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NEWS RELEASE

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DAVECO LIQUOR STORE OWNER PLEADS GUILTY

The owner of Daveco Liquors has pleaded guilty to racketeering in a case in which he was accused of a scheme to underpay sales tax to the City of Thornton and the State of Colorado.

Hani D. Sawaged (dob: 01-30-53) pleaded guilty yesterday to violating the Colorado Organized Crime Control Act (F2). In exchange for his guilty plea to the most serious charge, other counts of theft, computer crime and tax evasion were dismissed.

He will face a period of probation and court-ordered restitution of \$1.3 million dollars (\$1,303,502.14) when he is sentenced on January 4, 2013, in Denver District Court.

Hani Sawaged's two brothers pleaded guilty earlier this year in connection with the case.

Ghassan D. Sawaged (dob: 12-02-54), and **Bassam D. Sawaged** (dob: 11-26-63) pleaded guilty to theft and failure to file a tax return. They are serving a one-year deferred judgment sentence and have been ordered to jointly pay \$200,000 in restitution for their role in the scheme.

An investigation by the City of Thornton Auditor's Office, the Thornton Police Department and the Colorado Department of Revenue found that from at least January 2007 through August 2008, Sawaged and his brothers logged fictitious merchandise returns and took \$5.4 million dollars in cash from Daveco Liquors. The result of this activity was underreporting and underpaying sales tax to the City of Thornton and to the Colorado Department of Revenue causing losses in excess of \$1-million dollars.

The additional amount of restitution reflects additional underreported sales tax, interest and the cost of prosecution. The case was prosecuted by Deputy District Attorney Kandace Gerdes.