

ILLINOIS ATTORNEY GENERAL LISA MADIGAN

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**ATTORNEY GENERAL MADIGAN, DEPARTMENT OF REVENUE ANNOUNCE
INDICTMENTS OF TWO ACCOUNTANTS FOR GAS TAX EVASION**

***Authorities Estimate Defendants Responsible for \$5 Million in State Losses from Fraudulent
Tax Returns***

Chicago — Attorney General Lisa Madigan and the Illinois Department of Revenue (DOR) announced today the indictments of Naveed Ahmed, CPA, and his brother, Asif Waheed for preparing fraudulent Illinois Sales and Use tax returns on behalf of six gas station owners who attempted to evade paying \$5 million in state sales tax. Authorities arrested Ahmed, who owns Midwest Financial Services, and Waheed, who works for his brother's accounting firm, Wednesday evening and they are being held on \$400,000 cash bond.

The arrests are part of an ongoing joint investigation and enforcement effort between Attorney General Madigan's office and the Department of Revenue, which to date has resulted in the payment of more than \$32.5 million in sales tax by gas station owners to the State of Illinois.

"So far, our enforcement efforts have recovered over \$30 million in tax payments," Madigan said. "We will not tolerate tax evaders in Illinois, and we will continue our investigation into tax fraud by gas station owners and any businesses that assist them."

"We are gratified that the criminal enforcement actions we have taken sent the appropriate message to gas station owners who underpaid their taxes," said Brian Hamer, Director, Illinois Department of Revenue. "We will continue to work hard to make sure that all businesses pay the taxes they owe and that honest businesses are not placed in a competitive disadvantage."

The indictment, which was handed down by a Cook County Grand Jury, alleges that Midwest Financial has been in business since the mid-1990s and is known among gas station owners for lowering owed sales tax. Midwest's owner, Ahmed served as the accountant for several of the most egregious of the state's gas sales tax evaders. The indictment alleges that Ahmed and Waheed assisted them in lowering the sales tax they paid by falsifying sales figures on their monthly Illinois Sales and Use tax return forms. Some gas station owners provided incomplete information to Midwest Financial, and Waheed then fabricated sales numbers for them.

Ahmed and Waheed are charged with 27 counts of three offenses: mail fraud, wire fraud and filing fraudulent Illinois Sales and Use tax returns—all Class 3 Felonies, which are punishable by 2-5 years in prison.

Gasoline sales are reported to the State of Illinois on a monthly basis. In 2009, Madigan's office and DOR determined gas station owners were evading payment of taxes by falsely reporting gasoline sales figures, resulting in millions of dollars in lost State revenue.

In addition to the collection of back taxes owed, investigations by DOR's Bureau of Criminal Investigation (BCI) are helping to ensure that gas stations are filing more accurate sales tax returns that reflect the actual sales of gasoline.

Bureau Chief Vincenzo Chimera, Supervising Attorney Patrick Jennings, Assistant Bureau Chief Edward Carter, Senior Assistant Attorney General Neal Goodfriend, and Assistant Attorneys General Lori Jordan, Kristina Waldron, Kathleen Farrell, James Rustik and Gene Bian are handling the cases for Madigan's Special Prosecutions Bureau.