



# United States Department of Justice

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## **PRESIDENT OF NURSING “TEMP” AGENCY SENTENCED TO 18 MONTHS FOR FILING FALSE TAX RETURNS**

### *Failed To Report More Than \$1.1 Million In Gross Receipts*

SAN FRANCISCO – Digna Roldan Garrett today was sentenced to 18 months in prison and ordered to pay a \$4,000 fine and \$138,784.17 in restitution for filing false tax returns, announced United States Attorney Joseph P. Russoniello and Special Agent in Charge, IRS Criminal Investigation, Scott O’Briant.

Garrett pleaded guilty on October 3, 2008 to five counts of filing a false tax return. According to the plea agreement, Garrett admitted that she was the President of Friendly Available Service Today Corporation (FAST), a nursing “temp” agency, since 1993. For the tax years 2002, 2003 and 2004 Garrett under-reported corporate gross receipts totaling \$1,117,219.13 on her corporate tax returns.

The false returns lead to a tax audit of Garrett’s corporate tax returns, during which it was discovered that Garrett treated some of her employees as contractors to avoid the related payroll taxes. In an attempt to hide the payments to employees, Garrett altered corporate ledgers and cancelled checks and presented the altered documents to the IRS Revenue Agent.

As the result of the audit, Garrett amended her 2002 and 2003 corporate tax returns but continued to hide income from the IRS. She deposited cash and checks from clients into her personal bank accounts. With some of the money she diverted from the company she purchased luxury items such as a Mercedes ML, purses, shoes, clothes and trips to Las Vegas, Nevada and the Philippines. However, most of the diverted funds were used to pay employees under-the-table.

Garrett, 60, of Hayward, California, was charged on September 29, 2008 with five counts of filing a false tax return in violation of Title 26 U.S.C. § 7206(1). Under the plea agreement, Ms. Garrett pled guilty to all counts.

Thomas Moore is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kathy Tat. The prosecution is the result of an investigation by Special Agent Timothy Rhodes of the Internal Revenue Service Criminal Investigation.

### **Further Information:**

Case #:CR-08-0678-DLJ

A copy of this press release may be found on the U.S. Attorney’s Office’s website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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