



## Robert W. Wood

THE TAX LAWYER

---

TAXES 10/10/22

# Man Gets Ten Years In Prison For Tax Fraud With PPP Loans & Pro Athletes

A California man was sentenced to 10 years in prison for conspiring with others in schemes to defraud the IRS and the Paycheck Protection Program (PPP). According to court documents and statements made in court, Quin Ngoc Rudin, 55, a convicted felon, was the Secretary, Director and Chief Financial Officer of Mana Tax Services, a tax preparation business in the Los Angeles area. Rudin engaged in a conspiracy to commit two fraud schemes using Mana Tax while on supervise release.

First, Rudin conspired with his brother, Thanh Rudin, 59, of Rosemead, California, as well as Seir Havana, 46, of North Hollywood, California, and others to prepare and file with the IRS a series of false income tax returns on behalf of at least nine professional athletes. The false tax returns reported fictitious business and personal losses to generate refunds the athletes were not entitled to receive. Rudin also filed amended tax returns for most of the athletes for prior years to correct what he falsely characterized as “errors” made by their previous accountants. Mana Tax charged the athletes a fee of

30% of the resulting refunds issued by the IRS. Rudin's tax fraud scheme caused a total tax loss of more than \$19 million.



Rudin and his co-conspirators, also including Milton Estrada, 49, of Fullerton, California, at Mana Tax also prepared and submitted false applications for PPP loans on behalf of small businesses, shell companies, and other business entities they controlled. Rudin and his co-conspirators prepared fraudulent PPP loan applications for these firms in exchange for a fee of 30% of the resulting loan. The co-conspirators submitted fabricated tax returns to support the PPP loan applications, and some of the business owners never saw their loan applications before Mana Tax filed them.

To conceal the 30% fee from the government, Rudin and his co-conspirators directed the businesses to pay the co-conspirators with cashier's checks and to note on the memo lines that the checks were related to payroll. To obtain fraudulent PPP loans on behalf of shell companies and other business entities they controlled, Rudin and the co-conspirators grossly inflated the number of employees and monthly payroll costs claimed on the applications. Some of the

businesses were not eligible for *any* PPP loan funds because they did not have any payroll expenses. The fraud loss to the U.S. government stemming from the PPP scheme exceeded \$43 million.

Rudin committed these crimes while he was on supervised release for another fraud scheme in California. He pleaded guilty on May 13 to one count of conspiracy to defraud the United States and to commit wire fraud, as well as to one count of wire fraud. Three other co-conspirators, including Rudin's brother, Thanh Rudin, Seir Havana and Milton Estrada also pleaded guilty as part of this conspiracy. Thanh Rudin and Havana are scheduled to be sentenced on Nov. 9. Milton Estrada is to be sentenced on Dec. 21.

According to U.S. Attorney Jessica D. Aber for the Eastern District of Virginia. "Today's sentence demonstrates the swift and exacting justice that awaits anyone who attempts to steal funds from the U.S. Government and taxpayers. This result is in no small part due to the diligence of the investigative agents on this case, who reacted decisively to identify the scheme and recover significant portions of defrauded taxpayer funds."

Special Agent in Charge Wayne A. Jacobs of the FBI Washington Field Office Criminal Division said that, "The FBI and our partners will work to bring those to justice who attempt to enrich themselves at the expense of others and take advantage of government programs designed to aid businesses, people, and our economy during a time of need." The United States recovered over \$15 million of the fraud proceeds. Rudin's restitution amount will be ordered at a later date.

*Check out my [website](#).*