



# Department of Justice

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Northern District of Georgia

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## **TAX EVADER SENTENCED TO FEDERAL PRISON**

ATLANTA, GA - KEITH KIM, 46, of Duluth, was sentenced today to 1 year, 9 months in federal prison on one count of tax fraud relating to his failure to report and pay taxes on \$1.4 million of his company's receipts in the period 2003 - 2006. KIM pleaded guilty to this charge on April 7, 2010.

United States Attorney Sally Quillian Yates said, "We all bear a responsibility to pay taxes, and those who cheat on their taxes are stealing money from their fellow citizens. We are committed to making sure that people and businesses act with honesty when filing their taxes."

IRS-Criminal Investigation Special Agent in Charge Reginael McDaniel said, "In the months following the 2010 tax filing season, individuals continue to meet their fate for attempting to swindle the U.S. government. To build faith in our nation's tax system, honest taxpayers need to be reassured that prosecution of tax cheats occurs year-round."

According to United States Attorney Yates and the documents and information presented in court: From 2003 to 2006, KIM operated a mortgage brokerage business under two names, Capital Innovations Group ("CIG") and KSK & Associates ("KSK"). During closing transactions, real estate attorneys wrote checks to the two companies for the brokerage services provided to lenders. From 2003 until 2006, KIM simply cashed or caused to be cashed approximately \$1.4 million in these checks, instead of depositing the checks in the businesses' bank accounts, and did not report this income on either his personal or the businesses' tax returns. For example, CIG and KSK's corporate tax returns for 2003 and 2004 did not report or include the checks as gross receipts and KIM's personal income tax returns did not report his share of these receipts as taxable income. Because these businesses were "S" corporations, the income was taxable to KIM on his personal income tax returns. Instead, KIM provided false information regarding CIG and KSK's gross receipts to the accountants who prepared his corporate and personal income tax reports. Finally, KIM did not file any corporate or personal tax returns at all in 2005 and 2006. Because the cashed checks were not included on CIG or KSK's corporate returns or KIM's personal tax returns, KIM was held responsible for intending to evade taxes of at least \$242,000.

This case was investigated by Special Agents of the Internal Revenue Service.

Assistant United States Attorney Doug Gilfillan prosecuted the case.

For further information please contact Sally Q. Yates, United States Attorney, or John Horn, First Assistant United States Attorney, through Linda Isaac at (404) 581-6056. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).