



The United States Attorney's Office
District of Hawaii

Press Release

U.S. Department of Justice
United States Attorney
District of Hawaii

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For Immediate Release

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FIREARMS BUSINESS OWNER
CHARGED WITH FEDERAL TAX OFFENSES

HONOLULU, HAWAII – ARTHUR LEE ONG, age 51, was indicted by a federal grand jury today for federal tax crimes. ONG is charged with conspiracy to defraud the United States and six counts of tax evasion relating to the years from 2000 through 2005. According to the indictment, ONG, the owner and operator of Thunder Bug, Inc., doing business in the State of Hawaii as Magnum Firearms, failed to report to the Internal Revenue Service (IRS) income he earned from the sale of firearms and related products to federal, state, county, and military agencies, as well as to the general public.

Florence T. Nakakuni, United States Attorney for the District of Hawaii, said according to the indictment, ONG created multiple nominee entities for the purpose of hiding his income and filed false tax returns on behalf of these nominee entities that fraudulently reported to the IRS that the income from his businesses was attributable to these entities and not to him. According to the indictment, ONG evaded more than \$300,000 in federal taxes for the six tax years spanning 2000 through and including 2005.

Arraignment is set for October 14, 2009, at 10:55 a.m. before Magistrate Judge Leslie E. Kobayashi. If convicted, ONG faces a maximum sentence of five years imprisonment for the conspiracy charge, and a maximum term of imprisonment of five years for each count of evasion. Charges in an indictment are merely accusations, and a defendant is presumed innocent unless and until proven guilty.

The case resulted from an investigation by IRS - Criminal Investigation. The prosecution is being handled by Assistant United States Attorney Clare Connors and Trial Attorney Timothy J. Stockwell of the United States Department of Justice, Tax Division.

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