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FOUR MEMBERS OF AGRIBUSINESS FAMILY SENTENCED TO PRISON IN TAX EVASION CASE

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced that U.S. District Judge Garland E. Burrell Jr., sentenced four members of the SAMBADO family to prison today on charges arising out of a tax evasion scheme involving unreported income from their fruit processing and packing business. LAWRENCE J. SAMBADO, 70, of Linden, his son RICHARD J. SAMBADO, 43, his other son TIMOTHY M. SAMBADO, 45, and TIMOTHY's wife MARIE JOSEE DUSABLAN-SAMBADO, 42, all of Stockton, were sentenced today. LAWRENCE's wife BEVERLY A. SAMBADO, 71, is scheduled to be sentenced by Judge Burrell on December 5, 2008.

The case was the result of a lengthy investigation by the Internal Revenue Service, Criminal Investigation Division.

The Sambado family owns and operates several agricultural businesses including Prima Frutta, one of the largest processors and packers of cherries and apples in California, which ships fresh fruit and nuts to major customers throughout the United States, Asia, and Europe. LAWRENCE SAMBADO also owns A. Sambado & Son, which owns orchard farms in the Central Valley.

According to Assistant United States Attorneys Benjamin B. Wagner and Matthew D. Segal, who are prosecuting the cases, the five members of the Sambado family pleaded guilty on April 25, 2008, to charges of filing false federal tax returns and to structuring transactions with banks to conceal the use of large sums of cash. The charges arose from a tax evasion scheme that began no later than 1999 and continued through 2002, in which the Sambados siphoned off cash income to their businesses without reporting the income on their personal tax returns, and used corporate checks to pay personal expenses, also without reporting the income on their personal returns. The unreported cash was used to take vacations to Hawaii and elsewhere, to make numerous personal expenditures, and to remodel the home of LAWRENCE and BEVERLY SAMBADO, the home of TIMOTHY and MARIE JOSEE SAMBADO, and the home of RICHARD SAMBADO. IRS Agents executing search warrants at the residences of the Sambados in 2004 found over \$330,000 in cash in the home of TIMOTHY and MARIE JOSEE SAMBADO, and over \$180,000 in cash in the home of LAWRENCE and BEVERLY SAMBADO.

Judge Burrell sentenced the defendants as follows:

- LAWRENCE SAMBADO, who previously pleaded guilty to filing a false federal income tax return, was sentenced to **six months in prison**, to be followed by a term of supervised release of one year, with conditions including five months of home detention. He was also ordered to pay a fine of \$30,000, and costs and assessments of \$1,462.33. Yesterday, he paid \$147,446.55 to the IRS for back taxes, interest, and penalties.
- TIMOTHY SAMBADO, who previously pleaded guilty to filing a false federal income

tax return, was sentenced to **seven months in prison**, to be followed by a term of supervised release of one year, with conditions including five months of home detention. He was also ordered to pay a fine of \$30,000, and costs and assessments of \$1,462.33. Yesterday, he paid \$185,107.65 to the IRS for back taxes, interest, and penalties.

- RICHARD SAMBADO, who previously pleaded guilty to filing a false federal income tax return, was sentenced to **five months in prison**, to be followed by a term of supervised release of one year, with conditions including five months of home detention. He was also ordered to pay a fine of \$30,000, and costs and assessments of \$1,462.33. Yesterday, he paid \$141,081.45 to the IRS for back taxes, interest and penalties.
- MARIE JOSEE DUSABLAN-SAMBADO who previously pleaded guilty to structuring transactions, was sentenced to **one month in prison**, to be followed by a term of supervised release of one year, with conditions including three months of home detention. She was also ordered to pay a fine of \$10,000, and an assessment of \$100.

In sentencing the defendants today, Judge Burrell noted that their conduct, which involved “a tax evasion scheme that spanned several years” was a “serious offense.”

U.S. Attorney Scott stated: “Failing to report business income to the IRS is a felony. The sentences handed out today in this case should serve as a reminder that those who cheat their fellow tax payers by not reporting income and paying their fair share of taxes run the risk not only of substantial fines and penalties, but of spending time behind bars.”

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