



## DEPARTMENT OF THE ATTORNEY GENERAL

### News Release

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NEWS RELEASE Department of the Attorney General  
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#### **CORPORATION AND OFFICER PLEAD NO CONTEST TO TAX CRIMES**

Acting Attorney General Thomas R. Keller announced today that:

On December 2, 2002, COMMERCIAL TRUCK & LIFT CENTER, INC., a Hawaii corporation doing business in Honolulu, pled no contest to willfully failing to file its annual general excise tax return for the fiscal year ending April 30, 1996 and was fined \$5,000.00.

Honolulu resident Craig K.H. Lee, 45, a corporate officer, also pled no contest in his individual capacity to willfully failing to file an annual general excise tax return for COMMERCIAL TRUCK & LIFT CENTER, INC. for the fiscal year ending April 30, 1998. First Circuit Judge Derrick H.M. Chan granted Lee's motion to defer his plea. Lee's plea was deferred for a period of one year upon condition that he pay a fine of \$5,000.00 within six months. If Mr. Lee complies with the terms and conditions of the deferral, the case will be dismissed and he will not have a permanent criminal record.

Despite having annual gross income exceeding \$600,000.00, COMMERCIAL TRUCK & LIFT CENTER, INC. willfully failed to file its annual general excise tax returns.

Every year the State of Hawaii loses millions of dollars in revenues that could be used to improve our schools because some individuals and businesses willfully fail to file their tax returns. Willfully failing to file a tax return is not merely a civil matter. In addition to substantial interest charges and penalties on the unpaid taxes, non-filers are also subject to substantial criminal fines and incarceration.

Willful failure to file a tax return is a misdemeanor. A corporation can be fined up to \$100,000.00 for each year that a return is not filed. An individual can be fined up to \$25,000.00 and incarcerated for up to one year for the same conduct. Officers of corporations responsible for filing returns for a corporation can also be fined up to \$25,000.00 and incarcerated for one year for each offense.

Non-filers who initiate contact with Department of Taxation to correct the problem typically are not referred to the Department of the Attorney General for criminal prosecution; however, after a criminal investigator sends a letter notifying the non-filer of a criminal investigation, or, worse, after the criminal investigator comes knocking on the non-filer's door, it is too late for a civil remedy. The non-filer will have to face a judge or a jury of his peers.

Anyone having information concerning possible tax crimes should call Department of Taxation investigators at (808) 587-1795.

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