DEPARTMENT OF TAXATION

News Release

LINDA LINGLE
GOVERNOR

KURT KAWAFUCHI, DIRECTOR
Phone: (808) 587-1510
Fax: (808) 587-1560

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REALTOR SENTENCED FOR TAX VIOLATIONS

HONOLULU—The Department of Taxation announced today that Circuit Court Judge Derrick H.M. Chan sentenced Donna Walden to the following as specified in a plea agreement:

1) One year jail, suspended throughout her term of probation of 5 years.
2) Pay a fine of $92,000.
3) Pay restitution of $41,974.20 and serve 5 years probation.
4) Perform 350 hours of community service.
5) Must strictly comply with all federal and state tax laws and obligations.

On February 22, 2007, Donna Walden pled "guilty" to six felony counts and one misdemeanor count in the indictment that was returned on February 16, 2007. The six felony counts were as follows:

1) False Annual General Excise Tax Return for 1999 where the original return showed gross income from commissions and rentals was $49,500 and $92,600 respectively when in fact it was approximately $308,145 and $329,227 respectively, in violation of §231-36(a), Hawaii Revised Statutes. Count III in the indictment.

(more)

2) False Annual General Excise Tax Return for 2000 where the original return showed gross income from commissions and rentals was $95,000 and $238,914 respectively when in fact it was approximately $391,839 and $279,354 respectively, in violation of §231-36(a), Hawaii Revised Statutes. Count V in the Indictment.

3) False Annual General Excise Tax Return for 2001 where the original return showed gross income from commissions and rentals was $60,000 and $31,860 respectively when in fact it was approximately $288,079 and $67,200 respectively, in violation of §231-36(a), Hawaii Revised Statutes. Count XII in the Indictment.

4) False Annual General Excise Tax Return for 2002 where the original return showed gross income from commissions and rentals was $20,000 and $31,860 respectively when in fact it was approximately $215,315 and $39,300 respectively, in violation of §231-36(a), Hawaii Revised Statutes. Count XIII in the Indictment.

5) False Annual General Excise Tax Return for 2003 where the original return showed gross income from commissions and rentals was $38,000 and $13,400 respectively when in fact it was approximately $364,668 and $28,800 respectively, in violation of §231-36(a), Hawaii Revised Statutes. Count XVI in the Indictment.

6) False Statement of Financial Condition in relation to a Offer In Compromise to the Hawaii Department of Taxation specifying that she had no checking or savings account, when in fact 8 month earlier she had signed a signature card to become a joint owner with right of survivorship on an American Savings Bank checking account, in violation of §231-36(a), Hawaii Revised Statutes. Count VIII in the Indictment.

The misdemeanor count in the indictment was as follows:

1) On or about the 6th day of August 2004, with intent to mislead a public servant in the performance of the public servant's duty, a false statement was submitted to the Hawaii Department of Taxation in connection with her Offer In Compromise to settle her unpaid taxes, saying she did not transfer or hide any assets or income in the four years preceding August 6, 2004, when in fact, she had hidden approximately more than $400,000 in income by redirecting commission payments to her boyfriend and not reporting it as income on her returns, as the Department of Taxation discovered after her case was referred for criminal investigation, thereby committing the offense of Unsworn Falsification to Authorities in violation of §710-1063(1)(a), Hawaii Revised Statutes. Count XVIII in the Indictment.

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For more information, contact
Stephen Hironaka
Criminal Tax Investigator
Phone: (808) 587-1795
Email: Stephen.T.Hironaka@hawaii.gov