

The United States Attorney's Office
District of Hawaii

Press Release

U.S. Department of Justice
United States Attorney
District of Hawaii

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For Immediate Release

P R E S S R E L E A S E

RICHARD JAMES BASUEL II was sentenced on February 12, 2007 in United States District Court to four months imprisonment for conspiring with his father, RICHARD JAMES BASUEL, DINA CALEDA, and ROSALINDA TAMAYO (fka Rosalinda DeGuzman) to defraud the Internal Revenue Service by filing and assisting in filing of false claims for tax refunds.

Edward H. Kubo, Jr., United States Attorney for the District of Hawaii, said that according to the indictment, BASUEL II and the others conspired to defraud the IRS by advocating a "new way" to prepare federal income tax returns for their clients. The defendants fraudulently represented that IRS publications did not specifically state that Hawaii was a part of the United States and therefore Hawaii residents were considered to be foreigners for federal income purposes and were not subject to federal tax withholding.

Over 900 tax returns were prepared the "new way" and filed with the IRS. These tax returns claimed tax refunds in excess of \$4,000,000.

Richard Basuel, Dina Caleda and Rosalinda Tamayo were sentenced earlier and received sentences that ranged from six months to 40 months.

This case was investigated by the Internal Revenue Service, Criminal Investigation Division. Assistant United States Attorney Leslie Osborne handled the prosecution.

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