



## NEWS RELEASE

### OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF ILLINOIS

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#### **RESTAURANT OWNERS PLEAD GUILTY TO TAX EVASION AND CONSPIRACY TO HARBOR ILLEGAL ALIENS**

A. Courtney Cox, United States Attorney for the Southern District of Illinois, announced today that on October 29, 2008, **DUO CHEN**, age 37, and **JUSTIN QIU**, age 37, both of Herrin, Illinois, entered guilty pleas in federal court in Benton, Illinois, to an Information charging them with tax and immigration offenses.

According to a factual stipulation filed at the time of the plea, **DUO CHEN** owned and operated Kew Gardens Chinese restaurant located in Herrin, Illinois. **CHEN** skimmed significant amounts of funds from Kew Gardens for his personal use, and failed to report the income on his personal tax returns. **CHEN** maintained a "black book" which documented the cash skim during the time period of November, 2002, through January 2006. The investigation started in January, 2006, when a manager **CHEN** employed at Kew Gardens stole the black book and attempted to extort monies from **CHEN** in exchange for the return of the book. Following his arrest, the manager also told authorities that **CHEN** knowingly employed illegal aliens, and that **CHEN** provided housing for them at various locations. Knowing that the manager was an illegal alien, **CHEN** harbored

the manager by providing him housing and utilities, representing partial payment of the manager's wages.

**CHEN** shared in the ownership of "Wok N' Roll," a buffet-style restaurant in Marion, Illinois, with his brother-in-law, **JUSTIN QIU**. From approximately March, 2004, through April, 2006, **CHEN** and **QIU** conspired to defraud the United States by evading taxes. **CHEN** and **QIU** had an agreement that they would skim large sums of cash obtained from the operation of Wok N' Roll, while concealing the receipt of that cash from the IRS and their accountants. **CHEN** and **QIU** also agreed to conceal the correct dollar total of sales or gross receipts from their accountant and the IRS. **CHEN** and **QIU** recorded the correct dollar total of sales and gross receipts in handwritten journals and met with each other at the end of the month for the purpose of diverting cash to themselves. For the tax years 2004 and 2005, **CHEN** and **QIU** caused others to prepare and file false tax returns with the IRS on behalf of Southern Grill, Inc.

Between March, 2004, and January, 2006, **CHEN** and **QIU** conspired to harbor illegal aliens. Representing partial compensation for their employment, **CHEN** and **QIU** harbored these illegal aliens, paying their utilities and often arranging for their transportation to Wok N' Roll for work.

Sentencing has been set for January 29, 2009.

The federal investigation began following a lead provided by the Herrin Police Department. The investigation was conducted by the Internal Revenue Service; Immigration and Customs Enforcement; and the Department of Labor, Office of Inspector General. The case is being prosecuted by Assistant United States Attorney Suzanne M. Garrison.