

Representation of a Client

TO: Edgar N. Brown, Chief
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FROM: Douglas A. Horn
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1. **Name of Attorney Witness:** Oscar Stilley
2. **District:** ND/OK
3. **Nature of Subpoena:** Grand Jury
4. **Name of Case or Investigation:** Lindsey Springer
5. **Nature of Case:** Criminal
6. **A. Name of Clients:**

Eddy and Judith Patterson, Phillip Roberts, James Lake, Arthur Hawkins, Andrew and Karen Ouwenga, Salvatore Pizzino, Ernie Swisher, Russell Young, Michael Burt, Patrick Turner

B. Status of Clients:

- (X) Defendants in Criminal Cases
- () Defendants in Civil Cases
- (X) Subjects
- (X) Targets of Grand Jury Investigations
- (X) Other

(Note: Specific information on each client is detailed below.)

7. **Relationship of attorney witness to subjects or defendants or targets (specifically indicate whether the witness currently represents any defendants or subjects in the matter in which the subpoena is to be issued):**

Eddy and Judith Patterson

Oscar Stilley represented Eddy and Judith Patterson in their criminal cases, USA v. Eddy Patterson and USA v. Judith Patterson (05-CR-55-E), in the Northern District of Oklahoma. The Pattersons were convicted of tax and conspiracy charges. Eddy Patterson was also

convicted of charges including securities fraud and false statements. After Eddy Patterson's conviction, he secured new counsel and has participated in post-conviction Rule 11 meetings with the U.S. Attorney's Office for the Northern District of Oklahoma. Oscar Stilley no longer represents the Pattersons. Eddy and Judith Patterson, in the presence of their new attorneys, each waived any attorney client privilege between themselves and Oscar Stilley.

Phillip Roberts

Oscar Stilley represented Roberts in his criminal case in Arkansas. Roberts was convicted on tax charges. It is unknown whether Stilley continues to represent Roberts.

James Lake

Oscar Stilley represented Lake in his criminal case in Georgia. Lake fired Oscar Stilley during his trial. Lake then pleaded guilty to tax charges. Oscar Stilley no longer represents Lake.

Arthur Hawkins

Hawkins was convicted of wire fraud in the Southern District of Illinois. After the conviction, Hawkins fired his attorneys and hired Oscar Stilley to represent him during his sentencing hearing. It is unknown whether Stilley continues to represent Hawkins.

Andrew Ouwenga

Oscar Stilley initially represented Andrew and Karen Ouwenga in their criminal case in the Western District of Michigan. Stilley did not represent the Ouwengas during trial because the court would not allow him to be licensed in its district. The Ouwengas were convicted of tax charges. It is unknown whether Stilley continues to represent the Ouwengas.

Salvatore Pizzino

Oscar Stilley is currently representing Pizzino, who is under investigation by the IRS in Boston, Massachusetts for tax charges.

Ernie Swisher

Oscar Stilley represented Swisher in his criminal case in Arkansas. Swisher was convicted of tax charges. It is unknown if Stilley continues to represent Swisher.

Russell Young

Evidence discovered during the investigation of Lindsey Springer indicates that Russell Young was represented by Oscar Stilley as of August 2004. It is unknown if Stilley continues to represent Young.

Michael Burt

Evidence discovered during the investigation of Lindsey Springer indicates that Michael Burt was represented by Oscar Stilley as of June 2004. Burt is under investigation by the IRS for tax charges. It is unknown if Stilley continues to represent Burt.

Patrick Turner is under investigation by the IRS for tax charges. Evidence discovered during the investigation of Lindsey Springer indicates that Turner paid Oscar Stilley \$250,000 on behalf of Lindsey Springer. It is unknown whether Turner is represented by Oscar Stilley.

8. Information sought by the subpoena (if subpoena calls for testimony, indicate the nature of the anticipated testimony):

Any and all client billing records, contracts, description of services, fee schedules, and estimates for services referencing the name Lindsey Springer;

Any and all client billing records, contracts, description of services, fee schedules, and estimates for services related to any work performed for any client where Lindsey Springer helped, assisted, consulted, or provided advice;

Documentation of any money paid, given, transferred, or provided to Lindsey Springer for any purpose;

Any and all correspondence with Lindsey Springer related to the above items;

9. Summary of case or proceeding (include a citation to the charges pending or under investigation in a criminal case):

In 2003, the United States Attorney's Office for the Northern District of Oklahoma prosecuted Eddy and Judith Patterson for a variety of federal income tax offenses (Case Number 03-CR-055-EA). The Pattersons were represented by Oscar Stilley, an attorney from Ft. Smith, Arkansas, who specializes in representing people with "tax protester" beliefs. The Pattersons were subsequently convicted, and prior to sentencing, retained new counsel. During a post-conviction Rule 11 meeting with the Pattersons and their new counsel, information was provided that Oscar Stilley and his associate, Lindsey Springer, who is not an attorney, were paid over \$400,000 in legal fees from the Pattersons from 2000 to 2003. The Pattersons also stated that Stilley and Springer told them that they did not file federal income tax returns.

Pursuant to a grand jury subpoena, bank records of Stilley's client trust account were obtained. The records confirmed that Stilley received over \$400,000 from the Pattersons, and that a significant portion of these proceeds were transferred to Lindsey Springer. Internal Revenue Service records showed that Stilley and Springer have not filed federal income tax returns for the last five years. This information provided enough evidence to open a grand jury investigation of Lindsey Springer for violations of Title 26 U.S.C. § 7201 (tax evasion) and Title 26 U.S.C. § 7203 (failure to file).

Evidence from the investigation shows that Springer, who is a convicted felon and who is not an attorney, assists subjects from all over the nation with legal matters arising from their criminal investigations. Most of the subjects Springer assists are under investigation for tax violations. Evidence shows that Springer has been paid over \$700,000 from individuals he has assisted from 2000 to 2005. Since Springer is not an attorney, he utilizes the help of

Oscar Stilley has worked with Springer on the cases of the individuals mentioned above, and evidence shows that he has been paid over \$800,000 from these individuals. The defenses advanced by Stilley and Springer in these cases are traditionally considered "tax protester" arguments.

Evidence also indicates that Stilley has received payments from individuals on behalf of Springer because Springer does not utilize a bank account. Stilley uses his client trust account to deposit funds for Springer, and transfers these funds to Springer using different means.

10. Relevancy of the information sought to the case or proceeding:

Springer has a history of promoting anti-tax views and beliefs. Springer does not keep records of payments received or work performed for the individuals he assists. He does not utilize a bank account, and he conducts most of his financial transactions with cash, money orders, or cashier's checks. The individuals Springer assists possess the same anti-tax views and beliefs, and it is expected that they will be uncooperative with law enforcement. Records from Oscar Stilley's office are imperative to establish the services that Lindsey Springer performed for these individuals in exchange for payment. Records from Oscar Stilley's office are also anticipated to provide leads to other individuals who have paid Springer for legal services. This information is essential in proving that Springer evaded his income taxes.

11. Factual statement of the need for the information to the successful completion of the case or proceeding:

Because Oscar Stilley provides funds to Lindsey Springer from his trust fund account, it is anticipated that Stilley will have billing records that show the services Lindsey Springer performed for their clients.

12. Are there alternative sources for the information?

☒ Yes ☐ No

13. If there are alternative sources for the information, have attempts been made to obtain information from them?

☒ Yes, but with no success.

On September 16, 2005, a search warrant was executed at Lindsey Springer's residence to obtain billing records for individuals whom Springer provided legal services for payment. Hardly any billing records were discovered. Springer does not maintain any books or records referencing services performed or payments received.

☐ Yes, with success. Explain below why the subpoena is necessary.

☐ No. Explain below why the alternative sources have not been pursued.

A. Has the witness been asked to supply the requested information voluntarily?

☐ Yes ☒ No

Explain: Oscar Stilley has not been contacted since he is a target of the investigation.

B. Will the witness be disqualified from representation of the client as a result of the subpoena being issued and enforced?

☐ Yes ☒ No

Explain: The subpoena requests non-privileged information only including billing records, fee schedules, contracts, and descriptions of services.

C. Is witness a target or subject of any investigation or is there a basis to believe that witness will become one?

☒ Yes ☐ No

Explain: The investigation has revealed that Oscar Stilley has not filed federal income tax returns for the last five years.

15. Basis for belief that information is not privileged:

This office is requesting permission to subpoena records relating to billing matters, which are not privileged. See: *In Re Grand Jury Subpoena*, 906 F.2d 1485 (10th Cir. 1990); *Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999).

16. ATTACH COPY OF SUBPOENA.

17. Date by which subpoena authorization is needed: January 9, 2006


Signature of Requestor

12/15/05


Signature of United States Attorney