



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
May 1, 2009**

**CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, YUSILL SCRIBNER,
REBEKAH CARMICHAEL, JANICE OH
PUBLIC INFORMATION OFFICE
(914) 993-1900, (212) 637-2600**

**IRS
JOE FOY
PUBLIC INFORMATION OFFICE
(212) 436-1032**

**WESTCHESTER MERCHANT SENTENCED TO 41 MONTHS IN PRISON
ON TAX CHARGES**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that YEHEZKEL ELIA was sentenced yesterday by federal court Judge KENNETH M. KARAS to 41 months in prison on tax fraud charges. In July of 2008, following a jury trial, ELIA was convicted of conspiracy, tax evasion, and related crimes arising from his diversion of cash from his retail stores, SneakerMania, Inc., PizzaMania Inc. and Final Touch Jewelry, Inc. (collectively referred to as the "ELIA CORPORATIONS"), located in the Cross County Shopping Center in Yonkers, and in White Plains. At trial, ELIA's brother, David Elyaho, was convicted of tax evasion with regard to his individual tax returns and was sentenced on January 7, 2009, to 15 months in prison.

According to the proof at trial:

ELIA siphoned millions of dollars of cash out of his businesses, daily traveling from store to store to collect cash receipts. To hide the cash, ELIA converted it into more than 12,000 money orders during a 4 ½ year period. ELIA also hid cash in investment accounts that he held in the names of others, in Israel and in various parcels of real property in Florida and New York. ELIA was assisted in hiding his assets by a businessman who deposited the cash into his own business account, through a series of small deposits, and then transferred the money to accounts that ELIA maintained in the names of others, to ELIA's corporate bank accounts, and abroad. One such transfer of \$250,000 to ELIA's business account was disguised as a "loan" from the businessman's corporation. ELIA was convicted of conspiracy, tax evasion and

subscribing to false corporate and individual tax returns.

David Elyaho managed Final Touch Jewelry, Inc., at the Cross County Shopping Center, and maintained a book where he kept track of the cash that he and ELIA siphoned from the business, while both claimed no or minimal income from the business on their respective tax returns. In addition, Elyaho claimed that he was entitled to an Earned Income Credit from the IRS, a credit that is paid to families living in poverty. At trial, Elyaho was convicted of tax evasion charges.

Mr. DASSIN thanked the Internal Revenue Service, Criminal Investigation and Examination Divisions, for their work in the case.

Assistant United States Attorneys CYNTHIA K. DUNNE and SEETHA RAMACHANDRAN are in charge of the prosecution.

09-125

#