



# Department of Justice

United States Attorney Billy J. Williams  
District of Oregon

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## **CORVALLIS ATTORNEY PLEADS GUILTY TO TAX EVASION AND MONEY LAUNDERING**

PORTLAND, Ore. – Pamela S. Hediger, 55, of Corvallis, Oregon, pleaded guilty today to one count each of attempting to evade or defeat taxes and engaging in monetary transactions with property derived from specified unlawful activity.

“Pamela Hediger used her position of trust to steal large sums of money from her business associates, clients and investors. Her lavish lifestyle and spending reflected her complete disregard for the interests of those she stole from,” said Billy J. Williams, U.S. Attorney for the District of Oregon. “Not only did Hediger steal from those she knew, she stole from the U.S. Treasury and her fellow citizens by shamelessly evading her tax obligations.”

“No matter what the source of income, including embezzlement, all income is taxable,” said IRS-Criminal Investigation (IRS-CI) Acting Special Agent in Charge Troy Burrus. “Pamela Hediger’s failure to file income tax returns and evading her tax liability is not a victimless crime since all Americans pay when others swindle the government.”

According to court documents, between 2010 and 2017, Hediger was an attorney, president, and managing shareholder of a law firm in Corvallis. Hediger focused on personal injury cases and independently managed her own client relationships. During her association with the firm, Hediger systematically embezzled funds from the firm’s client trust and business operating accounts, both of which she had signing authority over. The embezzled funds came from insurance proceeds payable to Hediger’s clients.

During 2011, 2012, and 2014, Hediger also knowingly devised a material scheme to defraud two investors in shopping center projects in Seaside, Oregon and Astoria, Oregon. Hediger falsely promised high rates of return and short terms in exchange for their investments. Rather than invest the money as promised, Hediger converted the investment funds to her own use in order to support her lavish lifestyle.

Hediger used the stolen funds for a variety of purposes, including: to pay her mortgage, to fund construction and landscaping projects at her home, to repay individuals who had loaned her money to purchase her share of the law firm and to fund lavish vacations, a timeshare, plastic surgery, automobile expenses and a Hawaiian band for a party. Stolen funds were even used to

pay credit card accounts Hediger had opened in the names of relatives and an unsuspecting associate.

To conceal her schemes, Hediger falsified the law firm's accounting records by mischaracterizing the identity of payees and the purpose of payments, submitted false documentation to support the expenditures and lied to firm employees when questioned about expenditures.

Hediger failed to file income tax returns on nearly \$2.2 million between 2011 and 2017, evading more than \$471,000 in taxes due.

Hediger faces a maximum sentence of 15 years in prison, a \$500,000 fine and three years of supervised release. She will be sentenced on January 10, 2019 before U.S. District Court Judge Anna J. Brown.

This case was investigated by IRS-CI. It is being prosecuted by Claire M. Fay, Assistant U.S. Attorney for the District of Oregon.

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