



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
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IRS – Criminal Investigation
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Riverside Businessman Sentenced to 16 Months Imprisonment For Conspiracy to Defraud the IRS

LOS ANGELES – Gary Mach, of Palm Desert, was sentenced to 16 months in prison, two months of house arrest, and 18 months of probation and ordered to pay \$270,725 in restitution to the Internal Revenue Service (IRS) today.

On August 18, 2013, Mach, 57, pleaded guilty to conspiracy to defraud the United States before U.S. District Judge John A. Kronstadt.

Court documents state that beginning around January 2002 and continuing through December 2010, Mach failed to report substantial income he earned from CSPS (Crystal Springs Pool Service), a pool-servicing business operated throughout Riverside County. Mach and others established fictitious trusts which they used to receive income and hold assets in an attempt to conceal the assets and income from the IRS.

According to court documents, Mach purported to operate a trust called "Quintessential," and directed that his paychecks be made payable to Quintessential. He also opened a bank account in the name of Quintessential where he deposited CSPS proceeds. Mach admitted that he did not report to the IRS any of the income he earned from CSPS between 2002 and 2010, and used Quintessential to conceal income from the IRS.

In furtherance of the conspiracy, Mach also attempted to impede an IRS summons issued to a bank for business account records. Mach closed his bank account after the bank complied with the IRS summons. As set forth in the plea agreement, Mach admitted that his total unreported income for the tax years 2002 through 2010 was \$1,410,430, upon which the total tax due and owed to the IRS is \$270,275.

Kathryn Keneally, Assistant Attorney General of the Justice Department's Tax Division, commended the investigative efforts of the special agents of IRS-Criminal Investigation, who investigated the case, Tax Division Trial Attorneys Sonia M. Owens and Mark L. Williams, who prosecuted the case, and Assistant U.S. Attorneys Sandra R. Brown and Paul Rochmes of the U.S. Attorney's Office for the Central District of California, who assisted in the prosecution.

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