



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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CRACKDOWN ON WELFARE FRAUD AND TAX FRAUD CONTINUES

HONOLULU-Attorney General Mark Bennett announced today that:

On March 24, 2004, Honolulu resident Charlene J. Nonaka, 43, pled no contest to one count of theft in the first degree. First Circuit Court Judge Michael D. Wilson set sentencing for July 7, 2004. Investigation by the Department of Human Services revealed that, between 2000 and 2003, Ms. Nonaka fraudulently obtained more than \$27,000 in financial assistance benefits, food stamp benefits, medical benefits, and child care money by concealing from the government that her minor child was no longer living with her.

On March 22, 2004, Honolulu resident Stanley K. Rodrigues, Jr., 50, pled guilty to one count of theft in the first degree. First Circuit Court Judge Derrick H.M. Chan set sentencing for June 4, 2004. Investigation by the Department of Human Services revealed that, between 1999 and 2003, Mr. Rodrigues fraudulently obtained more than \$30,000 in financial assistance benefits, food stamp benefits, medical benefits, and child care money by concealing from the government that his minor child was no longer living with him.

On March 23, 2004, Honolulu resident Victor W. Jeffries, 49, pled no contest to three counts of attempting to evade or defeat the state income tax and two counts of theft in the second degree. First Circuit Court Judge Michael A. Town set sentencing for June 9, 2004. Investigation by the Department of Taxation revealed that Mr. Jeffries filed amended state income tax returns for calendar years 1997 and 1998 and state income tax returns for calendar years 1999, 2000, and 2001, that took the frivolous position that wages earned in the State of Hawaii were not subject to taxation. The two theft charges arose out of Mr. Jeffries' receipt of tax refunds that he was not entitled to receive.

Ultimately, the taxpayer who signs a fraudulent tax return is responsible for his conduct. Following the frivolous advice of a charlatan is seldom a successful defense to a criminal charge.

On March 22, 2004, Ewa Beach resident Joseph L. Nuuanu, 55, pled no contest to four counts of attempting to evade or defeat the state income tax. First Circuit Court Judge Derrick H.M. Chan set sentencing for May 26, 2004. Investigation by the Department of Taxation revealed that between 1999 and 2003, Mr. Nuuanu attempted to evade state income taxes on more than \$200,000 in income earned from his employment with Oahu Transit Services, Inc., by falsely reporting on his

employee's withholding allowance certificate that he was entitled to 99 withholding allowances.

There are a number of fraudsters out there who advise clients that they can avoid paying state and federal income taxes by reporting on their federal withholding form that they are exempt from federal withholding, and by reporting on their state withholding form that they are entitled to 99 withholding allowances. What the fraudsters fail to inform their clients is that government authorities will eventually discover the fraud, and that employees who sign false withholding certificates will answer for their conduct in the criminal courts.

Theft in the first degree is a class B felony punishable by up to ten years in prison and by a fine of up to \$25,000 or twice the pecuniary gain from the crime, whichever is greater. Theft in the second degree is a class C felony punishable by up to five years in prison and by a fine of up to \$10,000 or twice the pecuniary gain from the crime, whichever is greater. Attempt to evade or defeat a tax, commonly referred to as tax evasion, is a class C felony punishable by up to five years in prison and by a fine of up to \$100,000.

Anyone having information concerning welfare fraud should call the Welfare Fraud Hotline at (808) 587-8444. Anyone having information concerning tax crimes should call tax investigators at (808) 587-1795.

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