



## NEWS RELEASE

February 8, 2002

**OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California**

**United States Attorney  
Patrick K. O'Toole**

*For Further Information, Contact: Debra Hartman, Media Liaison (619) 557-5275*

### **For Immediate Release**

### **Former Attorney Sentenced For Tax Fraud Conspiracy**

#### **NEWS RELEASE SUMMARY**

Patrick K. O'Toole, **United States Attorney for the Southern District of California**, and the Tax Division of the Department of Justice, announced today that the Honorable Jeffrey T. Miller sentenced former lawyer, Russell D. Ward to serve an eighteen month term of imprisonment for tax fraud. Ward pled guilty on **July 25, 2001**, to the felony offense of conspiring to defraud the Internal Revenue Service. The court found that Ward's crime resulted in a loss to the IRS of more than \$250,000 in tax revenue.

Ward was admitted to the California State Bar in 1988. He was a solo practitioner in San Diego County before he resigned from the Bar in January 1998.

"Lawyers are supposed to help their clients comply with the law, not help them find ways to violate it," said Rod J. Rosenstein, Deputy Assistant Attorney General for the Department of Justice Tax Division. "Tax evaders not only defraud the United States government, they also defraud honest taxpayers."

Ward admitted that he and Dr. Rick A. Shacket, D.O. diverted and concealed a total of \$546,350 in taxable income by using several bank accounts, including Ward's attorney-client trust accounts. Ward also admitted that Shacket deducted the diverted funds on his corporate tax returns and failed to report the eventual receipt of the returned funds on his personal income tax returns.

In an indictment returned on August 9, 2001, Dr. Shacket was charged with tax fraud and health care fraud crimes, including conspiring with Ward. Dr. Shacket entered a plea of not guilty on August 10, 2001. His case is scheduled for trial on July 15, 2002.

Denise Rubin, IRS Criminal Investigation Special Agent in Charge for San Diego, stated, "The IRS places a high priority on criminal tax investigations that involve individuals diverting substantial amounts of income over a several year period."

Additional information about tax fraud can be found on the IRS Criminal Investigation website at <http://www.ustreas.gov/irs/ci>.

The cases are being prosecuted by Tax Division Trial Attorneys Thomas W. Flynn and **Brett A. Sagel**.

## **DEFENDANT**

Russell D. Ward  
Alpine, California

## **SUMMARY OF CHARGE**

Title 18, United States Code, Section 371, Conspiracy to Defraud the United States (one count). Maximum sentence of five years in prison and fine not to exceed \$250,000.

## **AGENCIES**

Internal Revenue Service, Criminal Investigation  
Department of Defense, Defense Criminal Investigative Service

**The Indictment itself is not evidence that defendant Shacket committed the crimes charged, and, like all defendants, Dr. Shacket is presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.**



**Brett Alan Sagel #243918**

License Status: Active

Address: Ofc US Attorney, 411 W 4th St Ste 8000, Santa Ana, CA 92701-4540

Phone: 714-338-3500 | Fax: 714-338-3708

Email: brett.sagel@usdoj.gov | Website: Not Available

[More about This Attorney](#) ▼

**All changes of license status due to nondisciplinary administrative matters and disciplinary actions.**

Date	License Status <i>i</i>	Discipline <i>i</i>	Administrative Action <i>i</i>
Present	Active		
8/14/2006	Admitted to the State Bar of California		

**Additional Information:**

- [About the disciplinary system](#)

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1 THEM IN A SIMPLISTIC FORM AS MAIL FRAUD.

2 WITH REGARDS TO THE OTHER -- WITH REGARDS TO ALL  
3 25 PROPERTIES OR THE 15 THAT ARE NOT CHARGED, MORE OR LESS,  
4 THE GOVERNMENT WILL BASICALLY BE RELYING ON MAIL FRAUD. I  
5 DON'T THINK IT'S EITHER LEGALLY REQUIRED OF THE GOVERNMENT  
6 OR THERE IS ANY BASIS TO TELL THE GOVERNMENT OR TO TELL THE  
7 JURY HOW TO CONFINE THE GOVERNMENT. THE GOVERNMENT CHARGED  
8 THIS -- THE GRAND JURY CHARGED THIS CASE AFTER HEARING THE  
9 EVIDENCE, UNDER ONE OF THREE, BANK FRAUD, WIRE FRAUD, OR  
10 MAIL FRAUD, OR THE LATTER TWO AFFECTING A FINANCIAL  
11 INSTITUTION. I DON'T KNOW ANY BASIS IN WHICH DEFENDANT  
12 COULD LIMIT WHAT THE GOVERNMENT COULD ARGUE IF THE FACTS  
13 PRESENTED, FOR EXAMPLE, TWO OF THE UNCHARGED COUNTS ARE  
14 FUNDED BY EQUICREDIT. I DON'T SEE -- IF WE WANTED TO, WE  
15 ARE GETTING TO THE SAME PLACE, WHETHER WE USE MAIL FRAUD  
16 AFFECTING A FINANCIAL INSTITUTION. WE WOULD HAVE TO USE THE  
17 SAME EVIDENCE FROM THE BANK FRAUD STATUTES OF EQUICREDIT,  
18 BASICALLY, THAT IT'S FDIC CHARTERED OR A WHOLLY OWNED  
19 SUBSIDIARY. BUT I'M NOT SURE THAT THERE IS ANY BASIS IN  
20 WHICH THE GOVERNMENT CAN BE CONFINED TO ONLY ONE OUT OF  
21 THREE THEORIES WHEN THEY ARE ALL CHARGED IN THE INDICTMENT  
22 AND THERE IS EVIDENCE TO SUPPORT ANY ONE OF THOSE THREE.

23 THE COURT: THE DEFENDANT IS GOING BY WHAT COUNSEL  
24 SAID AND THAT'S THE SAME THING I HEARD GOVERNMENT COUNSEL TO  
25 SAY, WHICH WAS SUPPOSEDLY THAT WAS THE SIMPLE APPROACH TO