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FOR IMMEDIATE RELEASE

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FORMER REAL ESTATE BROKER INDICTED

Prosecuting Attorney Mitchell D. Roth announced today that on October 19, 2016, the Hawai`i County Grand Jury returned an indictment charging former Kailua-Kona Real Estate Broker Shellie A. Grace and her company, Elite Property Management Services, LLC, with multiple criminal offenses arising out of their alleged conduct during the period from 2010 to 2015.

A criminal investigation of Shellie A. Grace, 40, and her company, Elite Property Management Services, LLC, was opened in 2014 following complaints to the Hawai`i Police Department by rental property owners concerning the business practices of Grace and her company. When it became apparent that an investigation of possible tax crimes was warranted, the results of the investigation conducted by Detective Sandor Finkey was delivered to the Hawai`i Department of Taxation for further criminal investigation by Special Agents Albert Piepszak and Special Agent Russell Fong. Those investigations resulted in the indictment charging Shellie A. Grace with one count of theft in the first degree, five counts of willful failure to file returns for calendar years 2010, 2011, 2012, 2013 and 2014, and one count of willful failure to collect and pay over tax. Elite

Property Management Services, LLC is charged with five counts of willful failure to file returns for calendar years, 2010, 2011, 2012, 2013 and 2014, and one count of willful failure to collect and pay over tax.

An indictment is an accusation only and the Defendants are presumed innocent until found guilty at trial.

Theft in the first degree, is a class “B” felony punishable by up to ten years in prison and a fine of up to \$25,000.

Willful failure to file a return is a misdemeanor punishable by up to one year in jail and a fine of up to \$25,000.

Willful failure to collect and pay over tax is a class C felony, enacted in 2009, and punishable by up to 5 years in prison and a fine of up to \$100,000.

In 2009, the Hawai`i legislature gave the Department of Taxation new tools, including the offense of willful failure to collect and pay over tax, to help the Department deal with those individuals who are not complying with state tax laws.

Historically, the Department of Taxation has permitted non-filers who self-report their conduct to the Department to work out a payment plan **before a criminal investigation has commenced.**

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