



# United States Department of Justice

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FOR IMMEDIATE RELEASE  
APRIL 4, 2008  
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## **OWNER OF BRUGNARA CORPORATION CHARGED WITH FILING FALSE TAX RETURNS**

### *Failed To Report More Than \$45 Million In Capital Gains From Sale Of Real Property*

SAN FRANCISCO – United States Attorney Joseph P. Russoniello and Special Agent in Charge, IRS Criminal Investigation, Scott O'Briant announced that a federal grand jury in San Francisco indicted Luke D. Brugnara, of San Francisco, yesterday with filing false tax returns.

According to the indictment, Mr. Brugnara is the sole owner and shareholder of Brugnara Corporation and Brugnara Properties I, II, III, IV, V and VI (Brugnara Properties). The defendant formed Brugnara Corporation and Brugnara Properties for the purpose of managing commercial rental property. During the tax years 2000, 2001 and 2002, Mr. Brugnara sold four properties in San Francisco, California and one in Las Vegas, Nevada. For the tax years 2000, 2001 and 2002 he failed to report capital gains from the sale of properties that totaled approximately \$45,663,402

The maximum statutory penalty for each count of filing a false tax return in violation of Title 26 U.S.C. § 7206(1) is three years in prison and a fine of \$250,000, plus restitution, if applicable. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

An indictment contains only allegations against an individual and, as with all defendants, Mr. Brugnara must be presumed innocent unless and until proven guilty.

Thomas M. Newman is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kathy Tat. The prosecution is the result of an investigation by the lead IRS Criminal Investigation Special Agent Steve Martins.

### **Further Information:**

Case #: 3:08-CR-222-WHA

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Joshua Eaton at (415) 436-6958 or by email at [Josh.Eaton@usdoj.gov](mailto:Josh.Eaton@usdoj.gov).

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