



U.S. Department of Justice

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EVENT: Guilty Plea

Defendant: Elfat El Aouar

LASHISH FINANCIAL MANAGER PLEADS GUILTY TO TAX EVASION

Elfat El Aouar, 40, of Plymouth, a former "La Shish" financial manager and spouse of owner Talal Chahine pleaded guilty today to one count of income tax evasion in federal court in Ann Arbor, United States Attorney Stephen J. Murphy announced today.

The guilty plea was entered before United States District Judge John Corbett O'Meara.

United States Attorney Stephen J. Murphy was joined in the announcement by Special Agent in Charge Maurice Aouate of the Internal Revenue Service, Criminal Investigation Division.

At today's plea hearing, El Aouar admitted that from January 1, 2003 to April 15, 2004, she aided and abetted Talal Chahine in evading approximately \$1.5 million dollars in federal income taxes.

United States Attorney Murphy said, "As in the past, our Office will assiduously enforce

our tax laws with full resort to civil and criminal processes as appropriate. Anytime a business operates with two sets of books, or skims cash in the millions of dollars to send it overseas, and then fails to report the transactions on tax returns as required by law, that business should expect to be subject to vigorous prosecution. I commend the efforts of the prosecution team who worked closely with IRS Criminal Investigative agents in this case."

Greed undermines the integrity of our tax system," stated Aouate, "especially when the people responsible go to great lengths to deliberately hide their income by keeping a double set of computerized books, fictional records, and false balance reports."

As set forth in the Indictment, Talal Khalil Chahine is the sole owner of La Shish, Inc., a Middle Eastern restaurant chain located in the Detroit, Michigan metropolitan area. Elfat El Aouar, who is married to Talal Chahine, has an M.B.A. and had worked at La Shish, Inc. in various capacities including as the company's Vice President of Finance. The Indictment alleges that Talal Chahine and Elfat El Aouar collaborated in a scheme to skim cash proceeds from the restaurants for the tax years 2000 through 2003. During those tax years, it is alleged, La Shish, Inc. maintained a double set of computerized books, records and balance reports, one actual and one altered. The altered records artificially reduced the amount of cash that was actually received by the restaurants. Talal Chahine and Elfat El Aouar oversaw the maintenance of the double set of books, as well as the skimming and concealment of more than \$16,000,000 in cash received by the restaurants. To evade government scrutiny, the skimmed cash was not deposited into U.S. bank accounts, but instead, at the direction of Chahine and El Aouar, converted into cashier's checks and reduced in physical size by changing small denominations into larger ones. These conversions were made for the purpose of transporting the cash outside the United States to Lebanon, away from U.S. government reach and detection. Cash was also skimmed by paying La Shish, Inc. employees all or partly in cash.

Sentencing of El Aouar has been set for April 11, 2007, at 10:00 am in Ann Arbor. Under the terms of the plea agreement, El Aouar faces 30-37 months in prison.

Talal Chahine remains a fugitive from U.S. authorities and is believed to be in Lebanon. A warrant has been issued for his arrest.

In announcing the plea, United States Attorney Stephen J. Murphy commended the work of the Special Agents of the Internal Revenue Service, Criminal Investigation Division and the Federal Bureau of Investigation. The prosecution is being handled by Assistant United States Attorneys Kenneth R. Chadwell and Julie A. Beck.