

ILLINOIS ATTORNEY GENERAL LISA MADIGAN

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MADIGAN: NINE INDIVIDUALS CHARGED IN MULTI-MILLION DOLLAR LIQUOR STORE SALES TAX FRAUD SWEEP

“Operation Seven & Seven” targets sales tax evasion and interstate liquor bootlegging

Chicago — Attorney General Lisa Madigan today announced charges against nine Chicago liquor store operators as part of a sweep to crack down on sales tax evasion and interstate liquor bootlegging. “Operation Seven & Seven” is a joint effort with the Illinois Department of Revenue (IDOR) to investigate and prosecute untaxed or “bootlegged” liquor brought in from outside Illinois.

The charges are the result of a two-year criminal tax investigation conducted by IDOR’s Criminal Investigations Division. The investigation culminated with the execution of search warrants at seven Chicago liquor stores, earning it the nickname “Operation Seven & Seven.” Madigan charged seven defendants today in Cook County Circuit Court with sales tax evasion of more than \$100,000, a Class 1 felony punishable by up to four to 15 years in prison. Two additional defendants – Yasir Kanan and Dipakkumar Patel – were charged with sales tax evasion of more than \$10,000, a Class 2 felony punishable by up to three to seven years in prison. Between July 2010 and December 2013, Madigan alleged, the nine defendants collectively defrauded the state out of more than \$3.5 million in sales taxes.

Madigan filed charges against the following nine individuals:

- Abdel Fattah Hammad, 41, of Tinley Park, IL: Al Muflihi Food & Liquors;
- Cherag Patel, 39, of South Bend, IN: AB Food and Liquor;
- Dipakkumar Patel, 41, of Munster, IN: Jeff’s Food and Liquor;
- Jiggarkumar Patel, 37, of Schaumburg, IL: AB Food and Liquor;
- Mukesh Patel, 62, of Des Plaines, IL: Buddy’s Wine & Spirits;
- Nishant Patel, 33, of Des Plaines, IL: Liquors Galore (doing business as Maple Park Wine & Spirits), Buddy’s Wine & Spirits, and Madison Food and Spirits;
- Rajanikant Patel, 44, of Hoffman Estates, IL: Quickstop Food and Liquor;
- Vishal Patel, 31, of Des Plaines, Illinois: Buddy’s Wine & Spirits; and
- Yasir Kanan, 38, of Oak Lawn, IL: Jeff’s Food and Liquor.

“Today’s arrests are part of a concentrated effort between my office and the Department of Revenue to crack down on tax evasion and illegal interstate liquor sales,” said Madigan. “This should send a message that doing business in Illinois means following the state’s laws without exception.”

“The transfer of alcohol into the state of Illinois from unlicensed sources is an issue that carries both criminal and tax implications,” said Connie Beard, Illinois Department of Revenue director. “The Illinois Department of Revenue will continue to work with the Illinois Liquor Control Commission and the Attorney General’s office in its efforts to prevent illegal shipments and to increase overall compliance with state law.”

Five of those charged were arrested by IDOR special agents, with the assistance of the Bridgeview and Palos Hills Police Departments, yesterday morning on no-bond warrants, and the remaining defendants later surrendered to authorities. All nine defendants are scheduled to appear in bond court this afternoon.

Madigan has worked to improve the state’s ability to pursue businesses and retailers who avoid paying sales taxes by initiating legislation that became law in 2013. The law created the crime of sales tax evasion and imposed stronger, graduated penalties based on the amount of sales taxes evaded. Operation Seven & Seven is the first of its kind since the law was implemented.

The cases were investigated by IDOR’s Criminal Investigations Division. Senior Assistant Attorney General Lori Jordan and Assistant Attorneys General Victor Turla and Claire Lusher are handling the cases for Madigan’s Special Prosecutions Bureau.

The public is reminded that the defendants are presumed innocent until proven guilty in a court of law.