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MADIGAN: THREE INDIVIDUALS CHARGED IN HOTEL TAX FRAUD SWEEP

Chicago — Attorney General Lisa Madigan today announced charges against three Chicago area hotel owners in a sweep to crack down on violations of the Hotel Operators' Occupation Tax Act (HOOT). The individuals are accused of defrauding the state out of more than \$470,000 from eight hotels in the Chicago area.

Shashank Bhatt, 66, of Oak Brook and Kishore Chugh, 63, of Burr Ridge were charged with filing a fraudulent HOOT return and wire fraud, Class 3 felonies punishable by up to two to five years in prison. Bhatt and Chugh are accused of conspiring to defraud the state by underreporting approximately \$3.5 million revenue. As the owners and operators of a number of hotels in and around Chicago – the D-Lux Budget Motel in Alsip, the Miami Inn & Suites in Oak Lawn, the Palos Motel in Worth, the Presidential Inn in Matteson, the Presidential Motel in Lyons, and the Saratoga Motel in Chicago – Bhatt and Chugh allegedly defrauded the state out of \$354,076.84 in tax revenue.

Madigan also announced Jagdishchandra Parikh, 59, of DeKalb was charged with failing to file HOOT returns, a Class 3 felony punishable by two to five years in prison. Parikh allegedly failed to disclose more than \$2 million in sales generated by two Baymont Inn & Suites hotels located in DeKalb and Ogle counties, resulting in a state tax revenue loss of approximately \$120,000.

"We will continue to pursue individuals who defraud the state by violating tax laws and keep money that is owed to the state," said Madigan.

Bhatt and Chugh posted bond, which was set at \$100,000 each, and their next court date is Jan. 11. Parikh's next court appearance will be Jan. 12.

"Anytime allegations of tax fraud are brought to our attention, it is important that we examine their validity and act accordingly," said Connie Beard, Illinois Department of Revenue (IDOR) Director. "Individuals who defraud our state's tax system and unfairly disadvantage businesses that play by the rules and pay their fair share, must be held accountable."

The cases were investigated by IDOR's Criminal Investigations Division. Assistant Attorneys General Christina Chojnacki and Mary 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.

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