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Action star Wesley Snipes was found not guilty of federal tax-fraud and conspirac...

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Actor also not guilty of conspiracy but convicted for failing to file returns

AP Associated Press

updated 2/1/2008 4:56:11 PM ET

**OCALA, Fla.** — Action star Wesley Snipes was found not guilty of federal tax-fraud and conspiracy charges Friday, but was convicted on three misdemeanor counts of failing to file a tax return.

Snipes had faced up to 16 years in prison if convicted on all charges, but can now only get up to three years. The "Blade" star and two co-defendants had been indicted in 2006 after Snipes stopped paying, using tax protest arguments long rejected by the courts.

Snipes sat emotionless as his verdict was read, then nodded in relief. He refused to talk with reporters after the verdict, and is still liable for millions in taxes likely to be pursued in civil court.

"Mr. Snipes has always been committed to doing the right thing, and after this trial is over he'll make whatever amends are required," defense attorney Robert Bernhoft said. "But this is a man of integrity."

Snipes' lawyers argued that he was a victim of crooked advisers, and the jury seemed to believe it. Co-defendants Eddie Ray Kahn, the founder of a tax protest group, and Douglas P. Rosile, an accountant who lost his licenses, were convicted Friday by the same panel of tax fraud and conspiracy. Both face up to 10 years in prison.

The government said Snipes failed to file tax returns from 1999 to 2004, a period in which he signed two contracts for more than \$10 million on sequels in the "Blade" trilogy.

The actor, who also appeared in "White Men Can't Jump," is among the most famous targets of an IRS criminal investigation, and his prosecution was key for the government.

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Snipes used bizarre arguments to justify his position, saying the IRS' own code meant income earned in this country wasn't taxable, and the agency had no legal authority because it's not a proper government entity.

Later, the actor threatened the government and individual agents in his pursuit, declaring himself a "nonresident alien" not subject to tax laws.

Prosecutors say Snipes paid taxes in the 1990s, but changed his mind after meeting Kahn in 2000. He allegedly stopped filing returns, illegally sought \$11 million in 1996 and 1997 taxes paid and drew fake checks to pay the U.S. Treasury.

Kahn founded the central Florida tax protest group American Rights Litigators and its successor, Guiding Light of God Ministries. He has been using tax scams since at least the early 1980s, according to government documents, and refused to defend himself in court against these charges.

Rosile, a CPA who lost his licenses in Florida and Ohio, allegedly prepared the fraudulent documents for Snipes, along with numerous other Kahn clients.

Judge and jury have long rejected their ideas, but there were exceptions.

The IRS bears a unique burden of proof in criminal tax cases. It must show not only that someone broke the law, but he or she did so with willful, bad purpose to defraud the government.

A few defendants have won acquittal because the jury thought they sincerely believed they did not have to pay.

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