



**U.S. Department of Justice**  
*United States Attorney*

*Northern District of California*  
11th Floor, Federal Building

(415) 436-7200

450 Golden Gate Avenue, Box 36055  
San Francisco, California 94102

FAX: (415) 436-7234

FOR IMMEDIATE RELEASE  
September 13, 2004

**California Man Pleads Guilty to Evading Taxes on \$5 Million of Income from High-Tech Business and Obstructing Justice**

The United States Attorney for the Northern District of California announced that a California businessman pled guilty this morning to tax and obstruction of justice offenses arising out of his failure to pay taxes on over \$5 million generated by two computer-related businesses he operated in San Jose from 1997 to 2001, and his unsuccessful attempts to conceal the income from Internal Revenue Service (IRS) by lying to federal agents and submitting fictitious business receipts.

Ulysses Q. Nguyen, 37, formerly a resident of San Jose and Westminster, California, pled guilty to four counts: income tax evasion, in violation of 26 U.S.C. 7201; willful failure to file an individual tax return, in violation of 26 U.S.C. § 7203; obstruction of justice for interfering with the due administration of the internal revenue laws, in violation of 26 U.S.C. § 7212(a); and making a false statement to two IRS agents, in violation of 18 U.S.C. § 1001. According to court documents, the total estimated amount of taxes evaded is approximately \$1,277,434, based on unreported income of more than \$5 million during the period from 1997 to 2001.

The defendant has remained in custody since his arrest on April 9, 2004.

According to the superseding indictment, filed on August 4, 2004, Mr. Nguyen was a resident in San Jose, California who owned and operated businesses in San Jose engaged in the buying, selling and repair of computers and computer peripherals. The computer businesses include Ulysses Enterprise, which sold CPU modules of Sun Microsystems, and Pacific Disk Drive Exchange, which sold and repaired computer disk drives.

In the plea agreement, defendant Nguyen admitted that he attempted to evade or defeat the income taxes by asking a friend to cash checks that he received from his business to conceal his business income. Defendant Nguyen also admitted that he submitted 49 fictitious purchase orders to the IRS concerning purported business expenses in 1999, and admitted that he falsely told law enforcement agents in 1999 that he had shut down one of his computer businesses in 1998.

Defendant Nguyen is scheduled to be sentenced before United States District Judge Ronald M. Whyte in San Jose on November 29, 2004 at 9:00 a.m.

The prosecution is the result of a multi-year investigation by the Internal Revenue Service, Criminal Investigations.

United States Attorney Kevin V. Ryan stated: "The United States Attorney's Office is committed to aggressively prosecuting businesses and individuals that evade their tax obligations and seek to obstruct justice."

According to IRS Special Agent in Charge Victor S. O. Song: "As this plea of guilty so clearly demonstrates, evading one's tax obligations, fabricating documents for purported expenses and lying to government investigators will subject you to criminal prosecution."

The investigation was overseen by the Computer Hacking and Intellectual Property (CHIP) Unit of the United States Attorney's Office. Mark L. Krotoski is the Assistant U.S. Attorney from the CHIP Unit prosecuting the case.

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can). Related court documents and information may be found on the District Court website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov) or on <http://pacer.cand.uscourts.gov>.

All press inquiries to the U.S. Attorney's Office should be directed to Assistant U.S. Attorney Christopher P. Sonderby, Chief of the CHIP Unit, at (408) 535-5037, or Administrative Assistant U.S. Attorney Cynthia Caporizzo at (415) 436-6740.