



Trio Faces Charges in Multi-Million Dollar Tax Evasion Case

A Rancho Santa Fe couple and their former Northern California CPA pleaded not guilty today in San Diego Superior Court to felony charges stemming from state income tax fraud involving more than \$56 million in unreported income, according to the Franchise Tax Board (FTB).

Jon Gunderson, 53, and Mary Gunderson, 53, and Christopher Gruys, 59, of Healdsburg, were arraigned in San Diego today. Gruys was arrested earlier this month by federal customs officials in Miami, Florida as he returned to the United States.

According to FTB investigators, Gunderson was the owner of an outdoor advertising corporation during tax years 1998 through 2003. In 1998, Gunderson allegedly used millions in phony deductions to offset a gain of more than \$12.5 million. In 2003, Gunderson allegedly used new phony transactions to improperly hide income of more than \$37.5 million. Gunderson faces felony charges of filing false state income tax returns for his jointly filed personal 1998 and 2003 tax years, and for his corporation's 2003 tax year. It is estimated that Gunderson owes the state nearly \$5 million in unpaid taxes.

Gruys allegedly created the phony transactions that hid the income. Gruys allegedly failed to report more than \$6 million in income on his state income tax return for 2003. It is estimated that Gruys owes the state more than \$500,000 in unpaid taxes.

The failure to file tax returns is part of the \$6.5 billion tax gap now facing California each year. The tax gap is defined as the difference between the tax that is due and the tax that is paid.

Deputy Attorney General Angela Rosenau is prosecuting the case. The next court date is scheduled for June 22. All three taxpayers are currently out on \$500,000 bail each.