



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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News Release No. 2003-02 January 24, 2003

TAX AND WELFARE FRAUD CRACKDOWN CONTINUES

Attorney General Mark J. Bennett announced today that:

On January 6, 2003, First Circuit Court Judge Karen S.S. Ahn denied a request by Honolulu resident Julie K. Clark-Loando, 38, to defer her guilty plea to one count of theft in the second degree. Judge Ahn accepted the guilty plea and sentenced Mrs. Clark-Loando to serve five years probation and to pay \$10,508.00 in restitution to the State of Hawaii. Judge Ahn ordered that Mrs. Clark-Loando pay ten percent of her monthly net income to the Department of Human Services until the restitution is paid in full. During 2000 and 2001, Clark-Loando fraudulently obtained \$10,508.00 in public assistance benefits by concealing from the government that her minor children were not living with her. Mrs. Clark-Loando was also ordered to obtain substance abuse treatment.

On January 6, 2003, Alaska residents Felise Fainuu, 33, and Julieta Fainuu, 32, formerly of Waipahu, voluntarily returned to the State of Hawaii at their own expense to answer an Oahu

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grand jury indictment charging them with one count of theft in the first degree, nine counts of filing fraudulent state income tax returns for calendar years 1997, 1998, 1999, 2000, and 2001, and eight counts of theft in the second degree for fraudulently obtaining tax refunds for those years. Mr. and Mrs. Fainuu are accused of fraudulently obtaining \$32,422.00 in financial assistance, \$29,652.00 in food stamp benefits, \$26,077.00 in medical benefits, \$29,196.00 in childcare benefits, \$11,282.00 in public housing grants and \$5,825.00 in Section 8 rent subsidies between 1995 and 2002. Mrs. Fainuu is also charged with filing fraudulent state income tax returns for 1997, 1998, 1999, 2000, and 2001. She is charged with four counts of theft in the second degree

for fraudulently obtaining state income tax refunds in the amounts of \$1,210.00 (1997), \$1,509.00 (1998), \$1,249.00 (1999), and \$1,122.00 (2000). Mr. Fainuu is charged with filing fraudulent state income tax returns for 1997, 1998, 2000, and 2001. He is also charged with four counts of theft in the second degree for fraudulently obtaining state income tax refunds in the amounts of \$1,215.00 (1997), \$1,403.00 (1998), \$1,554.00 (2000) and \$1,333.00 (2001). Mr. and Mrs. Fainuu pled not guilty. Trial is set for March 10, 2003.

On January 2, 2003, Department of Public Safety employees Louis Tapu, 45, and Sonia K. Tapu, 46, were arraigned on an Oahu grand jury indictment charging them with two counts of attempt to evade or defeat a tax, two counts of filing fraudulent state income tax returns and one count of theft in the second degree for fraudulently obtaining a state income tax refund in the amount of \$6,311.00 (2000). Mr. and Mrs. Tapu pled not guilty. Trial is set for March 3, 2003.

On December 30, 2002, Department of Public Safety employee Austin R. Keanu, 41, and his wife, Elizabeth A. Keanu, 39, were arraigned on an Oahu grand jury indictment charging them with two counts of attempt to evade or defeat a tax, two counts of filing fraudulent state income tax returns and two counts of theft in the second degree for fraudulently obtaining state income tax refunds in the amounts of \$1,360.00 (2000) and \$3,754.00 (2001). Mr. and Mrs. Keanu pled not guilty. Trial is set for March 3, 2003.

On December 26, 2002, Honolulu tax return preparer Richard J. Basuel, 61, was arraigned on an Oahu grand jury indictment charging him with eleven counts of attempt to evade or defeat a tax, eleven counts of aiding and abetting the filing of false and fraudulent state income tax returns, and one count of theft in the first degree for fraudulently obtaining more than \$20,000.00 in state income tax refunds. A plea of not guilty was entered for Mr. Basuel. Trial is set for February 24, 2003.

On December 23, 2002, Waimanalo resident James L.K. Faria, 29, was arraigned on an Oahu grand jury indictment charging him with two counts of attempt to evade or defeat a tax, two counts of filing fraudulent state income tax returns and two counts of theft in the second degree for fraudulently obtaining state income tax refunds in the amounts of \$2,716.00 (2000) and \$3,743.00 (2001). Mr. Faria pled not guilty. Trial is set for February 24, 2003.

On December 23, 2002, Honolulu resident Douglas Abarca, 60, was arraigned on an Oahu grand jury indictment charging him with two counts of attempt to evade or defeat a tax, two counts of filing fraudulent state income tax returns and two counts of theft in the second degree for fraudulently obtaining state income tax refunds in the amounts of \$5,386.00 (2000) and \$5,677.00 (2001). Mr. Abarca pled not guilty. Trial is set for February 24, 2003.

On December 23, 2002, Honolulu resident Andrew K. Tung, 27, was arraigned on an Oahu grand jury indictment charging him with two counts of attempt to evade or defeat a tax, two counts of filing fraudulent state income tax returns and two counts of theft in the second degree for fraudulently obtaining state income tax refunds in the amounts of \$1,957.00 (2000) and \$1,449.00 (2001). Mr. Tung pled not guilty. Trial is set for February 24, 2003.

On December 23, 2002, Hawaii Kai resident Dale M. Keama, 40, was arraigned on an Oahu grand jury indictment charging him with two counts of attempt to evade or defeat a tax, two counts of filing fraudulent state income tax returns, and two counts of theft in the second degree for fraudulently obtaining state income tax refunds in the amounts of \$2,711.00 (2000) and \$2,775.00 (2001). Mr. Keama pled not guilty. Trial is set for February 24, 2003.

On December 23, 2002, Kalihi resident Larry Howard, also known as Larry Sterio, also known as Anthony Monroe, also known as Tom Tennis, also known as Thomas Tennis, also known as Tom Cortez, also known as Jerry Don Cruz, also known as James E. Oxford, also known as Paul Cruz, 45, and Kalihi resident Linda Polo, also known as Sheri Ann Swaze, also known as Sally Benson, also known as Sally Miller, 37, were arraigned on an Oahu grand jury indictment charging them

with one count of theft in the first degree for fraudulently obtaining more than \$20,000.00 in public assistance benefits between March 1, 2000 and December 9, 2002. Howard and Polo pled not guilty. Trial is set for February 24, 2002.

On December 23, 2002, Moiliili residents Crystal L. Tennis, 22, and Gino Tennis, also known as Paul Gills, also known as Bobbie Sterio, also known as Robbie Sterio, 25, were arraigned on an Oahu grand jury indictment charging them with one count of theft in the first degree for fraudulently obtaining more than \$49,000.00, in public assistance benefits between March 1, 1999 and August 31, 2002. Crystal Tennis and Gino Tennis pled not guilty. Trial is set for February 24, 2003.

On December 23, 2002, Honolulu resident Darrell L. Tenette, 47, was arraigned on an Oahu grand jury indictment charging him with two counts of theft in the second degree and one count of identity theft in the second degree. Tenette is accused in count one of fraudulently obtaining public assistance benefits having a value exceeding \$300.00 between February 2, 2000 and January 31, 2001. Tenette is accused in count two of fraudulently obtaining public assistance benefits having a value exceeding \$300.00 between November 1, 2001 and October 31, 2002. Count three of the indictment charges that on December 17, 2002, Darrell Tenette used the personal information of another individual with the intent to commit theft in the second degree. Mr. Tenette pled not guilty. Trial is set for February 24, 2003.

An indictment is an accusation only. All defendants are presumed innocent until proven guilty at trial

Identity theft in the second degree is a new offense created by the Legislature in 2002. Identity theft in the second degree is punishable by up to ten years in jail and by a fine of up to \$25,000.00.

Theft in the first degree is punishable by up to ten years in jail and by a fine of up to \$25,000.00 or twice the value of the property stolen whichever is greater.

Theft in the second degree is punishable by up to five years in jail and by a fine of up to \$10,000.00 or twice the value of the property stolen whichever is greater.

Attempting to evade or defeat a tax is punishable by up to five years in jail and by a fine of up to \$100,000.00. A corporation can be fined up to \$500,000.00 for such activity.

Filing false or fraudulent state income tax returns or aiding another to file a false or fraudulent state income tax return is punishable by up to three years in jail and by a fine of up to \$100,000.00. A corporation can be fined up to \$500,000.00.

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Every year tips from the public concerning welfare fraud and tax offenses save the State of Hawaii millions of dollars. If you have information concerning possible welfare fraud, call the Welfare Fraud Hotline at (808) 587-8444. If you have information concerning possible tax crimes, call tax crime investigators at (808) 587-1795.
