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News Release

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Owner of temporary services employment agency pleads guilty to not paying employee taxes

He evaded taxes by paying his employees in cash

Earlier today in federal court in St. Paul, the owner of SPTS, a temporary services employment agency, pleaded guilty to evading corporate taxes totaling more than \$400,000 as well as failing to report wages paid to employees between tax years 2004 and 2007. Neng Vang, who was charged on April 20, 2011, pleaded guilty to one count of tax evasion. He entered the plea before United States District Court Judge Richard H. Kyle.

In his plea agreement, Vang admitted that between 2004 and 2007, he paid a large group of employees "off the books" in cash without recording or reporting their wages. That action resulted in a tax loss to the Internal Revenue Service ("IRS") of \$342,240.07. In addition, Vang admitted omitting significant gross receipts earned by SPTS from the company's corporate tax returns for the years 2004 through 2007. The unreported gross receipts resulted in a tax loss of more than \$60,000. In entering his plea, Vang admitted the total tax loss resulting from his tax evasion is more than \$400,000.

For his crime, Vang faces a potential maximum penalty of five years in prison. Judge Kyle will determine his sentence at a future hearing, yet to be scheduled. This case is the result of an investigation by the IRS-Criminal Investigation Division. It is being prosecuted by Assistant U.S. Attorney Nancy E. Brasel.

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Per U.S. Department of Justice policy, the U.S. Attorney's Office is not allowed to provide the age and city of residence for defendants charged in criminal tax cases.

