

ILLINOIS ATTORNEY GENERAL LISA MADIGAN

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**ATTORNEY GENERAL MADIGAN, DEPARTMENT OF REVENUE ANNOUNCE  
SENTENCE IN TAX FRAUD CRACKDOWN**

***Ongoing Operation Recovers \$70 Million from Gas Station Owners in Unpaid Sales Tax***

**Chicago** — Attorney General Lisa Madigan and the Illinois Department of Revenue (DOR) today announced that an Aurora gas station owner was sentenced to two years in prison for defrauding the state of more than \$250,000 in sales taxes. The sentencing is part of an ongoing criminal enforcement operation that has recouped more than \$70 million owed to the state from gas station owners who evade sales tax payments.

Earlier today, Kane County Circuit Court Judge Marmarie Kostelny sentenced Bhavesh Gandhi, 40, of Streamwood, and levied a \$1,000 fine on the defendant after finding him guilty in July of two counts of sales tax fraud and two counts of mail fraud, both of which are Class 3 felonies. From June 2007 through July 2009, Gandhi underreported sales at his gas station, AMI Oil, at 1030 N. Lake St. in Aurora, to avoid a total of \$254,141 in sales tax payments to the state.

This case is part of the ongoing operation that marked its second anniversary last month. In August 2010, Madigan and the Department of Revenue launched the criminal enforcement effort to recoup millions of dollars in sales tax losses after discovering hundreds of gas stations throughout Illinois underreported their revenues to avoid paying taxes to the state.

“We’ll continue to hold dishonest business owners accountable for illegally profiting at the expense of their customers and the state. So far we’ve collected more than \$70 million from gas station owners,” Madigan said.

“I’m pleased that the courts take tax avoidance seriously,” said Brian Hamer, director, Illinois Department of Revenue. “It’s important for honest taxpayers to know that Illinois does not tolerate cheating from unscrupulous tax scofflaws.”

The operation has also led to a new law in Illinois to crack down on these criminals. The law, an initiative of Madigan’s office enacted earlier this summer, established stronger penalties and eliminated barriers to prosecute Illinois businesses and retailers that evade their sales tax bills.

The law created the new crime of Sales Tax Evasion and imposed graduated penalties based on the amount of sales taxes that were evaded: For amounts less than \$500, a Class 4 felony punishable by one to three years in prison; for amounts less than \$10,000, a Class 3 felony

punishable by two to five years; for amounts less than \$100,000, a Class 2 felony punishable by three to seven years; and for more than \$100,000, a Class 1 felony punishable by four to 15 years.

Assistant Attorneys General Kristina Waldron and Christina Chojnacki handled the case for Madigan's Special Prosecutions Bureau.