



U.S. Department of Justice

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July 9, 2009

Event: Sentenced

Defendant: La-Van Hawkins

DETROIT BUSINESSMAN AND RESTAURATEUR SENTENCED FOR FAILURE TO PAY OVER EMPLOYMENT (PAYROLL) TAXES

Detroit businessman and restaurateur La-Van Hawkins, 51, was sentenced today to ten months in federal prison, which will run concurrently with the sentence previously imposed for his conviction in Philadelphia on wire fraud charges, United States Attorney Terrence Berg announced today. United States District Judge Denise Page Hood also ordered Hawkins to cooperate with the Internal Revenue Service and pay restitution in the amount of \$5.7 million dollars.

Berg was joined in the announcement by Maurice Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation.

La-Van Hawkins entered the guilty plea to failing to pay Federal withholding and Federal Insurance Contributions Act (F.I.C.A.) taxes on April 30, 2009.

United States Attorney Terrence Berg said "Our federal system of voluntary income tax reporting depends on the honest cooperation and integrity of every citizen and every business owner. Employees whose wages are deducted for payroll tax purposes legitimately expect that those funds will be used for the payment of their taxes, as does the government."

SAC Aouate said, "The tax law is very clear - it is the responsibility of each employer to withhold employment taxes from the salaries of their employees and deposit these taxes in full to the Internal Revenue Service. Failure to do so can result in serious consequences."

The information presented to the court at the time of the plea established that for all four quarters of 2001, the first, third, and fourth quarters of 2002, and the first two quarters of 2003, Hawkins, who owned and controlled a company by the name of Wolverine Pizza, LLC, which operated approximately 80 Pizza Hut restaurants in the metropolitan Detroit area and surrounding communities and had numerous employees, deducted and collected from the total taxable wages of his employees federal income taxes and Federal Insurance Contributions Act (Social Security and Medicare) taxes, as required by law, but then willfully and in violation of the law failed to pay over the full amount of these taxes to the Internal Revenue Service. According to the indictment, Hawkins failed to pay over approximately 5.3 million dollars in payroll taxes for the nine quarters involved.

The investigation of this case was conducted by the Internal Revenue Service, and prosecuted by Assistant U.S. Attorney Robert Cares.