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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 Defendant.

CR-10-0400 PHX-DGC
**UNITED STATES' CASE STATUS
MEMORANDUM**

16 The Court has set a status conference for February 9, 2011. Accordingly, the United
17 States respectfully files this case status report.

18 **1. Current trial date and estimated length of trial.** At the status conference of January
19 12, 2011, Judge Murgia granted Taylor's motion to continue and set trial on March 15, 2011
20 [doc. 185]. The United States estimates the length of trial to be five days, but our estimate is
21 very rough because we have no idea what defendant plans to present.

22 **2. Pending motions.** Also at the January 12 status conference, Judge Murgia ruled on
23 approximately 16 defense motions. Pending are defendant's Motion to Inspect Jury List [doc.
24 177],¹ defendant's Motion to Dismiss for Lack of *In Personam* Jurisdiction [doc. 179]² and the
25 United States' Motion to Quash Subpoena [doc. 183]

26
27 ¹ The United States has filed its response [doc. 188] and Taylor has replied [doc. 191].

28 ² The United States has responded [doc. 187].

1 . **3. Proposed voir dire questions, proposed jury instructions, witnesses and exhibits.**

2 On January 12, 2011, Judge Murguia also directed that the parties file proposed jury instructions
3 and voir dire questions by February 11, 2011 and that witness and exhibit lists be exchanged by
4 that same date. On February 4, 2011, the United States mailed to Taylor its proposed jury
5 instructions and voir dire and its tentative lists of witnesses and exhibits. The government is
6 prepared to file its requested voir dire and jury instructions on February 11 and we will continue
7 to pare our witness and exhibit lists as we further prepare for trial.

8 **4. Discovery.** The United States believes it has fully complied with its discovery
9 obligations and will continue to do so. While we have received no discovery from the defense,
10 there are no outstanding discovery disputes at this time.

11 **5. Chances of settlement.** Taylor has rejected multiple United States' plea offers. The
12 United States remains open to settlement negotiations.

13 **6. The Indictment.** Taylor was indicted on March 30, 2010. She stands charged in
14 Counts 1-4 with Attempt to Evade Assessment for the tax years 2003, 2004, 2005 and 2006, in
15 violation of Title 26, United States Code, §7201, and in Counts 5-8 with Willful Failure to File
16 Tax Return for those same years, in violation of Title 26, United States Code, §7203.

17 The United States alleges and expects to prove at trial that during the years 2003, 2004,
18 2005 and 2006, Taylor represented National Landbank to be a real estate brokerage or agency
19 through which she did business and earned commissions as a licensed real estate broker or agent.
20 Taylor did not report these earnings to the IRS on any tax forms issued by National Landbank
21 or on a personal tax return as required by law.

22 During the years 2003, 2004, 2005, and 2006, Taylor also profited from real estate
23 transactions in which she held an ownership interest. Taylor did not report these earnings to the
24 IRS. Instead, Taylor hid her ownership interest in the properties from the IRS and from other
25 participants in the transaction through the use of trusts and other business entities. For example,
26 on or about July 1, 2004, Taylor obtained an ownership interest in real property purchased for
27 \$500,000 by "CG 40 Hilltop Trust," an entity associated with Taylor. Taylor paid for a portion
28 of the purchase price through her National Landbank account. Taylor told the seller that the

1 buyer was a very wealthy client and did not disclose her ownership interest. On or about
2 November 4, 2005, the property sold for \$2.4 million, and Taylor's \$72,000 commission along
3 with \$1.3 million in proceeds from the sale were diverted to "Burning Bush Ministries," another
4 entity associated with Taylor.

5 In addition, the United States alleges that Taylor willfully attempted to evade and defeat
6 the proper assessment and determination of the tax due and owing by her to the United States
7 for calendar years 2003-2006 by not making an income tax return as required by law and by not
8 paying to the IRS the tax due and owing.

9 **7. Statutory penalties.** Each violation of Title 26, United States Code, §7201, is a Class
10 D felony offense and is punishable by a maximum fine of \$250,000, a maximum term of
11 imprisonment of five (5) years, or both, together with the costs of prosecution and a term of
12 supervised release of three (3) years. A maximum term of probation is five years.

13 Each violation of Title 26, United States Code, §7203 is a Class A misdemeanor offense
14 and is punishable by a maximum fine of \$100,000, a maximum term of one (1) year of
15 imprisonment, or both, together with the costs of prosecution and a term of supervised release
16 of one (1) year. A maximum term of probation is five years

17 **8. Indirectly related case.** Between approximately May 2007 and August 2009, Taylor
18 was incarcerated for civil contempt in No. CV-06-3121-PHX-SRB, an IRS summons
19 enforcement action.

20 Respectfully submitted this 7th day of February, 2011.

21 DENNIS K. BURKE
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23 District of Arizona

24 *S/ Frank T. Galati*

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Certificate of Service

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I hereby certify that on this day, I transmitted the attached document via electronic mail (Email) to the Clerk's Office and Susan Anderson, Esq., and mailed a copy of it to:

Janice Sue Taylor
3341 Arianna Ct.
Gilbert, AZ 85298

S/ Michelle L. Colberg