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STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON, Plaintiff, v. YU-LING WONG, Defendant.	NO. 16-1-00179-0 INFORMATION

I, Robert W. Ferguson, Attorney General of Washington, in the name and by the authority of the State of Washington, pursuant to RCW 43.10.232 and at the request of Dan Satterberg, King County Prosecuting Attorney, do accuse YU-LING WONG of the crimes of: **Theft in the First Degree (1 count), Unlawful Use of Sales Suppression Software (1 count)**, and **Filing a False or Fraudulent Tax Return (21 counts)** committed as follows:

I.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG of the crime of **Theft in the First Degree**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

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That the defendant, YU-LING WONG, in King County, State of Washington, on or between **January 1, 2010** through **September 30, 2014,** in a series of transactions which are part of a criminal episode or a common scheme or plan, as part of a continuing criminal impulse and a continuing course of criminal conduct, did wrongfully obtain or exert unauthorized control over property, other than a firearm, as defined in RCW 9.41.010, to wit: sales tax collected and owing to the Washington State Department of Revenue, of an aggregate value exceeding $5,000, with intent to deprive such other of such property; and the crime was aggravated by the following circumstances: the crime was a major economic offense or series of offenses due to the following factors: 1) that crime involved attempted or actual economic loss substantially greater than typical for the offense, 2) the crime involved a high degree of sophistication and planning, 3) the crime occurred over a lengthy period of time, 4) the defendant used a position of trust, confidence, and fiduciary responsibility to facilitate the commission of the crime, as provided by RCW 9.94A.535(3)(d) and contrary to RCW 9A.56.030(1)(a), and 9A.56.020(1)(a), and against the peace and dignity of the State of Washington. (Maximum penalty: 10 years and/or a $20,000 fine, pursuant to RCW 9A.56.030, 9A.20.021(1)(b)).

II.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, of the crime of **Unlawful Use of Sales Suppression Software**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or on or between **January 1, 2010** through **September 30, 2014,** did knowingly use or possess an automated sales suppression device or phantom-ware; contrary to RCW 82.32.290(4)(a), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington.

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(Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(4)(a), and 9A.20.021).

III.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **February 21, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **January, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

IV.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **March 25, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **February, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East

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restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

V.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **April 23, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **March, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

VI.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **May 24, 2013,** did make or cause to be made a false and/or fraudulent return and/or

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(206) 464-6430

made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **April, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

VII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **June 24, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **May, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

VIII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

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That the defendant YU-LING WONG, in King County, State of Washington, on or about **July 23, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **June, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

IX.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **August 25, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **July, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

X.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so

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Seattle, WA 98104
(206) 464-6430

closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **September 24, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **August, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XI.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **October 24, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **September, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

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XII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **November 21, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **October, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XIII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **December 12, 2013,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **November, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and

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(206) 464-6430

dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XIV.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **January 26, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **December, 2013**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XV.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **February 23, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **January, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East

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Criminal Justice Division
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restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XVI.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **March 24, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **February, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XVII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **April 24, 2014,** did make or cause to be made a false and/or fraudulent return and/or

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made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **March, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XVIII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **May 22, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **April, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XIX.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

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That the defendant YU-LING WONG, in King County, State of Washington, on or about **June 25, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **May, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XX.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **July 24, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **June, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XXI.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so

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800 Fifth Avenue, Suite 2000
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(206) 464-6430

closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **August 24, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **July, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

XXII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **September 25, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **August, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

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Criminal Justice Division
800 Fifth Avenue, Suite 2000
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(206) 464-6430

XXIII.

I, Robert W. Ferguson, Attorney General aforesaid, do accuse YU-LING WONG, together with another, of the crime of **Filing a False or Fraudulent Tax Return**, based on a series of acts connected together with another crime charged herein, and which crimes were so closely connected in respect to time, place, and occasion that it would be difficult to separate proof of one charge from proof of the other, committed as follows:

That the defendant YU-LING WONG, in King County, State of Washington, on or about **October 24, 2014,** did make or cause to be made a false and/or fraudulent return and/or made or caused to be made a false statement on a return, to-wit: a Combined Excise Tax Return for **September, 2014**, for business conducted by YL & Daughter, Inc. dba Facing East restaurant, with intent to defraud the State and evade the payment of a tax or a part thereof; contrary to RCW 82.32.290(2)(a)(iii), 2(b), and 9A.20.021(1)(c), and against the peace and dignity of the State of Washington. (Maximum penalty: 5 years and/or a $10,000 fine, contrary to RCW 82.32.290(2)(a), and 9A.20.021).

DATED this 5th day of February, 2016.

ROBERT W. FERGUSON
Attorney General

SCOTT A. MARLOW, WSBA # 25987
Assistant Attorney General
Attorney for the State of Washington

ATTORNEY GENERAL'S OFFICE
Criminal Justice Division
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 464-6430

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KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON, Plaintiff, v. YU-LING WONG, DOB: 4/16/60 Defendant.	NO. 16-1-00179-0 AFFIDAVIT FOR DETERMINATION OF PROBABLE CAUSE

Lisa R. Gilman, being first duly sworn upon oath deposes and states:

I am an investigator with the Criminal Justice Division of the Attorney General's Office (AGO-CRJ) for the State of Washington. I am familiar with the investigation of Facing East Restaurant located in Bellevue, Washington and Yu-Ling WONG of Bellevue, WA, the majority owner of the restaurant. An investigation was conducted by the AGO-CRJ in Seattle, in conjunction with the State of Washington Department of Revenue (DOR) and the Internal Revenue Service.

The Honorable Dan Satterberg, King County Prosecuting Attorney granted the Washington State Office of Attorney General concurrent authority to investigate this case and conduct any prosecution arising from said investigation.

I have been employed as an investigator with the AGO-CRJ since September 1, 2013. Before joining the AGO-CRJ, I was employed for twenty years with the Department of Social

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Criminal Justice Division
800 Fifth Avenue, Suite 2000
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(206) 464-6430

and Health Services as an investigator for the Office of Fraud and Accountability, Adult Protective Services and Child Protective Services. During my work as an investigator, I have been responsible for investigating welfare fraud, vendor fraud, food stamp trafficking, child abuse and the abuse/exploitation of vulnerable adults.

As an investigator with the AGO-CRJ, I have as one of my primary responsibilities the investigation of tax fraud in which the State of Washington Department of Revenue and other State agencies are the victims. I am familiar with the facts and circumstances contained in this certification, either through personal investigation or through personal discussions with DOR and/or the Internal Revenue Service, who have obtained information in the normal course of their duties.

All individuals and business entities wishing to conduct business in the State of Washington must file a Master Business License and receive a Unified Business Identifier prior to engaging in business. If the business (taxpayer) intends to engage in activity subject to retail sales tax, the business must also obtain a Certificate of Registration from the DOR. Businesses that are engaged in the sales of retail goods and personal property in the State of Washington are required to collect Washington State sales and other applicable taxes from their customers.

RCW 82.08.050 requires the seller to collect retail sales tax, which is "deemed to be held in trust by the seller until paid to the Department (DOR)". Businesses are required to report their gross receipts from the retail sales and remit the appropriate amount of sales tax by the due date of the tax return for the reporting period.

Based on the following facts set forth in this affidavit, there is probable cause to believe that WONG committed the crimes of Theft in the First Degree (RCW 9A.56.030), Filing of False Tax Returns (RCW 82.32.290) and Unlawful Acts (RCW 82.32.290) during the time frame of January 2010 through September 30, 2014.

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800 Fifth Avenue, Suite 2000
Seattle, WA 98104
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WONG owns and operates a Taiwanese restaurant in the downtown Bellevue area by the name of "Facing East Restaurant". The restaurant is held under the entity name of YL & Daughter Inc., under Unified Business Identifier (UBI) 602 610 558. This restaurant has been in operation since November of 2006 and remains in business. WONG filed a Certificate of Formation and an Initial Report for YL & Daughter, Inc., in November of 2006, naming herself as the President of the company. All subsequent Annual Reports filed with the Secretary of State (SOS) from 2007 through 2015, have been submitted by WONG and continue to list her as the president of the company. WONG is the majority business owner holding a 55% share of the business. There are two other business partners: Hon L. MOK, owns a 30% share and Jie You YU, holds a 15% share of the business. The business partners are not listed in any capacity on the Annual filings with the SOS.

On February 19, 2015, a criminal referral was received from DOR regarding Facing East Restaurant and WONG. The restaurant had gone through a routine audit covering the years of 2010 through 2013, when the auditors found that the cash sales were showing at a flat 7%. During the audit the DOR was able to review the Profitek POS system database that had all of Facing East Restaurant's sales transactions from which WONG printed her end of month reports. While reviewing the transactions DOR noticed several unusual characteristics with the transactions in the database: the amount of cash taken out of the register each night (to pay out tips) was often more than the amount of cash taken in by the restaurant each day, the percentage of cash sales per total sales each day seemed to be unusually flat (approximately the same percentage each day), multiple transactions showed bills being time stamped as paid before they were time stamped as entered into the system, multiple transactions showed only minutes between the time stamp when the order was entered into the system and when the bill was time stamped as paid, which is unusual because this time period would typically be much longer (i.e.: the time it took from ordering the meal to the time the bill was paid).

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Jerome Salido, DOR's Computer Audit Specialist, who was working on this audit, had attended training about Sales Suppression Software and he was aware of what the software was capable of doing to transactions in a database. Salido was aware that the characteristics found in the Facing East database could be a result of sales suppression software being utilized.

DOR personnel determined they would not be able to use the Profitek POS system to calculate the true cash sales of Facing East because it could not be relied on to be complete and accurate. DOR employees informed WONG that they did not trust the Profitek POS system and asked WONG to explain the anomalies found thus far. WONG offered no explanation. The DOR staff provided WONG an assessment of estimated tax due and owing based on the percentage of cash sales that Facing East Restaurant had in their books for the first half of 2010. This percentage was used to estimate the tax due for the remainder of the audit period, rather than the POS system sales information. This figure fell in line with the industry average of cash sales for dine in restaurants which is between 22-30%. DOR issued a tax assessment of total tax due and owing in excess of **$394,835.00.** A few weeks later WONG contacted DOR and asked the auditors to come meet with her again. WONG said the amount of the assessment was too high and she had an accurate set of books, showing different amounts of cash sales, for DOR to review.

When DOR employees met with WONG she admitted to keeping a second set of books and provided the second set to the DOR. This set of books had cash sales at 14%, still below the industry average and again at a flat rate. There were no fluctuations in the cash sales leading to follow up questions about how the sales could remain so flat. WONG admitted during this interview with DOR auditors that she was utilizing a Sales Suppression Software program on to her Point of Sale (POS) System and that she had been utilizing it for years. WONG demonstrated to DOR personnel how to use the software and took them through an example on her computer.

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WONG said that at the end of the month she inserted a USB dongle (thumb drive) which housed and executed the Sales Suppression Software into the Profitek POS computer and ran the software on each day's sales. After insertion, a pop-up window prompted her to select how much in cash sales were to be reported for each day. WONG would pick an amount or a percentage of cash sales to be reported. For example, if WONG selected 7%, the Sales Suppression Software used the POS system and deleted sufficient cash transactions until the books reflected only 7% cash sales. When completed, another pop-up box appeared on the POS screen which advised WONG how much cash to remove from the register to reconcile the books. WONG explained that she printed out a true report before using the Sales Suppression Feature. WONG also printed out a new report after the sales were deleted/changed by the software. The new, altered reports were the ones WONG submitted to DOR along with her tax payments. DOR personnel observed WONG run the Sales Suppression Software and saw the pop-up boxes on WONG's Profitek POS system, as described above.

WONG explained to DOR that she used the cash she removed from the register to pay her kitchen staff under the table because, WONG said, the kitchen staff preferred to be paid that way. WONG then took out a hand written ledger that showed how she accounted for the cash payroll for the kitchen staff. Although DOR staff did not receive a copy of the handwritten ledger, they estimate the ledger listed between nine and fourteen employees who were being paid in cash.

WONG gave the USB with the Sales Suppression Software to the DOR personnel and agreed to be honest when paying her taxes in the future. WONG also told DOR staff that she was very worried she would be in trouble in the community for sharing how the software worked because so many restaurants use it.

The USB drive was turned over to the Washington State Attorney General's Office, Criminal Justice Division's custody. On February 20, 2015, the AGO received concurrence to investigate the situations and file any charges that arise from the investigation.

The table below outlines the CETRs filed by Facing East Restaurant (YL & Daughter, Inc.). The table outlines what WONG reported to DOR on her CETRs and hence what amount of revenue she paid retail sales tax on versus what WONG provided to DOR as her second set of books, the differences between the two and the business bank deposits for each month.

Month/Year	Revenue reported on CETRs filed by Facing East	Date CETR was filed by taxpayer	Revenue according to the second set of books	Differences	Business Bank Deposits
Dec - 2012	$218,750	1/23/2013	$238,544	$19,794	$246,525
Jan - 2013	$192,734	2/21/2013	$208,975	$16,241	$232,958
Feb - 2013	$181,259	3/25/2013	$195,679	$14,420	$210,565
Mar - 2013	$228,787	4/23/2013	$245,625	$16,838	$235,634
Apr - 2013	$197,511	5/24/2013	$214,518	$17,007	$259,910
May - 2013	$233,130	6/24/2013	$249,321	$16,191	$265,956
June - 2013	$242,633	7/23/2013	$261,898	$19,265	$255,157
July - 2013	$231,357	8/25/2013	$254,458	$23,101	$287,261
Aug - 2013	$258,771	9/24/2013	$277,497	$18,726	$282,443
Sep - 2013	$223,451	10/24/2013	$240,138	$16,687	$274,246
Oct - 2013	$220,231	11/21/2013	$237,157	$16,926	$260,245
Nov - 2013	$236,539	12/12/2013	$253,144	$16,605	$251,259
Dec - 2013	$250,849	1/26/2014	$269,892	$19,043	$302,407
Jan - 2014	$221,025	2/23/2014	$238,938	$17,913	$253,334
Feb - 2014	$197,092	3/24/2014	$210,182	$13,090	$230,598
Mar - 2014	$244,492	4/24/2014	$260,363	$15,871	$280,382
Apr - 2014	$215,277	5/22/2014	$232,660	$17,383	$248,802
May - 2014	$255,694	6/25/2014	$268,587	$12,893	$277,820

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Jun - 2014	$261,301	7/24/2014	$276,754	$15,453	$310,899
Jul - 2014	$261,637	8/24/2014	$281,767	$20,130	$299,392
Aug - 2014	$287,831	9/25/2014	$303,939	$16,107	$292,927
Sep - 2014	$238,086	10/24/2014	$253,239	$15,153	$307,615
Total : 22	**$5,098,437**	**22**	**$5,473,275**	**$374,839**	**$5,866,335**

*The CETRs listed in the table are the returns that fall within the statute of limitations for Filing of False Tax Returns **(RCW 82.32.290).** There are 22 false returns within the statute of limitations; each is an unranked Class C Felony.

The table represents the amount of sales tax theft based on the difference of the first set of books during the audit period and the second set of books that was provided to DOR, once a tax warrant was issued. It is probable that the theft amount is much higher given the industry average and the amounts that WONG has been reporting since the audit.

Year	**Initially Reported on CETRs**	**Second set of books**	**Difference**	**Amount of Sales Tax Theft**
2010	$1,194,576	$1,383,723	$189,147	$17,969
2011	$1,898,355	$2,115,672	$217,317	$20,645
2012	$2,285,834	$2,497,656	$211,822	$20,123
2013	$2,697,252	$2,908,303	$211,051	$20,050
2014	$2,182,435	$2,326,428	$143,993	$13,679
5 years	**$10,258,452**	**$11,231,782**	**$973,330**	**$92,466**

*Note: The 2014 figures encompass the first nine months only as information for October 2014 was missing.

**Theft amounts are based on the 9.5% retail sales tax rate in the city of Bellevue for the years of 2010-2014.

Since Facing East Restaurant and WONG were audited by DOR their reported sales have increased for the first three quarters of 2015 by 15% compared to the first three quarters

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of 2014 and were up 26% compared to the first three quarters of 2013. This would follow earlier cash sales reported by Facing East Restaurant. Prior to DOR's audit and the restaurant being remodeled the cash sales were averaging at 25%. Since WONG turned over the Sales Suppression Software to DOR, and subsequently to the AGO's Criminal Justice Division, in February of 2015 Facing East Restaurant and WONG are now reporting on average $37,000 more income per month.

SEARCH WARRANT on PROFITEK SALES REPRESENTATIVE

On July 9, 2015, the Attorney General's Office Criminal Justice Division, in coordination with the Internal Revenue Service Criminal Division, executed a search warrant on the residence and vehicle of the Profitek Sales Representative for Washington State, John X. Yin. During the execution of the search warrant Yin agreed to be interviewed. During the interview Yin admitted that Facing East Restaurant and WONG had Sales Suppression Software for about eight years. When WONG initially received the SS Software Yin trained her on how to use it and has assisted her with running end of month reports when she has called him to do so. Yin said he did help WONG pull sales reports during her audit. Yin stated that the only person he has worked with at Facing East Restaurant has been WONG.

HISTORY OF PROFITEK

Profitek Software is owned by InfoSpec, Inc., a company based in Vancouver, British Columbia, Canada. The company goes by the name Profitek and sells Profitek related products.

Profitek was the first POS solution in North America to provide dual language operation. From 2000-2008, Profitek and its parent company InfoSpec Systems, Inc. were investigated by Canadian Revenue Agency for creating and marketing accompanying Sales Suppression Software. This software allowed clients to delete cash transactions from the system and therefore under-report their revenue and income for tax purposes.

According to court documents and news articles the InfoSpec Systems Inc.'s president, Pius Chan, sold "zappers" to restaurants knowing the programs would be used to facilitate tax evasion. InfoSpec was initially charged with fraud, four counts of evading income tax, and four counts of evading the Canadian Revenue Agency. They were only convicted of Fraud. In the preceding the court found that Pius Chan was the: " directing mind of the corporation" and that he "intended to defraud the public by providing or distributing a zapper program that allowed customers to suppress income and thereby evade tax". In 2013, the conviction against the company InfoSpec was overturned by an appellate court saying the sale of the software is not illegal: " I do not accept the Crown's submission that InfoSpec engaged in a course of dealings that was by its very nature dishonest. InfoSpec participated in commercial transactions involving the sale of a computer program that is not prohibited by law; the restaurants got what they paid for. Whatever reasonable people might think about the propriety of such a sale, I am unable to say they would consider the vendor to have acted dishonestly." The court acknowledged that if Parliament considers a prohibition on zappers necessary to thwart tax evasion, it should pass a law saying that.

In 2014, the Canadian Government passed new federal rules that businesses or individuals caught using, developing, or selling Zappers may face a fine of $5,000 to $1,000,000. A criminal conviction could result in a prison sentence of up to five years. Based on the above, it is reasonable to believe that InfoSpec, Inc., its employees and its authorized sales representatives are aware that the development, sale and use of Profitek's RSS are illegal.

In addition to the case against InfoSpec there have been several tax evasion and fraud cases brought by the Canadian Revenue Agency (in various territories in Canada) against salespeople that sold Profitek Sales Suppression Software and against restaurants that use the Profitek Sales Suppression Software. Some of these cases have resulted in guilty pleas or convictions. In 2013 the State of Washington passed Senate Bill 5715 which makes it a class C felony to buy sell, utilize and/or possess automated sales suppression software,

ATTORNEY GENERAL'S OFFICE
Criminal Justice Division
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 464-6430

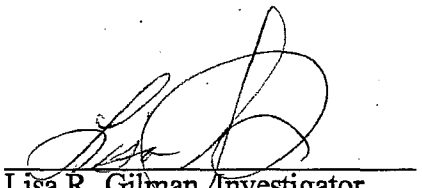
commonly known as "Zappers". Washington was the 14th state to pass legislation targeting sales suppression software. These crimes fall under the authority of RCW 82.32.290, Unlawful Acts.

WONG was a resident of King County, Washington, during the DOR audit period.

Based upon my information and belief, Facing East Restaurant (YL & Daughter, Inc.) had its physical location in Bellevue, Washington and the corporate office was also in Bellevue, Washington. All of the above acts and/or omissions occurred in King County, State of Washington.

I certified under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED, this 5th day of February, 2016.



Lisa R. Gilman, Investigator
Criminal Justice Division

ATTORNEY GENERAL'S OFFICE
Criminal Justice Division
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 464-6430