



DEPARTMENT OF TAXATION

News Release

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**OWNER OF CONSULTING COMPANY
SENTENCED FOR TAX VIOLATIONS**

HONOLULU — Hawaii Development Consultants, Inc. was charged with wilful failure to file its annual general excise tax returns for the years 2005, 2006, and 2007. Stanforde K. Sagum, who was the president of Hawaii Development Consultants, Inc., was also charged as the responsible officer who failed to file the returns on behalf of the company. The defendants were sentenced on December 15, 2009 by District Court Judge Paula Devens.

Sagum entered pleas of guilty on behalf of himself and the company, and requested a deferral of the guilty pleas. The court, over the State's objection, deferred acceptance of the guilty pleas for a period of one year. As part of the court's terms of the deferral, the defendants were ordered jointly and severally liable for restitution in the amount of \$31,415 and to make payments at the rate of \$300 per month. In addition, Sagum was assessed a total fine of \$6,000 (\$2,000 per count) and ordered to be tax compliant throughout the deferral period. An interim proof of compliance hearing is set for June 1, 2010.

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Wilful failure to file return is a misdemeanor violation that carries a fine up to \$25,000 for individuals and \$100,000 for corporations, and a period of incarceration not to exceed one year or probation.

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