



DEPARTMENT OF TAXATION

News Release

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For Immediate Release: September 18, 2009

**TAX RETURN PREPARER SENTENCED
FOR NOT FILING HIS OWN RETURNS**

HONOLULU — The owner of a tax preparation service was sentenced before District Court Judge Faye Koyanagi for failing to file his own general excise and net income tax returns over a five-year period.

Ernest G.W. Pong owns and operates Central Oahu Tax Services, a company which provides tax preparation and bookkeeping services. The Court accepted Pong's guilty plea to five counts of willful failure to file his annual general excise returns and five counts of failing to file his net income returns for tax years 2002 through 2006. His request for a deferral of his guilty plea was denied by Judge Koyanagi who instead found him guilty of all charges and placed him on probation for a year. He was ordered to pay restitution in the amount of \$40,744 at the rate of \$400 per month, a fine of \$5,000 and remain tax compliant through out his period of probation.

Pong has been preparing returns for over 30 years and was well aware of the state's tax laws and its filing requirements. All charges against Pong are misdemeanor violations

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which carry a fine not to exceed \$25,000 per violation, a period on incarceration not to exceed one-year or probation.

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