



U.S. Department of Justice

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EVENT: Sentencing

Defendant: Elfat El Aouar

**LASHISH FINANCIAL MANAGER SENTENCED
TO 18 MONTHS IN PRISON FOR TAX EVASION**

United States Attorney Stephen J. Murphy announced today that Elfat El Aouar, 40, of Plymouth, a former Vice President of Finance for La Shish, Inc. and the spouse of La Shish owner, Talal Chahine, was sentenced today in Ann Arbor federal court to 18 months' imprisonment for tax evasion. During her guilty plea hearing on December 12, 2006, Elfat El Aouar admitted that from January 1, 2003 to April 15, 2004, she aided and abetted Talal Chahine in evading approximately \$1.5 million dollars in federal income taxes. The sentence was handed down by United States District Judge John Corbett O'Meara.

United States Attorney Stephen J. Murphy was joined in the announcement by Special Agent in Charge Maurice Aouate of the Internal Revenue Service, Criminal Investigation Division.

United States Attorney Murphy said, "This case involves a restaurant business that operated two sets of digital books, skimmed millions of dollars in cash to send overseas, and

failed to report this income on tax returns as required by law. As this Office has always done, we will assiduously enforce our tax laws with full resort to civil and criminal processes as appropriate. I commend the efforts of the prosecution team who worked closely with IRS Criminal Investigative agents in this case."

Greed undermines the integrity of our tax system," stated Aouate, "especially when the people responsible go to great lengths to deliberately hide their income by keeping a double set of computerized books, fictional records, and false balance reports."

According to the Indictment, Talal Khalil Chahine is the sole owner of La Shish, Inc., a Middle Eastern restaurant chain located in the Detroit, Michigan metropolitan area. Elfat El Aouar, who is married to Talal Chahine, has an M.B.A. and had worked at La Shish, Inc. in various capacities including as the company's Vice President of Finance. The Indictment alleges that Talal Chahine and Elfat El Aouar collaborated in a scheme to skim cash proceeds from the restaurants for the tax years 2000 through 2003. During those tax years, La Shish, Inc. maintained a double set of computerized books, records and balance reports, one actual and one altered. The altered records were produced by a complex computer program that artificially reduced the amount of receipts in the form of cash that was actually received by the restaurants. Talal Chahine and Elfat El Aouar oversaw the maintenance of the double set of books, as well as the skimming and concealment of more than \$16,000,000 in cash received by the restaurants. To evade government scrutiny, the skimmed cash was not deposited into U.S. bank accounts, but instead converted into cashier's checks for the purpose of transporting the cash outside the United States to Lebanon, away from U.S. government reach and detection. Cash was also skimmed by paying La Shish, Inc. employees all or partly in cash.

Talal Chahine remains a fugitive from U.S. authorities and is believed to be in Lebanon. A warrant has been issued for his arrest.

In announcing the sentence, United States Attorney Stephen J. Murphy commended the work of the Special Agents of the Internal Revenue Service, Criminal Investigation Division and the Federal Bureau of Investigation. The prosecution of El Aouar and Chahine has been handled by Assistant United States Attorneys Kenneth R. Chadwell and Julie A. Beck.