



United States Department of Justice

United States Attorney Scott N. Schools
Northern District of California

11th Floor, Federal Building
450 Golden Gate Avenue, Box 36055
San Francisco, California 94102
(415) 436-7200
FAX: (415) 436-7234

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WWW.USDOJ.GOV/USAO/CAN

CONTACT: Natalya LaBauve
(415) 436-7055
Natalya.LaBauve@usdoj.gov

PRESIDENT OF ALLIED TELCOM INTERNATIONAL INDICTED FOR TAX EVASION CHARGES

SAN FRANCISCO – United States Attorney Scott N. Schools announced that a federal grand jury in San Francisco indicted Diana Hojsak a/k/a Diana Lu a/k/a Jing Jing Lu, age 39, of San Francisco, on May 24, 2007, with two counts of evading her federal income taxes for the 2000 and 2001 tax years, along with two counts of filing false federal income tax returns for her wholly owned corporation, Allied Telecom International, Inc.

Hojsak is charged with diverting commission payments payable to Allied Telecom to her personal bank account in Hong Kong. The diverted commissions did not appear on her federal income tax returns or on the tax returns of Allied Telecom International as required by the law.

The penalty for evading federal income taxes is up to five years of imprisonment and a three year term of supervised release. The penalty for filing false tax returns is up to three years and a one year term of supervised release. These charges are the result of an investigation by the Internal Revenue Service, Criminal Investigation Division. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

While working for Allied Telecom International, Hojsak traveled extensively in Asia. Hojsak used her personal bank account in Hong Kong to conceal the funds she diverted from her corporation. Hojsak hid the diverted commissions from the accountant who prepared her personal tax returns and the tax returns for Allied Telecom.

Hojsak is scheduled to make her initial appearance before Magistrate Judge Elizabeth Laporte on May 31, 2007, at 9:30 a.m. in San Francisco.

An indictment contains only allegations against an individual and, as with all defendants, Ms. Hojsak must be presumed innocent unless and until proven guilty.

Cynthia Stier is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Stefania Chin. The prosecution is the result of an investigation by the Internal Revenue Service, Criminal Investigation Division, led by Special Agent Bryan Wong.

Further Information:

Case #: CR 07-325 PJH

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Natalya LaBauve at (415) 436-7055 or by email at Natalya.LaBauve@usdoj.gov.

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