

# With the Individual Income Tax Filing Deadline Approaching, Justice Department Warns Willful Violations of Tax Laws Are Criminal

## Series of Prosecutions Highlight Tax Division's Criminal Enforcement

With the annual tax return filing deadline almost upon us, the vast majority of taxpayers are complying with their legal obligation to file accurate returns and pay the taxes that they owe. However, there are taxpayers who attempt to evade paying their fair share of taxes, file false returns, fail to file returns or seek to obstruct the Internal Revenue Service (IRS)'s efforts to assess or collect monies that are due. The Justice Department's Tax Division warns taxpayers who attempt to violate the federal tax laws that they face prosecution, jail, restitution and significant monetary penalties.

"Most Americans follow the tax law and rightfully expect that each of their fellow citizens will do the same," said Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division. "Yet every year some taxpayers try to take a different path – they hide money offshore, declare only a small portion of their income, make up bogus deductions and lie to the IRS if they are caught. With this year's filing deadline approaching, these taxpayers should stop, reverse course and simply pay what they owe. As the Justice Department's recent criminal prosecutions make clear, the consequences for willful violations are severe: jail time and substantial monetary penalties."

"The majority of Americans file their taxes without issue and they would tell you that they want strong enforcement of the tax laws to ensure that we are all paying our fair share," said Chief Richard Weber of IRS Criminal Investigation. "For those thinking about intentionally evading the tax laws – IRS-CI has the finest financial investigators and are trained to follow the money trail wherever it may lead."

Over the past year, the Tax Division and the U.S. Attorney's Offices have worked closely with the IRS and other law enforcement partners to enforce the nation's tax laws fully, fairly and consistently through criminal investigations and prosecutions across the country, as evidenced by the sampling of recent convictions listed below. These enforcement efforts continue year-round.

### Recent Tax Evasion and Filing False Tax Returns Prosecutions:

- In March, Denver Nichols, a Labadie, Missouri roofing contractor, [pleaded guilty](#) to filing false 2007 and 2008 income tax returns. Nichols operated his roofing business under the name Eagle Roofing Co. He late filed false 2007 and 2008 returns that underreported his business's gross receipts by approximately \$959,500 and \$794,680.
- In March, Stephen Leib, a Philadelphia, Pennsylvania tech business owner, [pleaded guilty](#) to tax evasion. Leib owned New Wave Logistics Inc. He evaded more than \$800,000 in taxes by cashing a significant amount of his business's gross receipts at a check cashing facility, lying to his accountant about the total amount of income he earned and filing false tax returns.
- In March, Jeffrey Nowak, a Las Vegas, Nevada liquor storeowner, was [sentenced](#) to serve 41 months in prison for tax evasion and conspiring to defraud the United States. Nowak conspired with Ramzi Suliman, with whom he jointly owned and operated liquor stores in Las Vegas.

Nowak and Suliman skimmed cash receipts and provided their accountant with a phony set of books that omitted nearly \$4 million in cash receipts.

- In February, Jose Echeverria, a Chelan Falls, Washington businessman, [pleaded guilty](#) to filing a false individual income tax return. Echeverria owned and operated a produce sales business. He underreported his income by approximately \$564,292.
- In December 2016, James and Mardeen Perin, former owners of Sully's Pub in West Des Moines, Iowa, [pleaded guilty](#) to aiding and assisting in filing a false tax return. The Perins filed a false 2013 tax return that did not report cash that they earned through their business.