



U.S. DEPARTMENT OF JUSTICE
David M. Gaouette
United States Attorney
District of Colorado
1225 17th Street, Suite 700
Denver, Colorado 80202
303.454.0100

NEWS RELEASE

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For more information contact: Paul Farley
303-454-0361

AURORA MAN SENTENCED TO NINE YEARS IN PRISON FOR \$3.1 MILLION TAX SCHEME

DENVER – Jeffrey Harris, age 60, of Aurora, Colorado, was sentenced today by U.S. District Court Judge Marcia S. Krieger to serve 108 months in federal prison, followed by 3 years of supervised release, for his participation in a scheme to submit false tax returns, United States Attorney David Gaouette, Special Agent in Charge - IRS Criminal Investigation Christopher M. Sigerson, Special Agent in Charge - U.S. Postal Service Office of the Inspector General David A. Montoya, and Colorado Department of Revenue Executive Director Roxy Huber announced. Harris was also ordered to pay restitution to the Internal Revenue Service in the amount of \$288,728.67, and to the Colorado Department of Revenue in the amount of \$63,191.24.

According to the information contained in the indictments as well as Jeffrey Harris' plea agreement, Harris owned and controlled a Colorado corporation which operated under the name of Olympia Financial and Tax Services, Inc. ("Olympia"). Olympia's primary business was to seek tax refunds for customers (also referred to as taxpayers) by preparing and filing amended individual tax returns with the IRS and Colorado Department of Revenue ("CDR") on behalf of such customers. Olympia maintained an office location in Aurora, Colorado. From January of 2005 through March of 2006, various co-defendants worked at Olympia, including LouAnn Savala, Manivone Saignaphone, Manikhone Saignaphone, and Annalisa Whittaker.

Olympia was paid a fee for its services which usually involved charging a customer a percentage of the IRS and CDR refund payments; typically ranging from 40% to 50% of such government refunds. As a result of the scheme, Olympia, Harris and others caused over 700

amended returns to be filed with the IRS which contained falsified information, resulting in claims to the IRS for refunds in the amount of \$2,359,970 to taxpayers for tax years 2001 through 2004. In addition, over 400 amended returns with the CDR containing falsified information, resulting in claims to the CDR for refunds in the amount of \$438,546 to taxpayers for tax years 2001 through 2004. The IRS and CDR paid a portion of the claims.

Harris also operated a similar scheme from February 2004 through December 2004. Harris worked with Catherine Senninger, and together they submitted multiple amended returns to the IRS and CDR which contained false information. They operated a tax return preparation service using the business name Grand Peak Mortgage and Financial Services, Inc., and Olympia, which primary business was to seek tax refunds for customers by preparing and filing amended, individual tax returns with the IRS and CDR.

Over the course of that scheme, Olympia filed, or assisted in the preparation and filing, of over 100 amended returns with the IRS containing falsified information, resulting in claims to the IRS for refunds in the amount of \$307,818 to taxpayers for tax years 2001 through 2003. The IRS paid a portion of such claims. Olympia also submitted over 100 false amended returns to the CDR seeking refunds in the amount of \$72,555. The IRS and CDR paid a portion of the claims.

Harris was indicted by a federal grand jury in Denver in two separate indictments on November 4, 2008. He pled guilty on November 30, 2009. His co-defendants include:

- LouAnn Savala, who was sentenced on April 30, 2010 to 30 months in prison followed by 3 years supervised release, and was ordered to pay \$224,287.65 in restitution.
- Annalisa Whittaker, who was sentenced on May 3, 2010 to 5 years probation, and was ordered to pay \$52,868.65 in restitution.
- Manivone Saignaphone (also known as Mindy Saignaphone), who pled guilty on December 3, 2009, and is scheduled to be sentenced on August 2, 2010.
- Manikhone Saignaphone (also known as Mani Saignaphone), whose change of plea hearing is scheduled for August 23, 2010.
- Catherine Senninger, who was found guilty by a jury on March 5, 2010 on 7 out of 23 of the charges against her, and is scheduled to be sentenced on September 16, 2010.

“Honest law abiding citizen are harmed when someone tries to manipulate our nation’s tax system,” said Christopher M. Sigerson, Special Agent in Charge for IRS Criminal Investigation for the Denver Field Office.” David A. Montoya, Special Agent in Charge of the U.S. Postal Service

Office of the Inspector General, added that “Today’s sentencing is a reminder you will be held accountable for such actions.”

This case was investigated by the United States Postal Service – Office of the Inspector General, the Colorado Department of Revenue, and IRS Criminal Investigations. It is being prosecuted by Assistant U.S. Attorney Tim Neff.

Pending charges are only allegations, and the defendants are presumed innocent unless and until proven guilty.

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