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Restaurants

**South Carolina Chinese Restaurant Owner
Sentenced for Tax Evasion, Harboring Aliens**

RALEIGH, N.C.—The owner of a Chinese restaurant in North Charleston, S.C., has been sentenced to 12 months in prison on charges of tax fraud and harboring illegal aliens, federal prosecutors said June 24 (*United States v. Fang*, D.S.C., No. 2:12-cr-00798, *sentencing* 6/24/13).

According to the U.S. attorney's office for the district of South Carolina, Ji Duan Fang, who owned and operated Jade China Buffet, knowingly hired at least 14 undocumented immigrants to work at the restaurant, harboring and transporting them to and from work. From 2008 through 2011, Fang paid the workers in cash and failed to collect or pay \$212,225 in employment taxes for them, in violation of federal tax law, the office said.

Fang was indicted in October 2012 on charges of violating federal tax law and the Immigration and Nationality Act.

The June 24 sentencing by the U.S. District Court for the District of South Carolina followed a guilty plea Fang entered as part of a plea agreement with prosecutors in February.

"Employees have a right to expect their withheld employment taxes, which fund future benefits, will be paid by their employer," Jeannine A. Hammett, special Internal Revenue Service agent in charge of the agency's Charlotte, N.C., field office, said in a June 24 statement. The agency "takes this type of offense seriously and will continue its efforts to protect employees by rooting out employers who violate the tax laws."

Downward Variance Granted

Lionel S. Lofton, with the Charleston, S.C., law offices of Lofton & Lofton, who represented Fang, told BNA that he was "very pleased with the sentence."

According to Lofton, the federal sentencing guidelines called for Fang to be sentenced to between 24 months and 30 months. The district court judge agreed to a downward variance because Fang had been cooperative with prosecutors, filed amended tax returns and is working to pay what is owed, has no prior criminal record, and has a wife and young children, Lofton said.

Fang also was sentenced to a prison term of one year and one day, which is important, Lofton told BNA. For sentences longer than one year, 85 percent of the term may be served, he said.

"Fang is in the process of paying the money that is due to the government," Lofton said.

Regarding Fang's employees, Lofton said he understood that the majority of those determined to be in the country illegally already have been deported.