15 Janice Sue Taylor,
16
17 Defendant.

No. CR-10-0400-PHX-DGC
**GOVERNMENT’S SENTENCING
MEMORANDUM**

16 I. Introduction.

17 The United States, through undersigned counsel, agrees with the offense level and
18 criminal history category computations in the Presentence Investigation Report (PSR) and its
19 finding that the advisory sentencing range under the U.S. Sentencing Guidelines is 78 to 97
20 months. The U.S. Probation Office recommends a sentence of 84 months of imprisonment, and
21 the United States agrees that such a sentence is reasonable under the circumstances. If the Court
22 chooses to grant Defendant a variance in consideration of the time she spent in custody for civil
23 contempt in No. CV-07-3122-PHX-SRB, the United States recommends that the Court impose
24 no less than 60 months of imprisonment in order to satisfy the factors identified in 18 U.S.C. §
25 3553(a).

26 //

27 //

28

1 II. Assessment Of 18 U.S.C. § 3553 Factors.

2 A. Nature And Circumstances Of The Offense.

3 As the PSR explains, Defendant began filing false income tax returns in 1997, supporting
4 her filings with frivolous legal arguments. (PSR 3 ¶ 4.) She also actively concealed her income
5 from the IRS and evaded taxes by (1) failing to submit personal income tax returns or submitting
6 fraudulent ones; (2) failing to report income received through her real estate brokerage, National
7 Landbank LLC, on IRS Forms W-2 or 1099; (3) using cash, cashier's checks, and nominee
8 entities to hide her income and assets; (4) concealing her ownership interests in and profits from
9 real estate transactions through the use of sham trusts; and (5) hindering the efforts of bank
10 employees, IRS agents, and others to discover her true income and assets. For example, at trial
11 the Court heard from Janice Weaver, a bank employee, who described Defendant's attempts to
12 structure her financial transactions and lie about her social security number and driver's license
13 to avoid bank reporting requirements. (PSR 4 ¶ 8; RT 4/26/11 826-827, 829.) The Court also
14 heard from IRS Revenue Agent Cheryl Bradley, who testified about Defendant's lies during an
15 audit for tax year 2001, and IRS Revenue Officer Jerry Carter, who explained in detail how
16 deeply Defendant had buried her assets to avoid IRS collection efforts. (RT 4/20/11 351-353
17 (Bradley), 413-419 (Carter).)^{1/} Defendant's old boyfriend, Gerry Ricke, perhaps summed up
18 the case best when he spoke about the tax protestor seminar he went to with Defendant in the
19 Carribean, where the speaker joked about burying his assets so deeply that he couldn't find them
20 himself. (RT 4/20/11 401-402.)

21 Defendant clearly understood her obligation to file income taxes. The evidence at trial
22 showed that she filed tax returns (albeit false ones) and paid income taxes in the past, and her

23
24 ^{1/} The U.S. Probation Office's two-level enhancement for obstruction of justice is
25 appropriate. (PSR 6 ¶ 13, 20.) As the PSR explains, Defendant lied to the IRS and otherwise
26 obstructed their attempts to obtain documents and records, and she also lied to this Court on her
27 financial affidavit, CJA Form 23. See United States v. Yip, 592 F.3d 1035, 1042 (9th Cir. 2010)
(“Obstruction during an IRS audit justifies enhancing a defendant's sentence for obstruction
28 ‘during the course of the investigation.’”); United States v. Hernandez-Ramirez, 254 F.3d 841,
843-844 (9th Cir. 2001) (holding that failure to disclose on financial affidavit ownership interest
in business held in nominee name justified enhancement for obstruction of justice).

1 former CPA, Bob Martin, testified that many years ago Defendant sought assistance relating to
2 a 1991 income tax return. (RT 4/19/11 192-195; see also Trial Exs. 5-6 (IRS transcripts for tax
3 years 1997-1998).)

4 The scope of Defendant's concealment and evasion is staggering. The U.S. Probation
5 Office has calculated that, just for tax years 2001 through 2006, the combined state and federal
6 tax loss amounts to \$3,187,774. (PSR 5 ¶ 11.) See United States v. Yip, 592 F.3d 1032, 1038-39
7 (9th Cir. Jan. 13, 2010) (concluding that tax loss properly includes unpaid state taxes, even those
8 for which the statute of limitations may prevent prosecution). ^{2/}

9 **B. History and Characteristics of Defendant.**

10 Defendant has been audited by the IRS, found to be in contempt of court by U.S. District
11 Judge Susan R. Bolton, charged by indictment with multiple federal offenses, and now convicted
12 by a jury of her peers on all counts. Yet she remains undeterred. Defendant continually
13 challenged this Court's authority throughout these proceedings, as she has done in the past. ^{3/}
14 She also violated the Court's instructions during her closing argument, arguing about the
15 applicable law, referring to facts not in evidence, attempting to evoke the jury's sympathy, and
16 speaking about her personal beliefs despite her decision to not testify. (See, e.g., RT 4/27/11
17 1176, 1179, 1182, 1195.) Even after the verdict, she continues to conceal assets. As IRS Special
18 Agent Dave Votaw will explain at sentencing, it appears that Defendant recently transferred the
19 title of her Cadillac Escalade from her deceased father to her daughter, Priscilla Robinson, and

20
21 ^{2/} The PSR sets the base offense level at 24, which is correct because the total tax
22 loss—state and federal—is over \$2.5 million. U.S.S.G. § 2T4.1(J). The reference in ¶ 16 of \$2.3
million only includes the federal tax owed.

23 ^{3/} See, e.g., Defendant's "Counterclaim and Injunction" in Taylor v. United States, CV-
24 07-0977-PHX-SRB, in which Defendant calls the Court "a federal alter ego corporate vessel .
25 . . . putatively vested with Article I authority" and the U.S. Attorney's Office and the U.S.
26 Department of Justice "alter ego fronts for the bankrupt corporate/franchise entity styled as
27 'United States of America' aka 'United States.'" (CR 1 at 2.) Defendant also calls U.S. District
Judge Susan R. Bolton and U.S. Magistrate Judge Lawrence O. Anderson "ministers of their
own prejudice against [Defendant] ab initio," accuses them of fraud, and threatens to have them
arrested. (CR 1 at 2, 4, 26.). Defendant has similarly challenged the Court's authority in United
States v. Taylor, CV-06-3121-PHX-SRB, Taylor v. Cody, CV-07-2095-PHX-DGC, and Taylor
v. Bolton, CV-07-1775-PHX-DGC.

1 transferred the title for her home on Tate Road (the home that Azenith Larsen testified about,
2 RT 4/21/11 524-528) from one sham entity controlled by her daughter, Desiree Saunders, to
3 another sham entity controlled by one of her defense witnesses, Terry Major.

4 C. The Need to Afford Adequate Deterrence.

5 Section 3553(a)(2)(B) specifically requires the Court to consider “the need for the
6 sentence imposed . . . to afford adequate deterrence to criminal conduct.” This is especially
7 important for tax offenses:

8 The criminal tax laws are designed to protect the public interest in preserving the
9 integrity of the nation’s tax system. Criminal tax prosecutions serve to punish the
10 violator and promote respect for the tax laws. Because of the limited number of
11 criminal tax prosecutions relative to the estimated incidence of such violations,
12 deterring others from violating the tax laws is a primary consideration underlying
13 these guidelines. Recognition that the sentence for a criminal tax case will be
14 commensurate with the gravity of the offense should act as a deterrent to would-be
15 violators.

16 U.S.S.G. § 2T1 Intro. Cmt.

17 Here, specific deterrence is crucial because Defendant stubbornly refuses to comply with
18 the law, even after all that has happened. General deterrence is also a primary concern because
19 Defendant did not act alone; she is part of a tax protestor community that will be paying close
20 attention to her sentence. Members of her so-called Legal Research Society testified at trial, and
21 the group’s website prominently displays Defendant’s hearing dates, docket entries, and
22 pleadings. See Sent’g Ex. A (available at <http://researchsociety.org/> (listing events),
23 <http://www.researchsociety.org/Cases/Court-Cases.html> (listing cases)). “Because economic and
24 fraud-based crimes are ‘more rational, cool, and calculated than sudden crimes of passion or
25 opportunity,’ these crimes are ‘prime candidate[s] for general deterrence.’” United States v.
26 Martin, 455 F.3d 1227, 1240 (11th Cir. 2006). “As the legislative history of the adoption of §
27 3553 demonstrates, Congress viewed deterrence as ‘particularly important in the area of white
28 collar crime.’” Id. There is every reason to believe that Defendant’s sentence—even more so
than the typical white collar fraud case—is going to become part of the calculus when other

1 members of the tax protestor community weigh the financial benefits of tax avoidance, the
2 likelihood of getting caught, and the consequences that can result if convicted.

3 D. Defendant's Imprisonment For Civil Contempt.

4 Defendant spent approximately 27 months in prison refusing to comply with an order
5 from U.S. District Judge Susan R. Bolton. See United States v. Taylor, CV-06-3121-PHX-SRB
6 (CR 72, 227). This was a civil matter, and it related to different tax years than those charged in
7 the Indictment. Thus, it does not appear to be an appropriate basis for a downward departure
8 under U.S.S.G. § 5K2.23, which provides a basis for departure in limited circumstances in which
9 a defendant missed an opportunity to seek concurrent sentences for related conduct. See also
10 U.S.S.G. § 5G1.3. Nor does it qualify as a basis for credit for prior custody under 18 U.S.C. §
11 3585. See BOP Program Stmt. 5880.28 p. 1-15A ("Time spent serving a civil contempt sentence
12 prior to trial and/or sentencing does not constitute presentence time credit toward the sentence
13 that is eventually imposed."), available at http://www.bop.gov/policy/progstat/5880_028.pdf.
14 Undersigned counsel are aware of no authority suggesting the Court is otherwise required to
15 credit the time Defendant served for civil contempt against the sentence to be imposed in this
16 case. Cf. In re Grand Jury Proceedings, 534 F.2d 41, 42 (5th Cir. 1976) (holding that prisoner was
17 not entitled to credit against criminal sentence time served on civil contempt for refusing to
18 testify before grand jury, because doing so "would altogether vitiate the intended coercive
19 incentive to testify"); In re Garmon, 572 F.2d 1373 (9th Cir. 1978) (same).

20 The Court may still consider it to the extent it is relevant to 18 U.S.C. § 3553, but in that
21 context Defendant's civil contempt is both an aggravating and a mitigating factor. It shows,
22 among other things, that 27 months is insufficient to promote a respect for the law or deter
23 Defendant from engaging in her obstructive tactics. Nevertheless, it is arguably a mitigating
24 factor, too, considering that Defendant has already suffered some consequence for her efforts
25 to thwart the IRS and avoid her tax obligations.

26 //

27 //

28

1 III. Conclusion And Sentencing Recommendation.

2 The U.S. Probation Office recommends a total sentence of 84 months of imprisonment,
3 and that recommendation is certainly a reasonable one based on the facts and circumstances.
4 Defendant lied and concealed in order to evade more than \$3.1 million in state and federal taxes,
5 and she remains undeterred despite the United States' efforts to get her to comply with the
6 income tax laws. Defendant has also shown throughout the course of these proceedings and
7 others her contempt—in a real sense, not just a legal sense—for the courts and the government.
8 To the extent the Court chooses to grant Defendant a variance in consideration of the time she
9 spent in custody for civil contempt in No. CV-06-3121-PHX-SRB, the United States
10 recommends that the Court impose no less than 60 months of imprisonment in order to satisfy
11 the factors identified in 18 U.S.C. § 3553(a).

12
13 Respectfully submitted this 22nd day of November, 2011.

14 ANN BIRMINGHAM SCHEEL
15 Acting United States Attorney
16 District of Arizona

17 *s/ Frank Galati*

18 FRANK T. GALATI

19 *s/ James Knapp*

20 JAMES R. KNAPP
21 Assistant U.S. Attorneys

22 Certificate of Service

23 I hereby certify that on 11/22/2011, I electronically transmitted the attached document to the
24 Clerk's Office using the CM/ECF system for filing and transmittal of a Notice of Electronic
25 Filing to the following CM/ECF registrants:

26 Susan Anderson

27 In addition, I mailed copies of the attached document to the following:

28 Janice Sue Taylor
3341 Arianna Ct.
Gilbert, AZ 85298

Sentencing Exhibit A

The Legal Research Society

Next Meeting:

December 3, 2011

Noon to 3:00 PM - and beyond - if they don't need the room!

At our usual location: Hometown Buffet.



1312 N. Scottsdale Rd.

Scottsdale, AZ 85257

Phone: (480) 946-7544

Sue Taylor

Sentencing extended to: December 1, 2011

FORECLOSURE STRATEGISTS' WEEKLY MEETINGS:

Every Tuesday: 7:00pm to 9:00pm. Come early for dinner and socialization.

(Food service is also available during meeting.)

Macayo's Restaurant, 602-264-6141, 4001 N Central Ave, Phoenix, AZ 85012

(east side of Central Ave just south of Indian School Rd)

COST: \$10...Plus dinner!

Please Bring a Guest!

[Darrell's email of 11/14/11](#)

[Thorough Commentary on the DINAR](#)

Bill Davis has a court date...

November 21, 2011 at 1:30pm

Case # 2011 153 269 001 (criminal trespass & loitering to beg)

William Joseph Davis

DESERT RIDGE JUSTICE COURT

18380 N 40 Street Suite #130

Phoenix, Arizona

So, all you fellow 'beggars' - be sure to attend to support Bill!
You might come with your 'trick-or-treat" bags!

Rich has DINARs FOR SALE... Cash & Carry

Subject Line: DINAR

rww@realpix.com



READ this document: [Master Class Dictatorship](#) 

Look under Special Items for some current radio programs to listen to!

[Public Servant Questionnaire](#)

[People's Awareness Coalition](#)

[Patriot MisBeliefs](#)

[Perjury for Profit - new website of interest!](#)

The Freedom Summit was very good!

[FREEDOM SUMMIT VIDEOS](#)

[Fire Burn Doctor - Important Website - follow the instructions!](#)

[Arizona Breakfast Club - 09/03/2011 - YouTube](#)

Bring memory sticks for copies - you may want copies of some items!

[Lindsey Williams Explains The Oil and Deadly Gas Apocalypse](#)

NO SNIVELING

Questions?

email: tmajor@greytechs.com

Call me... 623-451-5588

<http://www.newpeopleorder.com>

[The Critical Unraveling of U.S. Society](#)

[Federal Income Tax](#)

Who owes it and who doesn't?

Investigate the evidence yourself.

www.CuriousEvidence.com



[Redflex Manual for Arizona](#)

[Arizona Breakfast Club \(website\)](#)

[Richard Cornforth and the Helm Society School](#)

www.jurisdictionary.com

[J.C. Chisum - Section](#)

[Noel Myrick - Section](#)

[U.S. v. Arizona](#)

[Shannon Connely - Section](#)

[Election Fraud
Monday - 2/4/08](#)

[Other](#)

[H1N1-Info](#)

[Lawyer
Complaints](#)

[Special Items](#)

[Court Cases](#)

The Legal Research Society

[Home](#)[The Legal Research Society](#)[Home](#)[Select items below and you will be taken to a Menu](#)

[United States](#)
v.
[JC Chisum](#)
Case Documents

[Jesse Ventura](#)
v.
[Napolitano et al](#)
Case Documents

[John Stuart](#)
[Notice of Press](#)
[Release](#)
07/04/11

[John Stuart](#)
[Bullet Points](#)
07/04/11

[THE STATE OF](#)
[ARIZONA](#)
v.
[JOHN CHESTER](#)
[STUART](#)
[False Instrument](#)
Case Documents

[THE STATE OF](#)
[ARIZONA](#)
v.
[JOHN CHESTER](#)
[STUART](#)
[Murder Case](#)
Documents

[REBECCA](#)
[BEASLEY,](#)
et al. v.
[JOHN C. STUART,](#)
et.al
[Wrongful Death](#)
Case Documents

[Open Letter from](#)
[John Stuart](#)

[Dan Gutenkauf](#)
v.
[Redflex RICO](#)
Case Documents

[Maria Forman](#)
Case Documents

[Joseph & Eileen](#)
[Lipari](#)
Case Documents

[Sue Taylor](#)
Case Documents

[Thomasita Taylor](#)
Case Documents

[Paul Hupp](#)
Case Documents

[Andrew C. Bailey](#)
Case Documents

[USA v Arizona](#)
Case Documents

[Home](#)[The Legal Research Society](#)[Home](#)