

CASE NAME & DETAILS	PHOTOS
<p>OLYMPIA CASE</p> <p>In a Joint Investigation with the IRS and the US Postal Service OIG, the Colorado Department of Revenue Criminal Investigation Section started a case in November of 2005 with a focus on the tax preparing companies Olympia Financial and Tax Services, Inc., MLM Financial, LJ Financial, GP Financial & Tax Services, and Second Option Tax Services. (All charged under "Olympia")</p> <p>The tax fraud scam that Olympia was running consisted of telling potential clients they could take a "second look" at their taxes. Olympia would then inform the client that they could get a much higher tax refund by filing an amended return because a few deductions and credits were "missed" by the tax payer or original preparer. What Olympia was actually doing was fraudulently filing returns for these clients with bogus additional deductions or credits with 50% of the clients refund going to Olympia for their fee.</p> <p>Eight individuals were indicted by a grand jury in Denver, combined the defendants totaled a loss of \$2 million dollars to the IRS and State of Colorado. In addition, 400 amended returns were filed with the Colorado Department of Revenue for tax years 2001 thru 2004 in excess of \$300,000. Each agency reported that some of these refunds were indeed paid out.</p> <p>The individuals involved in the tax scam were Catherine Senninger, Manikhone "Mani" Saignaphone, Manivone Saignaphone, Jessica Arambula, Louann Savala, Annalisa Whittaker, and Jeff Harris. Harris was sentenced to 108 months in Federal Prison and was ordered to pay \$351,920 in restitution, Whittaker was sentenced to 5 years in Federal Prison and was ordered to pay \$52,868.65 in restitution, and Savala was sentenced to 30 months in Federal Prison and was ordered to pay \$224,287.65 in restitution, Manivone Saignaphone was sentenced to 8 months in Federal Prison and ordered to pay \$52,000 in restitution, and Senninger was sentenced to 36 months in Federal Prison and ordered to pay \$128,000 in restitution.</p>	
<p>WILSON CASE</p> <p>In 2001 Rickie Wilson failed to file tax returns and pay taxes due to the State of Colorado going back several years, Mr. Wilson was convicted in 2001 and again in March of 2008 for failure to file and pay income taxes.</p> <p>In March of 2008, Mr. Wilson was sentenced to 12 years of prison and ordered to pay \$12,539 in restitution to the State of Colorado. Mr. Wilson was already on probation for the 2001 conviction when the 2008 charges were brought. Tax evasion is a class 5 felony.</p>	

HARVEY CASE

On August 17, 2010, Thomas Everett Harvey, DDS, plead guilty to one count of tax evasion, a class 5 felony. The defendant, who is a dentist in the Ft. Collins, CO area, used fictitious monetary instruments to pay for Colorado wage withholdings he had withheld from his employees paychecks and willfully failed to remit the monies. As part of the plea agreement, Harvey was given a 3 year deferred sentence, required to complete 100 hours of community service and pay \$8,350.00 in restitution. This case was successfully prosecuted by the Larimer County District Attorney's Office.



DORMAN CASE

On July 20, 2009, Terry Dorman aka Paul Donnally, plead guilty to Theft, a class 3 Felony, Identity Theft, a class 4 Felony, Securities Fraud, a class 3 Felony and Tax Evasion, a class 5 Felony. The defendant was sentenced on August 18, 2009 to ten years in the Colorado Department of Corrections and order to pay \$150,000.00 in restitution.

The defendant attempted to open a chain of restaurants/bakeries called Terry's Simply Fresh Gourmet. The defendant had little money of his own and obtained credit cards and leased equipment in other individuals names. The defendant solicited investors and obtained investors money stating he was both a certified public accountant and tax attorney, which were untrue.

The defendant prepared tax returns for investors obtain large fraudulent tax refunds based upon false deductions and business interest. The case was successfully prosecuted by the Colorado Attorney Generals Office.



NARGI CASE

On October 16, 2009, Michael Nargi, a Durango area home builder, pleads guilty to one count of Tax Evasion, a class 5 felony. The defendant was given a 4 year deferred sentence and was ordered to pay \$79,843.40 in restitution. The defendant owned and operated M-Tech Contracting, a Durango area custom home builder.

The defendant collected wage withholdings from his employees between 2005 and 2007 and never remitted the monies to the Colorado Department of Revenue. The defendant had previously closed his wage withholding account with the Colorado Department of Revenue and told the Compliance section that he was no longer going to have employees or withhold Colorado wage withholdings, which was contrary to his actions after he closed his account. The defendant was arrested in Florida, where he had moved to shortly after the investigation began.



DEAL/MANNING CASE

From the fall of 2004 through the spring of 2005 Kelly Lyn Manning deceptively told likely investors, banks, and business partners that she was the recipient of a multi-million dollar trust that would distribute \$313,600 per month to her various businesses. She also created a fictional person "Aspen Dave" who presented themselves through emails as being the family attorney. In addition to pleading guilty to these 5 Felony count of forgery Ms. Manning had several other convictions on her record, on in 2008 where she was found guilty of tax evasion and theft related to the car washes she owned (Case# 2008CR1906), and was also the defendant in a civil suit in 2005 where she was found liable for over \$200,000 in damages for conducted related to the charges prosecuted in a Boulder case (Case #2009CR1422 and Case #2005CV3923).



CAWTHRA CASE

From August 1, 2005 – July 25, 2007 Michelle Lynn Cawthra, Hysear Don Randall, and Trudy Randall were involved in an operation to unlawfully and knowingly defraud the CDOR and the Colorado taxpayers of more than \$11 million dollars. Cawthra was a Tax Supervisor employed within the CDOR during this time, Randall was an ex-boyfriend of Cawthra's and still married to Trudy Randall.

These activities violated current Colorado Organized Crime Control Act (COCCA), and a plethora of Colorado Revised Statutes. Charges brought totaled 97 felony counts which varied from Violation of the COCCA, Conspiracy to Commit Computer Crime, Conspiracy to Commit Theft, Conspiracy to Commit Forgery, Criminal Attempt to Commit Theft, Conspiracy to Commit Theft by Receiving, and Embezzlement of Public Property.

From the inception of this scam, the parties involved created a large amount of fictitious entities to which Cawthra could create refunds for, or pull unclaimed taxpayer refunds and confer them to one of the many fake businesses that were under Hysear Randall or Trudy Randall or both. These monies were then used for personal purchases amongst those were a '61 Impala, which was recently recovered by the CDOR Criminal Investigation Section, business ventures, land deals, delinquent child support, and diamond jewelry.

Cawthra was able to complete several of these transactions by using social engineering to gain her termed employees ID's and passwords, but also by her position as a supervisor she was able to see transactions from the beginning to the end, without approval from supervisors besides herself.

Cawthra was sentenced to 24 years in prison and, Hysear Randall was sentenced to 58 years in prison and ordered to pay \$11,862,398.39 in restitution.



CIGARETTE STAMP CASE

In July 2009, the CDOR Criminal Tax Enforcement charged Michael Aberle to a felony Tax Evasion charged that carried a \$125,000 restitution debt owed to the Colorado Department of Revenue.

The case was focused around a cigarette stamp scheme that Aberle had profited and gained a market edge on his competitors. This scheme occurred after the tax price of cigarettes went from 20 cents per pack to 84 cents per pack. Each individual pack has a tax stamp affixed to it, which indicates a certain tax charge. Mr. Aberle had purchased a large amount of stamps at the old, lower Colorado tax rate and instead of purchasing more stamps at the new rate; Mr. Aberle knowingly resold these stamped cigarettes to other Colorado vendors as returned merchandise.

Stuart Zion of the CDOR Excise Tax Section referred the case to Criminal, as well as provided essential technical support during the case.



GIN RUMMY CLUB CASE

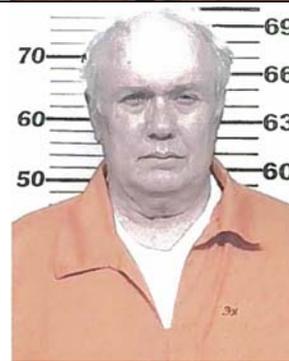
Five individuals were recently charged in connection with a gambling and loan-sharking operation in Denver. The Gin Rummy Club catered to various clientele including recognized sports and media characters. Jeffery Castardi, 48 who was the main conspirator and owner of The Gin Rummy Club faces up to 24years in jail. Castardi was in violation of a multitude of COCCA rules (Colorado Organized Crime Control Act). The remaining charged parties included Castardi's wife, Dawn Wolf, 34, Daniel Rieke, 29, Laura Jean Fouty, 30, and James Elterman, 57.



ZANT CASE

In January of 2009, Joseph Zant was charged with 6 felony theft charges, 4 felony tax evasion charges and bail was set at \$5 million dollars. The defendant was currently in prison for a previously charged crime in 2008 of check fraud and theft for fleecing in excess of \$1 million dollars from six different people during the years 2003 thru 2006 when the new charges were filed.

The new charges accused the defendant of defrauding former landlords of his from New York after moving to Colorado in 2001. The defendant claimed that his wife was mentally ill and that he needed the money to let her start up her own business so she could keep herself busy, then the defendant claimed he had cancer and needed the money for expensive treatments administered in England. The defendant has been charged with 6 felony theft counts, and 4 felony tax evasion counts. When brought to trail in November 2010, Zant was sentenced to 7 years in the Department of Corrections, along with probation of 5 years, and ordered to pay restitution of more than \$7 million.



WINDFALL CASE

In a Joint Investigation with the IRS, the Colorado Department of Revenue Criminal Investigation Section filed a case with the U.S. District Court charging Loren Smith, age 64 and Curtis Duff, age 46 both owners of Windfall Tax and Financial Services, with tax fraud and the filing of fraudulent returns.

Duff and Smith were found to have filed over 400 amended returns with the IRS and over 300 amended returns with the Colorado Department of Revenue with a total in excess of \$660,000 for the tax years 2002 thru 2004. The scam was to file amended returns for clients that contained falsified information, after which they would charge a 40% to 50% fee for their services to be subtracted from the Federal and State refunds.

In several cases a tax payer would question a certain deduction or credit claimed in the false returns but Duff, a co-conspirator, and/or Smith would explain why the credit or deduction was legitimate according to IRS rules and regulations. March 2009 both defendants pleaded guilty to 1 count of mail fraud, and 2 counts of aiding and abetting in the preparation and filing false tax returns. Duff was sentenced to 23 months in jail, Smith was sentenced to 24 months in jail, after which both defendants were ordered to complete 3 years of supervised probation and were also ordered to pay restitution in excess of \$500,000.



SMITH CASE

On January 28th, 2009 Denise Smith, a 51-year old Arvada woman pled guilty to 6 felony counts. Smith was indicted for posting as a CPA and filing fraudulent tax returns for unsuspecting clients.

Smith worked out of her home and provided her fraudulent services to firefighters and emergency services personnel. Smith would create non-existent deductions which would allow the clients to receive higher refunds.

On April 9th, 2009 Smith was sentenced to 16 years in the Department of Corrections and ordered to pay \$22,738.00 in restitution to the State of Colorado.



TENNANT CASE

Zoe Johnston, mother of Matthew Tennant, worked as a security guard at Seagate Technologies in Longmont, CO. She stole boxes of Seagate hard drives while working as a security guard and took them home to her son, Matthew Tennant. Matthew sold the hard drives on Ebay to various buyers resulting in over \$300,000.00 in "ill-gotten" gains during 2006 and 2007. Tennant was charged and convicted of theft and tax evasion. Johnston was charged and convicted of theft.



THOMAS CASE

Jack Thomas, a commercial airline pilot was convicted of 4 felonies by a Denver jury regarding tax evasion, fraud by check, forgery of checks, and filing a false tax return. The investigation on Thomas stemmed from various tax complaints, and documents sent to the Department of Revenue by Thomas claiming that he was not a 'citizen' of the State of Colorado, and that he did not earn any 'wages' as defined by the government.

Thomas failed to appear before the Denver court on December 10th, 2010 for his sentencing, since he did not appear there was a warrant issued for his arrest and he was taken into the Denver County Jail. On January 14th, 2011 Thomas was sentenced to 3 years in the Department of Corrections, which was suspended pending the successful completion of the remaining 45 days in jail and probation.

Thomas had evaded his state tax responsibilities between April 2004 through April 2008 which included a failure to pay more than \$60,000 in taxes, penalties, and interest.



BERKOWITZ CASE

In 2009, Mavin Berkowitz and 10 others were indicted and arrested for being involved in a national and multiple state tax fraud schemes. Berkowitz headed up the fraud ring that used deceased and incarcerated persons Social Security Numbers to file tax returns. The fraud ring received at least \$5.4 million in tax refunds, but had submitted returns requesting \$54 million in tax refunds.

Berkowitz faces a possible 25 year Federal Prison sentence, with an additional \$500,000 fine, or a fine which totals twice the gain or loss, whichever number is greater. In addition to the possible sentencing, Berkowitz will face restitution to the Federal Government, and each state revenue department that was victimized in the scheme.

