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News Releases

DECEMBER 6, 2010 OAKLAND, CA

Owners of Bay Area restaurant chain charged with hiring illegal aliens and tax violations

OAKLAND, Calif. - A Pleasanton, Calif., couple who own a chain of Bay Area Mexican restaurants were arraigned in federal court here Monday after being charged in a 20-count criminal information with tax and immigration violations. The charges are the result of a lengthy investigation by the U.S. Immigration and Customs Enforcement (ICE) Office of Homeland Security Investigations (HSI); the Internal Revenue Service, Criminal Investigation; and the Social Security Administration, Office of Inspector General.

Marino Sandoval, 57, and his wife, Nicole Sandoval, 50, owners of the El Balazo restaurants, are charged in a criminal information filed last month with a variety of violations, including harboring illegal aliens for financial gain; employing at least 10 unauthorized aliens over a 12-month period; false representation of Social Security numbers; tax evasion; and filing false tax returns. The defendants are each free on a \$100,000 bond. Their next court appearance is scheduled for Jan. 31, 2011, before U.S. Magistrate Judge Donna M. Ryu.

Specifically, the Sandovals are accused of evading taxes on their joint personal income tax returns for 2003, 2004, and 2005; failing to pay quarterly federal insurance and unemployment taxes for El Balazo employees from December 2003 through April 2006; filing false U.S. Partnership income tax returns in 2003, 2004, and 2005; harboring illegal aliens for commercial advantage and private financial gain; knowingly hiring 10 or more unauthorized aliens over a 12-month period; and submitting false Social Security numbers for undocumented employees of the El Balazo Restaurants.

According to the court document, Marino Sandoval was primarily responsible for the day-to-day activities of the El Balazo Restaurants in the East Bay, while Nicole Sandoval handled the catering aspect of the business, including the hiring of restaurant workers and payroll for all East Bay employees.

The information alleges the defendants concealed the restaurants' daily register sales and the monthly summaries from their accountant who prepared the sales tax returns and federal tax returns for the restaurants and the defendants' joint personal income tax returns, and then under-reported the income generated by the restaurants. The defendants also allegedly paid employees using payroll checks and cash and concealed those payments from both their accountant and the Internal Revenue Service.

On Aug. 30, Marino's brother, Francisco "Frank" Sandoval, 54, of Alameda, Calif., pleaded guilty to failure to pay taxes and harboring illegal aliens for financial gain. Francisco was the partner and manager of two El Balazo restaurants located in San Francisco. He is scheduled to be sentenced Dec. 9.

The case is being prosecuted by Assistant U.S. Attorney Stephen Corrigan with the assistance of Kathleen Turner.

Since its establishment in 2003, ICE has dramatically enhanced its efforts to combat the unlawful employment of unauthorized workers in this country. ICE's comprehensive strategy for worksite enforcement is aimed at promoting national security and public safety, protecting critical infrastructure, and ensuring fair labor standards.

In fiscal year 2010, worksite cases initiated by ICE Homeland Security Investigations resulted in the filing of criminal charges against a record 180 owners, employers, managers and/or supervisors - up from 135 in fiscal year 2008. However, criminal prosecutions are just one of many tools the agency is using to reduce the demand for illegal employment and protect job opportunities for the nation's lawful workforce. That enforcement strategy also includes expanded use of civil penalties, employer audits and debarment. In fiscal year 2010, ICE Homeland Security Investigations conducted more than 2,200 audits of employers nationwide.

During that same time frame, ICE Homeland Security Investigations issued final fine notices totaling more than \$750,000 to employers in northern California.

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U.S. Immigration and Customs Enforcement (ICE) is the largest investigative arm of the Department of Homeland Security.