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CHICAGO RESTAURANT OWNER CHARGED WITH TAX EVASION FOR DEFRAUDING THE STATE

Chicago — Attorney General Lisa Madigan today announced that an owner of a Chicago restaurant was charged with underreporting more than \$1 million in sales.

Sandra Sanchez, 43, of Morton Grove, was charged in Cook County with theft and tax evasion for defrauding the state out of more than \$100,000. As an owner of Cesar's Restaurant located at 3166 N. Clark St., Madigan alleged Sanchez used an automated sales suppression device to underreport more than \$1 million in sales to the Illinois Department of Revenue (IDOR).

Madigan alleged that between January 2012 and October 2015, Sanchez used a so-called "zapper" or sales suppression software to falsify electronic sales records to avoid paying the full amount of sales and use taxes to the state each month. Tax zapper software or tax zapper devices automatically delete some or all of a business' records of cash sales transactions and reconcile data so that reported sales appear to match reported income. Illinois banned the use of sales suppression software and devices in 2013, and this is the state's first prosecution involving zapper technology.

"Illinois criminalized the use of tax suppression devices to prevent efforts to defraud the state," Madigan said. "These charges should send a message that using technology will not protect criminals from being held accountable."

The investigation was conducted by the IDOR's Criminal Investigations Division with support from Internal Revenue Service (IRS) Criminal Investigation.

"I commend the work of Revenue's Criminal Investigations Division and appreciate the assistance of the Internal Revenue Service as we continue efforts to protect Illinois taxpayers from fraud," said Connie Beard, IDOR Director.

"When individuals, such as Ms. Sanchez, use fraud and deceitful measures such as a 'zapper' or sales suppression devices to defraud the government and underreport income, the harm is felt by all American taxpayers and our economy," said Gabriel Grchan, Special Agent in Charge, IRS-Criminal Investigation. "IRS Criminal Investigation along with our State partners will continue to vigorously pursue individuals who attempt to undermine our tax system."

Sanchez is scheduled to appear in court on Sept. 6. The public is reminded that the defendant is presumed innocent until proven guilty in a court of law.

Assistant Attorney General Ali Gadelhak is handling the case for Madigan's Special Prosecutions Bureau.

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