



*United States Attorney
Southern District of New York*

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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**THREE DEFENDANTS IN TAX SHELTER FRAUD TRIAL
CONVICTED OF MULTIPLE COUNTS OF TAX EVASION**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced today that JOHN LARSON, ROBERT PFAFF, and RAYMOND J. RUBLE, a/k/a "R.J. Ruble," were convicted after a ten-week jury trial in Manhattan federal court on charges relating to a scheme to design, market and implement fraudulent tax shelters that were used to evade more than a hundred million dollars in taxes due by their tax shelter clients.

According to the evidence at trial:

JOHN LARSON, a former senior manager at KPMG, and ROBERT PFAFF, a former partner at KPMG, were the founders and partners in Presidio Advisory Services, which purported to be an "investment advisor" for various tax shelter products. R.J. RUBLE was a partner at the law firm of Brown & Wood. From at least 1998 through 2000, LARSON, PFAFF and RUBLE were involved in the design, marketing, and implementation of a tax shelter known as BLIPS. The defendants represented that BLIPS could be used to completely eliminate either the capital gains or ordinary income of tax shelter clients who had at least \$20 million in income in that year, thus purporting to eliminate millions of dollars in taxes otherwise due and owing.

LARSON and PFAFF were convicted of twelve counts of tax evasion relating to clients who used BLIPS, including two counts of evading their own taxes through use of the BLIPS tax shelter. RUBLE was convicted of ten counts of tax evasion, all relating to BLIPS clients who had received legal opinion letters from RUBLE. LARSON and PFAFF were each acquitted on two counts, and RUBLE was acquitted on a total of four counts. A fourth defendant, DAVID GREENBERG, was acquitted on all counts in which he was charged. Each defendant faces a maximum sentence on each count of

conviction of 5 years of imprisonment, 3 years of supervised release, a fine of the greatest of \$250,000 or twice the gross pecuniary gain derived from the offense or twice the gross pecuniary loss to the United States, and a mandatory \$100 special assessment; the sentence also may include the costs of prosecution.

LARSON, 57, resides in New York City. PFAFF, 58, resides in Golden, Colorado. RUBLE, 63, resides in North Carolina.

Mr. DASSIN praised the work of the Criminal Investigation Division of the Internal Revenue Service and the Department of Justice Tax Division in investigating the case and assisting in the prosecution.

LARSON and PFAFF are scheduled to appear for a bail hearing on January 8, 2009, before United States District Judge LEWIS A. KAPLAN, who presided over the trial. All three defendants are scheduled to be sentenced March 20, 2009, at 9:30 a.m.

Assistant United States Attorneys JOHN M. HILLEBRECHT and MARGARET GARNETT, and KEVIN M. DOWNING from the Tax Division of the Department of Justice, are in charge of the prosecution.

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