



Department of Justice

Acting United States Attorney Alex G. Tse
Northern District of California

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NORTH BAY MARIJUANA DISTRIBUTOR PLEADS GUILTY TO TAX FRAUD

Defendant Underreported Over \$1.1 Million From Marijuana Distribution Business

SAN FRANCISCO – Charles T. Woods pleaded guilty in federal court in San Francisco today to tax fraud for underreporting income from his marijuana distribution business, announced Acting United States Attorney Alex G. Tse and Internal Revenue Service, Criminal Investigation, Special Agent in Charge Michael T. Batdorf. The plea was accepted by the Honorable Susan Illston, U.S. District Judge.

In pleading guilty, Woods, 44, of Santa Rosa, Calif., admitted he engaged in marijuana distribution in 2012, 2013, and 2014, and to knowingly and willfully filing U.S. Individual Income Tax Returns for those years that underreported income from his marijuana distribution. For all three years, Woods consistently reported business gross receipts on his tax returns of under \$85,000 per year despite earning hundreds of thousands of dollars more. To evade bank currency transaction reporting requirements and conceal his income, Woods deposited more than \$1 million into numerous bank accounts under his control in amounts less than \$10,000. Combined, Woods failed to report more than \$1.1 million in gross receipts from his marijuana distribution business, which resulted in a tax loss of \$466,707 to the United States.

Woods was charged by information on April 25, 2018, with two counts of willfully making and subscribing false tax returns to the Internal Revenue Service, in violation of 26 U.S.C. § 7206(1). Pursuant to today's plea agreement, he pleaded guilty to one count and the second count will be dismissed.

Judge Illston scheduled Woods' sentencing hearing for September 14, 2018. The maximum statutory penalty for willfully a violation of 26 U.S.C. § 7206(1) is three years in prison and a fine of \$250,000. However, any sentence will be imposed by the court only after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Assistant U.S. Attorney José A. Olivera is prosecuting this case with the assistance of Kathy Tat. The prosecution is the result of an investigation by IRS Criminal Investigation.

Further Information:

Case #: 18-CR-00171-SI

A copy of this press release will be placed 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 Abraham Simmons at (415) 436-7264 or by e-mail at Abraham.Simmons@usdoj.gov.