



# Department of Justice

**United States Attorney Melinda Haag  
Northern District of California**

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CONTACT: JACK GILLUND  
(415) 436-

[Jack.Gillund](mailto:Jack.Gillund)

**FORMER WOODSIDE WOMAN SENTENCED TO 46 MONTHS IN PRISON FOR TAX EVASION**

*Embezzled more than \$4.7 Million from Employer*

SAN FRANCISCO – Ann Ray, aka Georgia Engelhart, was sentenced today to 46 months in prison and ordered to pay \$4,758,107.98 in restitution to her former employer and \$1,269,927 to the IRS for tax evasion, United States Attorney Melinda Haag and Special Agent in Charge, IRS Criminal Investigation, Scott O'Briant announced.

According to the plea agreement, Ray worked for 34 years as the bookkeeper for several business entities owned by the "T" family in San Carlos, Calif. As a trusted long-time employee, she had complete and unfettered access to the business bank accounts of those business entities. Ray began embezzling from the T-family business entities in the 1980s. Her thefts started small but by 2004 she was stealing hundreds of thousands of dollars per year. In 2004, she embezzled funds from the business accounts of all the T-family companies. Ray continued to embezzle from those accounts until May 2009.

According to the plea agreement, Ray used a variety of methods over the years to facilitate the embezzlement, including writing checks from the companies' bank accounts to several of her personal credit cards. She used her personal credit cards for everything from everyday expenditures and cash advances to expensive vacations and regular gambling at casinos. Ray also wrote checks to herself and deposited them into her personal bank account. The checks she wrote to herself included some of her own legitimate payroll checks that she altered after the company owner signed them. Ray did this by changing a "1," which represented one thousand dollars, to a "4" or "7," thereby increasing her paycheck by \$3,000 to \$6,000 during specific pay-periods. She also regularly forged the owner's signature until sometime in 2007 when

the owner provided her with a signature stamp. This allowed her to continue falsifying T-family business checks for her own personal gain.

According to the plea agreement, to conceal her embezzlement, Ray falsified the books and records for the T-family business entities. In addition to falsifying the bookkeeping, she created false inter-company transfers between the various T-family business entities on at least three occasions. This was done to account for the money that she had stolen. Ray manipulated the companies' bookkeeping, records and bank statements almost on a daily basis to conceal the theft from the T-family and their Certified Public Account.

According to the plea agreement, between 1998 and May 2009, Ray embezzled at least \$4,758,107.98 from the T-family business entities. For the period of 2004 through 2009, Ray did not report any of the embezzled receipts as taxable income and intentionally did not tell her CPA about the embezzlement during the preparation of her personal income tax returns. During this six-year period, Ray gained a total of \$3,785,773.83 in income, which was then concealed from the Internal Revenue Service.

Ray, 67, a former a resident of Woodside, Calif., currently resides in Antioch, Calif. She was charged on July 8, 2011, and pleaded guilty on July 19, 2011, to all six counts of tax evasion.

Thomas Moore is the Assistant U.S. Attorney who prosecuted the case with the assistance of Kathy Tat. The prosecution is the result of an investigation by the Internal Revenue Service – Criminal Investigation.

**Further Information:**

Case #: CR 11-0466 WHA

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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