



# Department of Justice

United States Attorney Melinda Haag  
Northern District of California

FOR IMMEDIATE  
RELEASE  
September 14, 2011  
6599

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**FORMER SAN JOSE RETURN PREPARER PLEADS GUILTY TO CONSPIRING TO DEFRAUD THE UNITED STATES**

*Agreed to Pay Restitution of More Than \$1.1 Million*

SAN JOSE, Calif. – Samuel S. Fung today pleaded guilty to conspiracy to defraud the U.S. by impeding the IRS, United States Attorney Melinda Haag; Principal Deputy Assistant Attorney General of the Justice Department's Tax Division John A. DiCicco; and Special Agent in Charge, IRS Criminal Investigation, Scott O'Briant announced.

According to the plea agreement, Fung provided services for clients of National Trust Services, including preparing tax returns, under his business names Cortland Tax Management and Professional Business Consultants, LLC. Fung's co-defendant, Eric Aaron Lighter, controlled the corporations Credit Bureau International, Inc., Honolulu Inn, Inc. and Honolulu Rail and Development, Ltd. National Trust Services, which had addresses in California, Oregon and Utah.

According to the plea agreement, beginning on or about August 1997 through March 2006, Fung and others agreed to defraud the United States by impeding or obstructing the lawful government functions of the Internal Revenue Service, in the assessment and collection of federal income taxes. Fung and others established fictitious business names through which they received income and held assets in order to conceal their assets and income from the IRS. Fung admitted to preparing at least 65 false fraudulent income tax returns for taxpayers and entities for the tax years 1998 through 2002. Fung referred clients

to Lighter and he and Lighter purported to fight the IRS on behalf of clients. Lighter offered to conduct financial transactions to hide assets from the IRS for his clients. Lighter also prepared false documents, including fraudulently encumbering client assets.

Fung, 56, of Medford, Ore., and Lighter, 59, of Hawaii were charged in a 39 count superseding indictment on March, 11, 2009. The charges included conspiracy to defraud the U.S., aiding and assisting in the preparation of false tax returns, wire fraud, conspiracy to commit wire fraud, black mail, witness tampering and conspiracy to commit black mail and witness tampering.

The maximum statutory penalty for Conspiracy to Defraud the United States, in violation of Title 18, U.S.C § 371 is five years in prison and a fine of \$250,000. 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.

Charles O'Reilly and Katherine Wong, Trial Attorneys with the United States Department of Justice, and Blake Stamm, Assistant U.S. Attorney for the Northern District of California, are prosecuting the case with the assistance of Kathy Tat and Sandra Burgess. The prosecution is the result of a lengthy investigation by the Internal Revenue Service, Criminal Investigation.

**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](http://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](http://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 email at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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