



**For Immediate Release**  
**January 8, 2016**

## **TRaCE Tracks Tow Trucker's Tax-Dodging Scheme**

**Sacramento** – An Oregon man's five-year tax fraud scheme, which defrauded California out of approximately \$250,000, ended on Jan. 7, 2016, with the sentencing of James Robert Walsh, 48, in Sacramento County Superior Court.

A joint investigation by California's Tax Recovery and Criminal Enforcement (TRaCE) Task Force, Board of Equalization (BOE), and Department of Motor Vehicles (DMV) led to Walsh's arrest and conviction on one felony count of tax evasion, and another of perjury.

"This is indicative of TRaCE's efforts to level the playing field and recapture state funds lost to the black market," said BOE Chairman Jerome E. Horton.

"Criminal tax evasion damages legitimate businesses and places a higher tax burden on law-abiding citizens," said BOE Vice Chair George Runner. "Thank you to law enforcement and the agencies involved for getting to the bottom of this."

Walsh was sentenced to two years in jail and ordered to pay \$42,000 to DMV as restitution for unpaid registration fees and \$189,000 to BOE for unpaid sales taxes.

From 2009 to 2014, Walsh operated a business headquartered in Oregon that sold large rigs used for towing disabled "big rig" trucks to California buyers. Each rig sold for more than \$200,000.

Walsh's five-year scheme involved charging California customers the applicable sales tax (usually about 8 percent) on each new vehicle, then registering the vehicle for the customer after altering paperwork on each transaction an average of \$20,000. Walsh eagerly pocketed the extra money while paying reduced registration fees to the California DMV. Investigators proved that on more than 140 vehicle transactions Walsh falsely declared to DMV "under penalty of perjury" that the altered sales price was accurate.

This single case is an example of how the underground economy preys on trusting customers while robbing California of revenue that should be used for vital public services.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board that serves a significant role in the assessment and administration of property taxes.

This news release may discuss complex tax laws and concepts. It may not address every situation, and is not considered written advice under Revenue and Taxation Code section 6596. Changes in law or regulations may have occurred since the time this news release was written. If there is a conflict between the text of this news release and the law, decisions will be based upon the law and not this news release. For specific help, please contact the BOE at 1-800-400-7115.

**NOTE:** As a result of the Taxpayer Transparency and Fairness Act of 2017, the California Department of Tax and Fee Administration (CDTFA) replaced the Board of Equalization (BOE) as a participating member agency of TRaCE. Any reference to BOE herein or on the TRaCE website is deemed CDTFA.