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Two Central Indiana restaurant owners convicted for tax evasion

Owners agree to pay nearly \$143,000 in restitution to the state

(Indianapolis, Ind.) Marion County Prosecutor Terry Curry announced today that two owners of six Central Indiana restaurants have been convicted and sentenced for their failure to collect and remit taxes to the state. Manuel Rodriquez Alonso and Rosalio Sanchez were charged in February with underreporting an estimated \$1.8 million in sales from Mexican restaurants in Indianapolis, Muncie, Gas City, Fairmount and a pizza restaurant in Gas City that is now closed. The defendants pleaded guilty to criminal charges and have agreed to pay \$142,930 in restitution to the Indiana Department of Revenue.

Rosalio Sanchez pleaded guilty to six counts of Theft (Level 6 and D Felonies). In addition to the restitution, a two year sentence was ordered today with 545 days to be served on home detention. The remaining sentence was suspended.

Manuel Rodriquez Alonso pleaded guilty to three counts of Theft (Level 6 and D Felonies). Alonso was also ordered to pay the agreed upon restitution and received a sentence of 545 days, with one year to be served on home detention. The remaining sentence was suspended.

In conjunction with execution of search warrants in this investigation, the Marion County Prosecutor's Office seized \$247,411 in cash and bank accounts for possible forfeiture. In addition to the \$142,930 which will be paid from those funds as restitution, a separate forfeiture action remains pending seeking forfeiture of the remaining \$104,480.

"This is the second recent case where restaurant owners have been convicted for skimming cash sales in order to avoid their sales tax obligation," Prosecutor Curry commented on the case. "Not only is this business practice unscrupulous, it is illegal and punishable."

"Today's sentencing should put merchants on notice: tax evasion will never be tolerated in Indiana," said Indiana Department of Revenue Commissioner Adam Krupp. "Business owners are required to play by the same set of rules, and we will hold them accountable in remitting all sales taxes collected or face significant fines and criminal prosecution."

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In February 2015, the Marion County Prosecutor's Office Grand Jury Division and the Indiana Department of Revenue began a joint investigation into the business practices of six Central Indiana restaurants located in Delaware, Grant, and Marion counties.

According to the probable cause affidavit filed in the case, an analysis completed on the restaurants' sales for 2013 through 2015 estimated that more than \$1.8 of the sales were not reported to the state. Evidence uncovered in the course of the investigation demonstrated that defendants engaged in a number of methods to conceal and thus underreport cash sales. For example, a review of one restaurant's sales register records revealed that the drawer was opened more than 3,200 times in one day; however, 29 percent of the time it was opened without a sale being recorded.