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OWNER OF PROMINENT MANUFACTURING COMPANY PLEADS GUILTY IN \$34 MILLION FEDERAL TAX EVASION SCHEME

LOS ANGELES – The owner of Oxnard-based Haas Automation, Inc. pleaded guilty this afternoon to a federal conspiracy charge related to a scheme in which tens of million of dollars in bogus expenses were put on the company's books during a two-year period in an attempt to avoid the payment of more than \$34 million in federal income taxes.

Gene Francis Haas, 54, of Camarillo, pleaded guilty to the felony charge before United States District Judge Christina A. Snyder.

Judge Snyder is scheduled to sentence Haas on November 5. A plea agreement filed last Friday calls for a two-year prison sentence. If Judge Snyder declines to impose the 24-month sentence, Haas or the government will be allowed to withdraw from the negotiated plea agreement.

As part of the plea agreement filed last Friday, Haas agreed to pay \$34.2 million in back taxes for the years 2000 and 2001, as well as a \$5 million fine. With statutory penalties and interest on the back taxes, Haas owes more than \$70 million to the government.

"Tax evasion is not a victimless crime," stated Debra D. King, Special Agent in Charge of IRS - Criminal Investigation in Los Angeles. "Honest, hardworking Americans pay the price when others choose to evade their tax obligations. The investigation and successful prosecution of Mr. Haas – resulting in prison time and one of the largest tax assessments in a criminal case in recent memory – is indicative of IRS' commitment to pursue tax crimes without regard to a person's position or stature in the community. The prosecution of individuals who intentionally underreport their income and evade taxes is a vital element in maintaining public confidence in our tax system. We should not expect the honest taxpayer to foot the bill for those for those who attempt to defraud the IRS."

Haas is the fifth and final defendant to plead guilty in relation to three separate tax fraud schemes engineered by Haas. According to court documents, the tax fraud schemes started in 2000 after Haas paid approximately \$8.9 million to settle a patent infringement lawsuit brought against his company by a rival firm. Haas blamed his loss in the case on the federal judge who presided over the lawsuit. In September 2000, Haas created several tax fraud schemes to recover from the government the settlement paid to the rival company, as well as legal fees.

Several co-conspirators previously pleaded guilty, acknowledging their role in one or more of the schemes. Robert Gene Cable, 75, of La Crescenta, pleaded guilty in May and is scheduled to