

**United States Attorney Melinda Haag
Northern District of California**

FOR IMMEDIATE RELEASE
February 14, 2014
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**SAN FRANCISCO ATTORNEY PLEADS GUILTY TO FAILING TO REPORT MORE THAN
\$1.3 MILLION OF INCOME**

SAN FRANCISCO – James P. Kleier pled guilty yesterday to two counts of failing to file income tax returns, United States Attorney Melinda Haag and Internal Revenue Service, Criminal Investigation, Special Agent in Charge José M. Martinez announced.

According to his plea agreement, Kleier is a practicing tax attorney focusing on federal and state tax controversies. From 1999 through 2005, Kleier was a partner at Preston, Gates, & Ellis, LLP. From 2005 through 2010, Kleier worked at Reed Smith, LLP. During those years, from 1999 through and including 2010, Kleier failed to report any income he earned.

According to court documents, for 2008, 2009, and 2010 Kleier earned \$624,923, \$476,088, and \$200,734, respectively. He was required by law to file an income tax return with the IRS and did willfully fail to do so. Kleier has agreed to pay past-due taxes to the government in the total amount of \$650,993 for 2003, 2008, 2009, and 2010.

“Our tax system is vital to this country and our communities, funding programs and services like roads, water, education, and agriculture, accessed and needed by millions of people every day. The defendant, a tax attorney, should and did know that he is required to file tax returns and pay taxes. This office will continue to work with the IRS to ensure that each person pays his or her fair share,” stated U.S. Attorney Melinda Haag.

Special Agent-in-Charge José M. Martinez said, “The prosecution of individuals who brazenly attempt to avoid their tax filing and payment obligations and prevent the IRS from performing its mission is necessary to maintaining public confidence in our tax system.”

Kleier, of San Francisco, was charged on May 1, 2013, with three counts of failure to file income tax returns. He pleaded guilty to one count. As part of the plea, Kleier will be sentenced to 12 months in prison and pay restitution in the amount of \$650,993. Sentencing is scheduled for May 29, 2014, before the Honorable Laurel Beeler, United States Magistrate Court Judge, in San Francisco.

The maximum statutory penalty for each count failure to file a tax return, in violation of 26 U.S.C. § 7203, is one year imprisonment and a fine of \$100,000. 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.

Assistant U.S. Attorney Thomas Newman is prosecuting this case. The prosecution is the result of an investigation the Internal Revenue Service, Criminal Investigation.

Further Information:

Case #: CR-13-00277 LB

A copy of this press release may be found on the website of the U.S. Attorney's Office 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 Lili AraúzHaase at (415) 436-6811 or by e-mail at Lillian.ArauzHaase@usdoj.gov.