The United States Attorney's Office

Southern District of Florida

Press Release

CONSTRUCTION COMPANY OWNER SENTENCED TO 10 YEARS FOR PAYROLL TAX EVASION

February 25, 2008

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Michael E. Yasofsky, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, ("IRS"), announced today that defendant **Lucky Mata**, 47, of West Palm Beach, and owner of Kodiak Construction and Management, Inc., was sentenced on Friday, February 22, 2008 to serve a total of ten years in prison on multiple charges relating to his evasion of federal payroll taxes. Kodiak underpaid its federal payroll taxes by nearly $3,000,000 between 1994 and 2005, during which time it paid its workers nearly $18,000,000 in cash payments without any employer withholding.

Mata was convicted at trial in November 2007 on all ten counts with which he was charged (one count of conspiracy, six counts of causing the filing of false currency transaction reports, two counts of

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filing false federal payroll tax returns that substantially understated the true wages paid to employees of Kodiak Construction, and one count of obstructing a federal grand jury inquiry into the massive scheme). The evidence at trial showed that Mata paid cash wages to most of his workers in order to avoid federal payroll tax obligations. Check cashers posing as subcontractors helped him to perpetrate the scheme. Mata caused the check cashers to lie to banks about the final destination of the cash after it left the bank, and then caused multiple false federal payroll tax returns to be filed with the Internal Revenue Service. The total scheme involved more than $18,000,000 in Kodiak wages over a ten-year period.

According to the evidence, Mata caused fraudulent invoices to be presented to the grand jury that was investigating this matter. Kodiak paid cash to most of its construction workers, without any federal withholding taxes being deducted from the wages. In addition, the evidence showed that many of the workers were undocumented aliens.

Mr. Acosta praised the thorough work of the Internal Revenue Service on this case. The case was prosecuted by AUSA Stephen Carlton.

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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