



NEWS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
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Former Orange County Resident Sentenced to Prison on Federal Tax Charges

Los Angeles – A former Orange County resident was sentenced this morning by United States District Court Judge Percy Anderson to a term of imprisonment of one year and one day for providing false and incomplete information to his income tax return preparer.

Donald M. Baxi, 69, a Canadian citizen formerly residing in Ladera Ranch, was further ordered by Judge Anderson to pay restitution of \$56,319.

Baxi pleaded guilty in March to one count of aiding and abetting in the preparation of a false income tax return. According to the plea agreement filed in the case, Baxi was responsible for having the partnership income tax returns of Vintages Wine Bar, LLC ("VWB"), prepared and filed with the Internal Revenue Service. For each of the years 2003, 2004, and 2005, Baxi deliberately provided false and incomplete information to his tax return preparer so that VWB's interest income would not be reported to the IRS. During these years however, VWB received interest income from two separate sources totaling \$201,142. This unreported interest income caused a tax loss to the government of \$56,319.

In November 2010, a federal grand jury indicted Baxi on six counts of aiding and assisting in the preparation of false income tax returns. Upon learning of those charges, Baxi fled the United States.

Five years after being indicted by a federal grand jury on tax charges, Baxi was arrested by German authorities and extradited back to the United States to face the charges contained in the indictment.

This investigation and prosecution of Baxi was conducted by IRS Criminal Investigation's Los Angeles Field Office, in conjunction with the United States Attorney's Office for the Central District of California.

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