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Three Former Quincy Residents Sentenced in Tax and Insurance Fraud Scheme

Largest Under-the-Table Payroll Scheme Prosecuted in Massachusetts

Boston, MA... Three former Quincy residents were sentenced today for having lied to the IRS and their workers compensation insurers about the hundreds of temporary employees to whom the defendants paid approximately \$30 million in unreported cash payroll over a ten year period.

United States Attorney Michael J. Sullivan and Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation New England Field Division, Douglas A. Bricker, Special Agent in Charge of the Internal Revenue Service's Criminal Investigation Division, Joanne Yarbrough, Acting Inspector in Charge of the United States Postal Inspection Service and Anthony DiPaolo, Chief of Investigations, Insurance Fraud Bureau of Massachusetts, announced today that TINA LE, age 50, along with her boyfriend STEVEN NGUYEN, age 48, and her daughter MERCEDES ACAR, age 32, all formerly of 301 Adams Street, Quincy, Massachusetts, received the following sentences: TINA LE - 97 months incarceration, STEVEN NGUYEN - 87 months incarceration, and MERCEDES ACAR - 70 months.

The defendants, all first time offenders, pleaded guilty on the eve of trial in May 2007 to charges that they conspired to defraud the Internal Revenue Service and to commit mail fraud, and with filing false tax returns. As part of their sentences, the defendants will forfeit to the government their home in Quincy, an office building in Dorchester, a warehouse in Brockton, as well as bank accounts, luxury automobiles and expensive jewelry.

The charges were based on nearly ten years of fraudulent conduct. From December 1995 through the end of 2004, the defendants owned and operated a temporary employment agency that employed hundreds of workers who performed manual labor at factories and warehouses in the Boston area and Western and Southeastern Massachusetts. Under the terms of the agreements with these businesses, the defendants were responsible for filing taxes on behalf of the employees and paying for workers compensation insurance. The defendants would pay most of the employees in cash and not report the cash payments, as required by law, to the Internal Revenue Service. In so doing, the defendants failed to pay payroll, or "FICA" taxes, and to withhold taxes from their employees' pay. Over the course of the conspiracy, the unreported cash payroll totaled approximately \$30 million. The defendants obtained most of the cash from a Worcester check casher.

The defendants also defrauded their workers compensation insurers. Like other employers, the defendants were legally required to pay for their employees' workers' compensation insurance. The insurance premiums were based in part on the size of the defendants' payroll. The defendants fraudulently reduced their insurance premiums by concealing their cash payroll from the insurers.

The defendants concealed their activities through the use of shell corporations. Over the course of the conspiracy, the defendants would claim to have shut down the company in whose name they operated, and would re-incorporate under another name so as to avoid scrutiny by either the IRS or insurance auditors. The names of the shell corporations were First State Labor, Wonder Fast,