The United States Attorney's Office

Southern District of Florida

Press Release

BROWARD COUNTY TAX PREPARER SENTENCED FOR TAX FRAUD RELATED TO WORKERS' COMPENSATION INSURANCE SCHEME

February 7, 2008

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, Michael E. Yasofsky, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, and Douglas Colon, Special Agent in Charge, U.S. Department of Labor, Office of Inspector General, announced that on February 4, 2008, U. S. District Judge Alan S. Gold in Miami, Florida, sentenced **Enrique Guevara**, a Broward County tax preparer, to 13 months' imprisonment followed by 3 years' supervised release.

On August 17, 2007, the defendant pled guilty to tax fraud conspiracy and aiding the filing of a false tax return, in violation of Title 18, United States Code, Section 371, and Title 26, United States Code, Section 7206(2). His co-defendants, **Alexandra**

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Cordero and **Erick Brandon**, were charged with a mail fraud conspiracy to fraudulently obtain workers' compensation insurance coverage in order to provide hundreds of workers for public and private construction jobs in Florida, in violation of Title 18, United States Code, Sections 1349 and 1341. Defendant Cordero pled guilty and was separately sentenced to a term of imprisonment by Judge Gold on December 11, 2007. Defendant Brandon remains a fugitive.

The case revolved around the defendant's scheme to provide false workers' compensation insurance certificates to general contractors on public and private construction projects throughout South Florida. Under Florida law, a general contractor, contractor or subcontractor who engages in any public or private construction must secure and maintain adequate workers' compensation insurance. In high risk or dangerous work, the rate for workers' compensation insurance can be as high as 50% of the payroll.

The Indictment alleged that an unindicted co-conspirator and defendants Guevara, Brandon, and Cordero participated in a conspiracy in which Sandi Construction fraudulently represented to general contractors in the construction industry that Sandi Construction workers were insured, as required under Florida law. In fact, however, they were not.

Specifically, the defendants obtained legitimate workers' compensation insurance policies for six workers, with premiums on the policies based on a declared annual payroll of $93,000. From June 2005 to June 2006, Sandi Construction obtained these insurance policies from defendant Brandon, an employee at Emmanuel Insurance & Associates, located in Hialeah, Florida. Subsequently, from June 2006 to the date of Indictment, Sandi Construction obtained the insurance policies from defendant Cordero, a broker at Best Insurance Choice Corp, located in Coral Springs, Florida. Although the Sandi Construction insurance policies covered six workers, Brandon and Cordero provided the general contractors with Sandi Construction insurance certificates purportedly covering hundreds of workers.

Through this scheme, between June 2005 and June 2006, Sandi Construction supplied workers to approximately 186 general contractors in 12 Florida counties and received approximately $11,725,275 in payments from these contractors. Similarly, from

June 2006 to the date of Indictment, Sandi Construction supplied workers to 125 general contractors and received payments totaling approximately $9,202,067. In addition, Sandi Construction's actual payroll was much greater than the $93,000 that Sandi had initially declared to the insurance companies to obtain coverage for six employees. Consequently, Sandi Construction avoided paying approximately $4,000,000 in insurance premiums.

Guevara, the owner and operator of A/Z Accounting Corp., a Broward County accounting and bookkeeping business, created fictitious Internal Revenue Service reporting documents, including Wage and Tax Statements (Form W-2a) and Form 1099s, and prepared and filed false corporate tax returns for Sandi Construction.

Mr. Acosta commended the investigative efforts of the Internal Revenue Service's Criminal Investigation Division and the Department of Labor's Office of Inspector General. The case is being prosecuted by Assistant United States Attorneys Jeffrey E. Tsai and Luis M. Perez.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at http://www.usdoj.gov/usao/fls. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at http://www.flsd.uscourts.gov or on http://pacer.flsd.uscourts.gov.

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