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## **News Releases**

AUGUST 1, 2011 CEDAR RAPIDS, IA

## lowa couple sentenced to prison for immigration, tax and fraud crimes Couple will also forfeit more than \$1.5 million in assets

CEDAR RAPIDS, Iowa - An Iowa couple, who continued to defy the law even after they had already pleaded guilty to federal charges, was sentenced on Monday for multiple federal crimes including health care fraud, tax evasion and harboring illegal aliens.

The sentences were announced by U.S. Attorney Stephanie M. Rose for the Northern District of Iowa. This eight-year investigation was led by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigation (HSI) with the assistance of the Vinton (Iowa) Police Department.

U.S. District Court Chief Judge Linda Reade sentenced Chan Gia Duong, 45, of Vinton, Iowa, to 78 months imprisonment for harboring illegal aliens and 36 months for filing a false 2007 federal income tax return. His sentences will run concurrently.

Phung "Polly" Ca Long, 42, also of Vinton, Iowa, received 30 months imprisonment for harboring illegal aliens and 30 months for health care fraud. Her sentences will also run concurrently.

Judge Reade also ordered the couple to forfeit illegally attained assets totaling more than \$1.5 million. The pair, originally from Vietnam, naturalized to become U.S. citizens in 1998.

"These sentences serve as a reminder that law enforcement will not tolerate fraud for illicit gain," said Mike Feinberg, special agent in charge of ICE HSI in Bloomington, Minn. "HSI will continue to target criminals and their organizations profiting from these schemes by arresting them and seizing their illicit proceeds. These criminal enterprises exist in America's small towns as well as urban centers and HSI will work to ensure this type of criminal activity is stopped and to safeguard our nation's businesses and citizens from those who would take advantage of them."

"This prosecution demonstrates two dynamics that law enforcement all too often face: (1) sometimes criminals do not stop their criminal activity, even after they have been caught and convicted; and (2) even the smallest of Iowa towns can harbor criminals who are bent on amassing large fortunes in ill-gotten gains," said U.S. Attorney Rose. "Our office salutes the law enforcement officers whose persistent efforts in this case prevented an enormous loss to the United States, and extends its thanks to the citizens whose willingness to speak up assisted law enforcement in those efforts."

In the 2011 plea and sentencing agreements, Long and Duong admitted criminal activity that spanned years and included the following crimes: wire fraud, mail fraud, health care fraud, filing false federal income tax returns, hiring illegal aliens, money laundering, and harboring and transporting illegal aliens. Long admitted she knowingly made false statements to obtain more than \$28,000 of Medicaid benefits. Chan Duong filed false federal income tax returns resulting in a tax loss of more than \$400,000 over a four-year period. The pair operated the Peony Chinese Restaurants in Vinton and Tama, Iowa.

The couple routinely hid their personal income and business earnings from state and federal authorities. They also paid their employees in cash to avoid taxes, purchased property to house the illegal aliens that worked for them, and hired, harbored and transported illegal aliens as a principle means of operating their restaurant.

The two individuals had previously pleaded guilty in 2010 to similar charges and were released from custody pending the sentencing phase of their case. During the interim they continued and expanded their criminal enterprise, adding to the ledger of their crimes, including failure to collect and pay sales tax to the state of Iowa at their restaurants in Vinton and Toledo, Iowa.

A second set of search warrants issued in May 2011 for their home and businesses found evidence of money laundering, mail fraud and state sales tax evasion. During the search, federal agents and local police seized seven 1-Troy ounce gold bars, 86 pieces of gold jewelry, 20 designer purses and wallets worth an estimated \$8,000, more than \$95,000 in cash, and a gas-electric generator used at a nearby property that housed their illegal alien employees.

In the days following the searches, the couple made substantial withdrawals from various bank accounts under their control. When they were arrested for violating the terms of their pre-sentence release, they were carrying more than \$166,000 in cashier's checks and cash totaling more than \$7,500. In related forfeiture actions, Long and Duong have forfeited or agreed to forfeit cash, vehicles and real estate worth more than \$1.5 million, including their home and businesses.

A special assessment of \$200 each was also imposed on the couple. Chan Duong must also serve a three-year term of supervised release after the prison term. There is no parole in the federal system. A person convicted of a criminal tax offense, in addition to whatever sentence is imposed, is also required to pay the tax determined to be due, as well as interest and civil penalties that may be assessed.

In addition to the special assessment, Polly Long was ordered to make \$22,695.98 in restitution to Iowa Medicaid. She must also serve a three-year term of supervised release after she completes her prison term.

The couple has been in custody since their May 2011 arrest.

Assistant U.S. Attorney Patrick J. Reinert, Northern District of Iowa, prosecuted this case.

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