

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

FOR IMMEDIATE RELEASE
February 22, 2012
WWW.USDOJ.GOV/USAO/CAN

CONTACT: JACK GILLUND
(415) 436-6599
Jack.Gillund@usdoj.gov

**OWNER OF MOUNTAIN VIEW PAYROLL SERVICE CHARGED WITH 29 COUNTS OF TAX
EVASION**

SAN JOSE, Calif. – Elsa Lorena Solares of San Jose was charged yesterday by a federal grand jury in San Francisco with 29 counts of willfully attempting to evade and defeat part of the employment tax due by her clients, United States Attorney Melinda Haag and Special Agent in Charge, IRS Criminal Investigation, Marcus Williams announced.

According to the indictment, Solares owned and operated a payroll service named JC 101 Services located in Mountain View, Calif. As part of her services, Solares calculated each client's payroll liabilities and the employment and unemployment tax due and owing to the IRS. Solares also obtained funds, from her clients, in the amount of the employment and unemployment taxes due to the IRS and agreed to pay over those funds to the IRS.

The indictment further alleges that, in the 29 counts charged, Solares calculated the quarterly employment tax due for at least seven clients. She collected those amounts from her clients then failed to file tax returns reporting the tax due and failed to pay the money over to the United States.

A warrant has been issued for Solares' arrest.

The maximum statutory penalty for each count of Tax Evasion, in violation of Title 26, U.S.C § 7201 is five years in prison and a fine of \$250,000. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Thomas Newman is the Assistant U.S. Attorney who is prosecuting this case with the assistance of Kathy Tat. The prosecution is the result of an investigation by the Internal Revenue Service, Criminal Investigation with the assistance of the Mountain View Police Department.

Please note, an indictment contains only allegations against an individual and, as with all defendants, Solares must be presumed innocent unless and until proven guilty.

Further Information:

Case #: CR 12-0112 LHK

A copy of this press release may be found on the U.S. Attorney's Office's website at 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.

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.