

Department of Justice

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Western District of New York

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ROCHESTER MAN PLEADS GUILTY TO MAKING FALSE STATEMENTS TO IRS

ROCHESTER, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Yaser Muthanna, 34, of Rochester, N.Y., pleaded guilty before U.S. District Judge David G. Larimer, to making false statements to the Internal Revenue Service (IRS). The charge carries a maximum penalty of five years in prison, a fine of \$250,000, or both.

Assistant U.S. Attorney Brett A. Harvey, who is handling the case, stated that the defendant owned Express Telecom, Inc, a business involved in selling telephone cards in the Rochester and Buffalo areas. In February 2009, the IRS discovered that Muthanna structured cash deposits at local banks between 2005 and 2008.

An investigation revealed that, during a period of time in 2007, the defendant was outside the United States. While Muthanna was out of the country, his father consistently made multiple cash deposits at different branches of a bank on the same day, each in an amount under \$10,000, but together totaling more than \$10,000, on numerous occasions. On February 19, 2009, the defendant told IRS investigators that his father made those deposits because his father was "old school" and did not want the bank to ask him any questions. At the time of these statements, Muthanna knew that his statements were false, because the defendant had instructed his father to never to deposit more than \$10,000 in cash at one time because the bank would have to fill out a form and ask a lot of questions, and that the defendant did not want the bank to file any forms.

Pursuant to federal law, banks are required to prepare and submit a report, known as a Currency Transaction Report (CTR), for cash deposits of more than \$10,000 to the IRS within 15 days following a transaction. "Structuring" involves, among other things, efforts to break down a single sum of currency exceeding \$10,000 into smaller sums, including sums at or below \$10,000, or the conduct of a transaction or series of transactions at or below

\$10,000, in order to evade the reporting requirements.

As part of the plea in this case, the defendant agreed to forfeit \$10,000 to the government.

The plea is the culmination of an investigation on the part of the Internal Revenue Service, under the direction of Special Agent In Charge Victor Lessof, and the United States Postal Inspection Service, under the direction of Robert Bethel.

Sentencing is scheduled for August 27, 2012, at 10:00 a.m. EST, in Rochester, N.Y., before Judge Larimer.

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