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MADIGAN, DEPARTMENT OF REVENUE: PEORIA GAS STATION OPERATOR CHARGED IN TAX FRAUD CRACKDOWN

Ongoing Operation Nets \$82 Million in Unpaid Sales Tax from Gas Station Owners

Chicago — Attorney General Lisa Madigan and the Illinois Department of Revenue (IDOR) today announced a Peoria area man has been charged for allegedly defrauding the state of more than \$420,000 in gasoline sales taxes. The case is one of dozens in an ongoing criminal enforcement operation that to date has recovered nearly \$82 million owed to the state from gas station operators who evade sales tax payments.

Prakashbhai Patel, 33, was charged this week in two separate indictments with 24 counts of filing fraudulent sales and use tax returns, two counts of mail fraud, and two counts of wire fraud, all Class 3 felonies, and two counts of computer fraud, a Class 2 felony.

Madigan alleged that from January 2008 through July 2011 Patel underreported sales at two Peoria gas stations to defraud the state of \$423,095. Patel operated My Krishna Inc., a Marathon gas station at 3036 N. Knoxville Rd., and Pooja Retail Inc., a Clark gas station at 3907 N. Sheridan Rd.

"These businesses were pocketing the tax money consumers paid at the pump," Attorney General Madigan said. "We will continue to pursue gas station owners who illegally profit at the expense of taxpayers and the state."

The charges against Patel are part of the state's ongoing operation now in its third year led by Madigan's office and IDOR to recoup sales tax losses from gas stations throughout Illinois that underreported revenues to avoid paying taxes to the state.

"The message to dishonest taxpayers should be clear," said Brian Hamer, director, Illinois Department of Revenue. "We will not hesitate to seek criminal sanctions when businesses cheat on their taxes and fail to pay what they owe."

The crackdown on gas station owners has led to a new law in Illinois to penalize these offenders. The law, which was an initiative of Madigan's office and took effect in January, established stronger penalties and eliminated barriers to prosecuting 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.

Patel was released on a \$600,000 bond. A status hearing was set for Aug. 8.

This case was investigated by IDOR's Bureau of Criminal Investigation. Assistant Attorneys General Gene Bian and Anshuman Vaidya are handling prosecution of the case for Madigan's Special Prosecutions Bureau.

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