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Athletes

Conspired to prepare and file with the IRS a series of false and fraudulent income tax returns on behalf of at least nine professional athletes.

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Multimillion Dollar Tax Fraud Scheme Involving Professional Athletes and a PPP Loan Fraud Scheme

Third Defendant Pleads Guilty to Multimillion Dollar Tax Fraud Scheme Involving Professional Athletes and a PPP Loan Fraud Scheme

A California man pleaded guilty today to conspiring with others in schemes to defraud the IRS and the Paycheck Protection Program (PPP), a federal loans initiative designed to help businesses pay their employees and meet expenses during the COVID-19 pandemic.

According to court documents and statements made in court, Thanh Ngoc Rudin, 58, was a principal of Mana Tax Services, a tax preparation business in the Los Angeles area. Rudin engaged in a conspiracy to commit two sets of fraud schemes using Mana Tax.

First, from June of 2019 through July 2021, Thanh Rudin conspired with his brother, Quin Ngoc Rudin, as well as Seir Havana and others, to prepare and file with the IRS a series of false and fraudulent income tax returns on behalf of at least nine professional athletes. The false tax returns reported fabricated business and personal losses to generate refunds the athletes were not entitled to receive. The co-conspirators told the professional athletes that Mana Tax also could amend prior year tax returns to correct purported errors made by the athletes' previous accountants to get additional refunds they were not entitled to receive. Mana Tax then charged the athletes a fee of 30% of the resulting refund.

Thanh Rudin and his co-conspirators also used Mana Tax to apply for PPP loans on

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accounts containing PPP loan fraud proceeds controlled by the conspirators. In addition, Havana surrendered cashier's checks worth approximately \$5.6 million, representing a portion of the fees charged to professional athletes for the preparation of their false tax returns, and a portion of the fees charged for obtaining fraudulent PPP loans. The two schemes resulted in total losses of more than \$25 million.

Thanh Rudin is scheduled to be sentenced on November 9. He faces a maximum penalty of five years in prison for the conspiracy charge and 20 years in prison for wire fraud. He also faces a period of supervised release, restitution, and monetary penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

On May 13, Quin Rudin pleaded guilty to conspiracy to defraud the United States, conspiracy to commit wire fraud, and wire fraud. His sentencing hearing is scheduled for September 14. On July 20, Havana pleaded guilty to conspiracy to defraud the United States, conspiracy to commit wire fraud, and money laundering. His sentencing hearing is scheduled for Nov. 9.

Income Tax • Taxes

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