



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

Date: Friday, August 7, 2015

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CI Release #: CINFO-2015-25

### **LEWIS CENTER MAN PLEADS GUILTY TO INCOME TAX EVASION**

COLUMBUS, OHIO – Kurt S. Kovaleski, 44, of Lewis Center, Ohio pleaded guilty in U.S. District Court today to defrauding the Internal Revenue Service (IRS) by committing income tax evasion. Kovaleski faces a maximum of 5 years in prison and a \$250,000 fine.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Troy N. Stemen, Acting Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office, announced the plea entered into today before U.S. District Judge Algenon L. Marbley.

According to court documents, between 2008 and 2011 Kovaleski was the sole owner and operator of Tahoe Net Enterprises LLC. Tahoe Net Enterprises LLC functioned as an “affiliate” or recruiter for online gambling establishments. In return for directing players to their website, online casinos paid a “rake” or commission fee to Tahoe Net Enterprises LLC. The “rakes” were collected by a third party operating in Europe and wire transferred to a bank account owned by Tahoe Net Enterprises LLC. Between 2008 and 2011, Tahoe Net Enterprises LLC generated approximately \$411,197 in total gross receipts.

Kovaleski failed to file a federal income tax return for the 2008-2011 income tax years. In an attempt to evade his income tax obligation, Kovaleski purchased assets through nominees, operated what the U.S. Attorney believes to be an illegal business, and maintained a cash lifestyle.

In total, Kovaleski attempted to evade and defeat approximately \$97,928 in income taxes due and owing for the 2008-2011 income tax years.

“Tax evasion is not a victimless crime,” said Troy N. Stemen, Acting Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office. “We all pay when others swindle the government.”

This case is being prosecuted by Assistant United States Attorney Daniel A. Brown and was investigated by special agents of IRS-Criminal Investigation.

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