



*Office of the United States Attorney  
District of Arizona*

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## **SCOTTSDALE BAR OWNER PLEADS GUILTY TO TAX EVASION**

PHOENIX - Brian C. Roehrich, 39, of Phoenix, pleaded guilty yesterday in front of U.S. Magistrate Judge Edward C. Voss to four counts of Federal Income Tax Evasion for 2003. According to the plea, Roehrich attempted to evade the income tax due while he was the president and sole owner of Joe's Apartment, Inc., a corporation doing business as Sugar Daddy's; the president and sole owner of Dos Gringos, Inc.; and the president and co-owner of The Trailer Park Restaurant, Inc., a corporation also known as Trailer Park and Dos Gringos-Tempe. Sentencing is set before U.S. District Judge Frederick J. Martone on March 2, 2009 at 3 p.m.

Roehrich admitted that he established procedures to maintain a separate accounting of cover charge revenue collected from the patrons of Sugar Daddy's and a portion of the revenue collected from the patrons of Dos Gringos and Trailer Park. The cover charge and other revenue was stored separately from the claimed corporate revenue and was diverted from the corporate structures for his personal benefit. Roehrich did not reveal the amount of cover charge and other revenue diverted from the corporate structures for his personal benefit to the accountant hired to prepare the corporate income tax returns and his individual income tax returns for tax years 2002 through 2005.

In the plea agreement, Roehrich admitted to the following: that the corporate income tax return filed by Joe's Apartment, Inc. for 2003 was fraudulent as it did not include \$403,588 in cover charge revenue diverted from the corporate structure to be used for Roehrich's personal benefit; that an additional corporate income tax of \$126,670 was owed to the U.S. for 2003 as the result of the unreported revenue; that the corporate income tax return filed by Dos Gringos, Inc. for 2003 was fraudulent as it did not include \$563,853 in other revenue diverted from the corporate structure to be used for Roehrich's personal benefit; that an additional corporate income tax of \$186,232 was owed to the U.S. for 2003 as the result of the unreported revenue; that the corporate income tax return filed by The Trailer Park Restaurant, Inc. for 2003 was fraudulent as it did not include \$205,734 in other revenue diverted from the corporate structure to be used for Roehrich's personal benefit and that of others; that an additional corporate income tax of \$58,119 was owed to the U.S. for the calendar year 2003 as the result of the unreported revenue; that the individual income tax return filed by Roehrich for 2003 was fraudulent as it did not include \$963,277 in cover charge and other revenue diverted from the corporate structures to be used for Roehrich's personal benefit; and that an additional individual income tax of \$154,606 was owed to the U.S. for the calendar year 2003 as the result of the diverted income.

Roehrich also agreed that the amount of cover charge revenue not reported on the corporate income tax returns filed by Joe's Apartment, Inc. was \$375,486 in 2002, \$403,588 in 2003, \$385,393 in 2004 and \$337,220 in 2005. The amount of additional corporate income tax owed from Joe's

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Apartment, Inc. as the result of the unreported revenue is \$92,207 for 2002, \$126,670 for 2003, \$136,929 for 2004 and \$118,803 for 2005. He admitted that the amount of other revenue not reported on the corporate income tax returns filed by Dos Gringos, Inc. was \$516,867 in 2002, \$563,853 in 2003, \$506,473 in 2004 and \$359,771 in 2005. The amount of additional corporate income tax owed from Dos Gringos, Inc. as the result of the unreported revenue is \$161,812 for 2002, \$186,232 for 2003, \$137,792 for 2004 and \$127,348 for 2005.

He admitted that the amount of other revenue not reported on the corporate income tax returns filed by The Trailer Park Restaurant, Inc. was \$86,733 in 2002, \$205,734 in 2003, \$137,230 in 2004 and \$157,168 in 2005. The amount of additional corporate income tax owed from The Trailer Park Restaurant, Inc. as the result of the unreported revenue is \$13,146 for 2002, \$58,119 for 2003, \$49,577 for 2004 and \$10,306 for 2005.

Finally, Roehrich admitted in the plea that the amount of diverted corporate revenue from Joe's Apartment, Inc., Dos Gringos, Inc. and The Trailer Park Restaurant, Inc. not reported as income on the individual income tax returns filed by Roehrich is \$823,142 in 2002, \$963,277 in 2003, \$864,434 in 2004 and \$669,585 in 2005. The amount of individual income tax owed as the result of the diverted corporate revenue from Joe's Apartment, Inc., Dos Gringos, Inc. and The Trailer Park Restaurant, Inc. is \$327,265 for 2002, \$154,606 for 2003, \$138,741 for 2004 and \$102,168 for 2005.

Each conviction for Tax Evasion carries a maximum penalty of five years in federal prison, a \$250,000 fine or both. In determining an actual sentence, Judge Martone will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

The investigation was conducted by Special Agents of the Internal Revenue Service, Criminal Investigation Division. The prosecution is being handled by Assistant U.S. Attorney Frank T. Galati.

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