



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

LINDA LINGLE
GOVERNOR

Mark J. Bennett, Attorney General
Phone: (808) 586-1282
Fax: (808) 586-1239

For Immediate Release: September 18, 2003 News Release No. 2003-39

CORRECTIONAL OFFICERS SENTENCED FOR TAX OFFENSES

HONOLULU-Attorney General Mark Bennett announced that on September 16, 2003, First Circuit Court Judge Sandra A. Simms granted a motion by Adult Corrections Officer Louis P. Tapu, 46, to defer his plea of no contest to one count of filing a false or fraudulent tax return for calendar year 2000, and placed him on probation. Mr. Tapu was also ordered to pay restitution to the State of Hawaii in the amount of \$3,312.00 and to make a special contribution to the State General fund in the amount of \$1,000.00. Judge Simms also granted a motion by retired Adult Corrections Officer Sonia Tapu, 46, to defer her plea of no contest to one count of a filing a false or fraudulent tax return for calendar year 2001, and placed her on probation with the special conditions that she pay restitution to the State of Hawaii in the amount of \$3,312.00 and make a special contribution to the State General Fund in the amount of \$500.00.

If Mr. and Mrs. Tapu comply with the terms and conditions of the deferral order, at the end of their probation, the charges will be dismissed and they will not have a permanent criminal record. Investigation by the State Department of Taxation revealed that Mr. and Mrs. Tapu filed fraudulent tax returns that were prepared by a tax return preparer working at RB Tax Service. The returns took the frivolous position that wages are not taxable by the state or federal government. Even though Mr. and Mrs. Tapu were advised by the IRS that their position was frivolous, they continued going to RB Tax Service and filed false state income tax returns representing that they were entitled to a refund of all of their withholding taxes for calendar years 2000 and 2001.

Filing a false or fraudulent state income tax return is punishable by up to three years in prison and by a fine of up to \$100,000.00. While the State of Hawaii has in the past and will continue to prosecute tax return preparers who advise their clients to file false and fraudulent returns, taxpayers who blindly follow those recommendations are also subject to criminal prosecution for tax returns that are ultimately their personal responsibility.

If the tax return preparer tells you that wages are not taxable, head for the exit and report the tax return preparer to a criminal investigator. If the tax return preparer tells you that she only charges a percentage of your tax refund as her fee, be suspicious. The tax return preparer has a financial incentive to encourage you to file a false or fraudulent return.

If a tax return preparer informs you that what is incredible must be true because tax officials would not send out a refund if it was not true, run for the exit. Every state tax refund check is stamped on its face that the return is still subject to an audit. Typically, complete audits cannot be conducted in the short time frame between the filing of a return and the issuance of a tax refund.

If a paid tax return preparer refuses to sign a return that he prepared, call criminal investigators immediately.

Finally, if a taxpayer receives correspondence from federal or state tax authorities stating that a return is frivolous, the taxpayer should not go back to the tax return preparer who prepared the frivolous return for advice on how to handle a serious and escalating problem.

Anyone having information concerning possible state tax crimes should call investigators at 808 587-1795.

###

For more information, contact:
Office of the Attorney General
Phone: (808) 586-1500

For detailed information, contact:
Ricky R. Damerville
Deputy Attorney General,
Criminal Justice Division
Telephone: (808) 586-1160

Email: hawaiiag@hawaii.gov
