

For Immediate Release
November 9, 2012

Contact: NR 111-12-G
Jaime Garza
1-916-327-8988
Attorney General
1-415-703-5837

Northern California Developer and Restaurateur Pleads to Felony Grand Theft Placer County Businessman Owed State More than \$7 Million in Sales and Employment Taxes

Sacramento – Abolghassem (Abe) Alizadeh, 54, of Granite Bay, pleaded no contest to one felony grand theft and two related misdemeanor counts for misappropriation of sales tax and nonpayment of unemployment insurance contributions, the California State Board of Equalization (BOE) announced today. The franchisee and developer owned and operated 71 northern California Jack in the Box restaurants and Kobra Properties.

Alizadeh signed the plea agreement at the Bill Santucci Justice Center in Roseville on November 5, 2012. Senior Assistant Attorney General Ronald Smetana prosecuted the case.

The investigation of Alizadeh began in April 2010, when the BOE, Attorney General's Office, Employment Development Department (EDD), and other state partners became suspicious that he was diverting sales and employee payroll tax dollars from the state for his business and personal interests. Alizadeh failed to remit more than \$5.4 million in sales tax to BOE, and nearly \$1.8 million to EDD, not including penalties and interest.

Alizadeh's sentencing will be continued for four years to allow him to make restitution for the money he owes BOE and EDD. The plea agreement will require him to pay \$1.7 million in criminal tax restitution during the next four years, with 79.9 percent of the payments going to BOE and 20.1 percent to EDD. To date, the BOE has received \$532,110 in payments ordered by the Jack in the Box and Kobra Properties bankruptcy proceedings.

During the next four years, Alizadeh must pay \$300,000 annually to satisfy the court-ordered restitution which will be applied toward his \$5.4 million civil liability. If he makes the required payments on time, he will be sentenced to three years probation in Placer County. If Alizadeh fails to make timely or adequate payments during the coming four years, he may be sentenced to up to four years and four months in state prison.

Alizadeh's plea agreement also states that he may not file or receive any licenses or seller's permits with the BOE or any other state taxing or tax collection agency until he makes full restitution and completes his probation.

* * * * *

Connect with Us:



The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

State Board of Equalization • 450 N Street, Sacramento, CA 95814 • 1-800-400-7115

Connect with Us:

