

Presented to the Court by the foreman of the
Grand Jury in open Court, in the presence of
the Grand Jury and FILED in the U.S.
DISTRICT COURT at Seattle, Washington.

April 24 2024
Ravi Subramanian, Clerk
By [Signature] Deputy

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,
Plaintiff,

v.

STEVEN T. LOO,
Defendant.

NO. **CR 24 - 072 LK**

INDICTMENT

The Grand Jury charges that:

Introduction

1. At all relevant times Defendant STEVEN T. LOO was a resident of Seattle, Washington. At all relevant times, LOO owned and operated multiple businesses, several of which owned commercial real estate buildings in the Western District of Washington and California. LOO contracted with property management companies to manage these properties.

2. LOO concealed taxable income he received from his businesses and willfully underreported this income on his individual income tax returns. LOO concealed income by directing that funds be sent from several of his businesses to bank accounts in the

1 names of other entities he controlled, expending those funds for his benefit and the
2 benefit of others, and willfully failing to report the receipt of those funds as income on
3 his tax returns. LOO willfully took these actions with the intent to evade or defeat the
4 assessment of his individual income taxes. As a result of this scheme, LOO concealed
5 and failed to report a total of approximately \$4.8 million in income for the tax years 2015
6 through 2020.

7 **Tax Terms, Forms, and Schedules**

8 3. The Internal Revenue Service (“IRS”) was an agency of the United States
9 Department of the Treasury responsible for administering the tax laws of the United
10 States and collecting taxes owed to the United States.

11 4. IRS Form 1040, U.S. Individual Income Tax Return (“Form 1040”) was used
12 by U.S. taxpayers to file individual income tax returns.

13 5. IRS Schedule E, Supplemental Income and Loss (“Schedule E”) was a form
14 that could be attached to a Form 1040, when applicable, and used by U.S. taxpayers to
15 report income or loss generated from certain businesses, including partnerships. A
16 partnership was referred to as a “pass-through” entity because the entity itself did not pay
17 taxes on its income and instead “passed” that income to the entity’s partners in their
18 proportionate shares. The partners were then required to report that income on a Schedule
19 E and pay federal income taxes on that income.

20 6. IRS Form 1065, U.S. Return of Partnership Income (“Form 1065”) was used by
21 partnerships to file an information return to report ordinary income or loss of a
22 partnership.

23 7. IRS Schedule K-1, Partner’s Share of Income, Deductions, Credits, etc.
24 (“Schedule K-1”) was a form that was attached to Forms 1065 and used by certain
25 business entities to report a partner’s share of ordinary business income or loss.

26 **LOO’s Entities**

27 8. LOO owned (in whole or in part) and controlled multiple businesses, including
seven limited liability companies (“LLCs”), organized as partnerships, that owned

commercial real estate buildings in the Western District of Washington and California (collectively, the “Property Owning LLCs”). These LLCs included:

- a. Grand Avenue Medical Joint Ventures, LLC;
- b. 4th and Massachusetts, LLC;
- c. The Meydenbauer Group, LLC dba Dupont Heated Storage;
- d. Renton Highlands Self Storage, LLC;
- e. SooHoo & Quon Company LP dba Sherman Oaks Medical Center, LLC;
- f. Sky Park Atrium, LLC;
- g. Upland Corporate Park West, LLC; and
- h. 112th Lakewood Avenue, LLC.

9. LOO operated these Property Owning LLCs as well as others with the aid of his wife (who was primarily responsible for writing checks and other administrative matters) and an office worker. LOO often directed activity – such as writing checks, transferring funds, communicating with the property management companies and others – by providing instructions to his wife or the office worker.

10. The properties owned by Property Owning LLCs were managed by property management companies. The property management companies were responsible for the day-to-day operation of the properties, including payment of expenses and fees, collection of rent and other receivables, and maintenance of books and records for the Property Owning LLCs. LOO was in regular contact with the property management companies and routinely gave them instructions.

11. LOO controlled an entity named T-One, LLC (“T-One”). T-One was established in Washington state in December 1999. T-One’s bank account at Key Bank was opened in 1999, and LOO was a signatory.

12. LOO controlled an entity named Nex-Gen, LLC (“Nex-Gen”). Nex-Gen was established in Washington state in December 1999. Nex-Gen’s bank account at Key Bank was opened in 1999, and LOO was a signatory.

1 13. LOO directed the flow of funds to the bank accounts in the names of T-One and
2 Nex-Gen. From at least 2006, the bank accounts were used in LOO's tax evasion scheme
3 to receive income that he then willfully omitted on his individual income tax returns.

4 **LOO's Income Tax Evasion Scheme**

5 14. The essence of LOO's tax evasion scheme was to conceal income from the IRS
6 by routing the income through the bank accounts of T-One and Nex-Gen, and then
7 disbursing the funds from those accounts for the benefit of LOO, his family, his
8 businesses, and third parties. LOO did not file Forms 1065, or any other annual tax
9 returns, for T-One or Nex-Gen. Loo also did not report the income he received that was
10 routed through T-One and Nex-Gen on the Forms 1040 he filed for tax years 2015
11 through 2020.

12 15. LOO routed income through T-One and Nex-Gen in a variety of ways. For
13 example, beginning in at least 2006 and continuing until approximately December 2020,
14 LOO instructed the property management companies to issue payments from the Property
15 Owning LLCs to T-One and Nex-Gen; and to characterize those payments as "asset
16 management fees," "consulting fees," or "professional fees." These payments were
17 treated as expenses on the books and records of the Property Owning LLCs and deducted
18 on the tax returns for the Property Owning LLCs. LOO directed the timing and amounts
19 of these payments.

20 16. At times, LOO directed the property management companies to make the
21 payments described above to other entities that LOO controlled before transferring the
22 funds to Nex-Gen's bank account.

23 17. LOO also directed that some rental property payments from an entity that LOO
24 owned in part be issued to LOO, and LOO then deposited the payments into Nex-Gen's
25 bank account.

26 18. In the manner discussed above, between around January 2015 and around
27 December 2020, at LOO's direction, approximately \$4.8 million in funds were deposited,

1 either directly or after first being deposited into an intermediary account, into the bank
2 accounts of T-One and Nex-Gen.

3 19. Once funds were deposited in the bank accounts of T-One and Nex-Gen, LOO
4 exercised complete control over the funds and used them at his discretion. LOO used
5 funds from the accounts of T-One and Nex-Gen for the benefit of LOO and his family,
6 friends, third parties, and entities associated with LOO.

7 20. In some cases, funds were transferred from T-One or Nex-Gen to one or more
8 bank accounts in the names of other individuals, but which LOO actually controlled.
9 LOO later used funds from those other accounts for his own benefit and the benefit of his
10 family, friends, and associates, including making payments to those individuals directly
11 from the bank accounts of T-One and Nex-Gen to conceal these payments from the IRS.

12 21. LOO's Forms 1040, as well as the tax returns for most of the entities he
13 controlled, were prepared by his tax return preparer. For tax years 2015 through 2020,
14 LOO failed to disclose to his tax return preparer the funds routed through the T-One and
15 Nex-Gen bank accounts that represented income to him that he was required to report and
16 pay tax on.

17 22. For tax years 2015, 2016, 2017, 2018, 2019, and 2020, LOO willfully attempted
18 to evade and defeat income tax due and owing by him to the United States of America, by
19 using bank accounts in the names the of T-One and Nex-Gen for the purpose of
20 concealing his income from the IRS.

21 Counts 1-6

22 (Tax Evasion)

23 23. The Grand Jury realleges paragraphs 1 through 22 as though fully stated herein.

24 24. From in or about January 2015 through in or about October 2021, in King
25 County, within the Western District of Washington, and elsewhere, STEVEN T. LOO, a
26
27

resident of Seattle, Washington, willfully attempted to evade and defeat income tax due and owing by him to the United States of America, for the calendar years listed below:

Counts	Year	Approximate Additional Tax Due
1	2015	\$202,215
2	2016	\$308,052
3	2017	\$348,450
4	2018	\$368,833
5	2019	\$300,390
6	2020	\$102,663

25. By committing the following affirmative acts, among others:

(a) directing property management companies to make payments to Nex-Gen and T-One;

(b) using the funds paid to Nex-Gen and T-One for his personal benefit, and for the benefit of family, friends, associates, and his other businesses;

(c) transferring funds from Nex-Gen and T-One to accounts in the names of other individuals and then using the funds for his personal benefit;

(d) providing false and incomplete information to his tax return preparer;

(e) making false and misleading statements to IRS personnel; and

(f) preparing and causing to be prepared, and signing and causing to be signed, false and fraudulent Forms 1040, which were submitted to the IRS:

All in violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

Counts 7-12

(Making And Subscribing To A False Tax Return)

26. The Grand Jury realleges paragraphs 1 through 25 as though fully stated herein.

27. On or about the dates set forth below, in King County, within the Western District of Washington, and elsewhere, STEVEN T. LOO willfully made and subscribed and filed and caused to be filed with the IRS, the following false Forms 1040 for the calendar years set forth below, which were verified by written declarations that they were made under the penalties of perjury, and which LOO did not believe to be true and correct as to every material matter. The tax returns underreported LOO's income, resulting in underreporting of his tax liability, whereas, LOO knew he had additional income to report:

Count	Year	Approximate Filing Date	False Line Item
7	2015	October 14, 2016	Total income on line 22
8	2016	October 6, 2017	Total income on line 22
9	2017	October 11, 2018	Total income on line 22
10	2018	October 14, 2019	Total income on line 6
11	2019	October 14, 2020	Total income on line 7b
12	2020	October 13, 2021	Total income on line 9

//

//

//

//

//

//

//

//

//

//

//

//

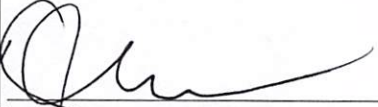
1 All in violation of Title 26, United States Code, Section 7206(1) and Title 18, United
2 States Code, Section 2.

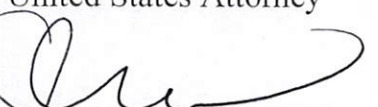
3
4 A TRUE BILL:

5
6 DATED: 4/24/24


7
8 *Signature of Foreperson redacted pursuant*
9 *to the policy of the Judicial Conference of*
10 *the United States.*

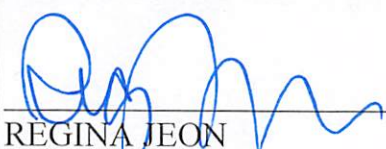
11
12 _____
13 FOREPERSON

14
15 
16 TESSA M. GORMAN
17 United States Attorney

18
19 
20 SETH WILKINSON
21 Assistant United States Attorney

22
23 
24 MICHAEL DION
25 Assistant United States Attorney

26
27 
28 SEAN WAITE
29 Assistant United States Attorney

30
31 
32 REGINA JEON
33 Trial Attorney
34 United States Department of Justice, Tax Division