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Immigration and Other Crimes

Found guilty of defrauding the IRS out of more than \$25 million in income and Social Security and Medicare taxes that should have been collected and...

Aug. 28, 2022



A partner in several Key West labor staffing companies was sentenced today to more than 24 years in prison for tax, immigration, and money laundering crimes related to the operation of those businesses.

According to court documents and evidence presented at trial, Mykhaylo Chugay and others owned and operated a series of labor-staffing companies in southern Florida, including General Labor Solutions LLC, Liberty Specialty Service LLC, Paradise Choice LLC, Paradise Choice Cleaning LLC, Tropical City Services LLC, and Tropical City Group LLC, between August 2007 and July 2021. Through these staffing

companies, Chugay facilitated the employment of individuals in hotels, bars, and

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to conspirators in Ukraine and elsewhere.

In addition to the term of imprisonment, U.S. District Court Judge Jose E. Martinez for the Southern District of Florida ordered Chugay to serve three years of supervised release. Judge Martinez will enter a forfeiture money judgement and order Chugay to pay at a later date.

“Chugay’s illegal staffing and money laundering operation lasted more than a decade and cost the government millions of dollars in unpaid payroll taxes,” said Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department’s Tax Division. “Employers who follow the rules and pay their fair share of taxes deserve to compete on a level playing field. Those who cut corners and evade their legal obligations should know they will be investigated and prosecuted.”

“The elaborate scheme organized by this organization took advantage of U.S. Government programs designed to assist vulnerable populations seeking assistance and a better life here in the US for their own personal gain,” said Special Agent in Charge Anthony Salisbury of Homeland Security Investigations (HSI) Miami. “This sentence is the culmination of a lengthy investigation which demonstrates the resolve and determination of HSI and its partners to stop individuals trying to take advantage of the systemic vulnerabilities to fuel their lavish lifestyles.”

“We are committed to finding criminals who break the law to gain an unfair market advantage and enrich themselves by avoiding to pay taxes,” said Special Agent in Charge Matthew D. Line of the IRS-Criminal Investigation Miami Field Office. “This is another example of how our local agents and staff applied their skilled forensic financial analysis and criminal investigative expertise to investigate crooked staffing companies engaged in illegal employment practices.”

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