



Department of Justice

United States Attorney Melinda Haag
Northern District of California

FOR IMMEDIATE RELEASE
CONTACT: JACK GILLUND
December 21, 2011
6599

(415) 436-

WWW.USDOJ.GOV/USAO/CAN
Jack.Gillund@usdoj.gov

HAWAIIAN REAL ESTATE DEVELOPER FOUND GUILTY OF BLACKMAIL, CONSPIRACY TO DEFRAUD UNITED STATES

SAN JOSE, Calif. – A self-described real estate developer and businessman from Volcano, Hawaii, was found guilty yesterday of conspiracy to defraud the United States, conspiracy to commit wire fraud, and conspiracy to commit blackmail and witness tampering, United States Attorney Melinda Haag announced. Eric Aaron Lighter, 61, was found guilty of all counts in a third superseding indictment that was returned March 11, 2009.

According to court documents, Lighter joined a conspiracy to defraud the United States that began in the 1990s with an organization known as National Trust Services (NTS). NTS marketed and sold abusive trust packages. Lighter's co-conspirator, Samuel Fung, had been a return preparer for members of NTS. These false and fraudulent federal income tax returns understated the NTS members' federal income tax liabilities. Fung pled guilty to count 1 of the indictment, conspiracy to defraud the United States, on Sept. 14, 2011, and agreed to cooperate with the government.

According to court documents, after the IRS began investigating NTS, Fung began referring members of NTS to Lighter. Lighter worked with Fung to fabricate false and fraudulent tax returns, financial transactions, and other documents designed to impede and impair the ability of the IRS to ascertain, assess and collect federal income taxes from members of NTS. Lighter directed some of these clients to transfer their assets, including valuable real estate and nearly half a million dollars in cash, to corporations he owned or controlled. Lighter told his clients that these transactions would protect their assets from the IRS and assured his clients that he would return the assets at a later date. When Lighter's clients attempted to recover their assets, Lighter refused to undo the transactions. Lighter and Fung then threatened to, and

did, inform the IRS about their clients' alleged criminal conduct and participation in NTS. At Lighter's direction, Fung told one of their clients that he would be subject to criminal prosecution if that client did not drop his civil lawsuit that was seeking to recover his property from Lighter.

Lighter is next scheduled to appear in federal court at 1:30 p.m. on March 26, 2012, for sentencing. He faces a maximum prison sentence of 20 years for each of the eight counts of wire fraud, 10 years for each of the three counts of witness tampering, five years for each of the three conspiracy counts, and one year imprisonment for each of the three counts of blackmail. Lighter also faces a maximum fine of \$100,000 for each of the blackmail counts, and \$250,000 for each of the remaining counts. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Trial Attorneys Charles O'Reilly and Katherine Wong, and paralegal Sandra Burgess, from the Tax Division of the Department of Justice prosecuted the case on behalf of the United States. The case was investigated by the IRS-Criminal Investigation's San Francisco Field Office.

Further Information:

Case #: CR 05-00215 EJD

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at Jack.Gillund@usdoj.gov.

###