

Department of Justice

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PEORIA AREA GAS STATION OWNER PLEADS GUILTY TO FILING FALSE CORPORATION INCOME TAX RETURN, FRAUD

Failure to Pay More than \$1 Million in Estimated Federal, State Tax

Peoria, Ill. – A Peoria, Ill., area gas station owner today pled guilty to filing a false corporate income tax return and mail fraud that resulted in failure to pay an estimated \$1 million in federal and state tax revenue. According to court documents and information presented in federal court, Lakhvir Nijher, aka Tony Nijher, 50, of Metamora, Ill., operated the Heights BP, previously Peoria Heights BP, at 4430 N. Prospect Road, Peoria Heights, Ill., and Nijher Mart in Washington, Ill. During his court appearance, Nijher waived indictment and pled guilty to an information charging him with one count each of filing a false corporate tax return and mail fraud.

“As a matter of principle, businesses have to give an honest account of what they owe in taxes,” stated U.S. Attorney Jim Lewis, Central District of Illinois. “This is an example of what can happen when people are not honest in these accounts.”

“We will not tolerate tax evaders in Illinois who illegally profit at the expense of others,” said Attorney General Lisa Madigan. “My office will continue to work with our state and federal partners to investigate and prosecute businesses that are illegally pocketing the money drivers pay at the pump.”

Acting Special Agent in Charge Thomas Jankowski stated that, “With filing season quickly approaching, all Americans need to know that IRS Criminal Investigation is diligently pursuing individuals who intentionally hide income from the IRS. Investigating and prosecuting individuals who intentionally conceal income and evade taxes is a vital element in maintaining public confidence in our tax system. IRS Criminal Investigation is committed to ensuring the honest American taxpayers that tax compliance is equally shared among all Americans.”

“It’s important to prosecute tax evaders at every level. When people cheat on their tax returns, all of us pay the price in higher taxes or revenue shortfalls,” said Brian Hamer, Director of the Illinois Department of Revenue.

According to documents filed with the court, Nijher provided accountants with false information that directly led to the filing of false income tax returns for the businesses. Nijher maintained handwritten ledgers of the daily sales figures for the three businesses and repeatedly submitted to the accountant figures that under-reported true sales.

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As a result, the three businesses' gross receipts were under-reported on their respective returns by approximately \$4.8 million for the years 2008, 2009, and 2010. Further, Nijher provided accountants with false information used to prepare Illinois Sales and Use Tax Returns (SUTR).

According to court documents, investigation by the Illinois Department of Revenue established that Nijher filed false monthly State Use Tax returns that substantially under-reported sales at the gas stations. Dating back to 2005, Nijher failed to report approximately \$6.3 million in sales, resulting in a tax loss to the state of Illinois of approximately \$490,000.

In January 2009, court documents note that Nijher filed an Offer in Compromise with the IRS in an attempt to stop collection of a personal tax liability of approximately \$174,000 for the 1998 and 1999 tax years. That offer was later amended to limit the request to the 1999 tax year. In the offer, Nijher falsely represented that he had insufficient assets and income to pay the full amount, representing that he worked as a cashier at the Peoria Heights station and earned gross monthly wages of \$1,000. In fact, Nijher owned the station and had substantially higher monthly income. Based on the under-reported income from the various business and personal tax returns, the total federal tax loss is approximately \$581,855.

Nijher appeared this morning before U.S. Magistrate Judge John A. Gorman. He is currently on bond awaiting sentencing, which is scheduled on April 18, 2013, before U.S. District Judge James E. Shadid. The maximum statutory penalty for filing a false corporate income tax return is up to three years in prison. For mail fraud, the maximum statutory penalty is up to 20 years in prison. Both offenses carry fines of up to \$250,000.

The charges are the result of an investigation by the Internal Revenue Service, Criminal Investigation Division; the Illinois Department of Revenue and the Illinois Attorney General's Office. The case is being prosecuted by Supervisory Assistant U.S. Attorney Darilynn J. Knauss.

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