



UNITED STATES DEPARTMENT *of* JUSTICE

THE UNITED STATES ATTORNEYS OFFICE

CENTRAL DISTRICT *of* CALIFORNIA

O.C. Man Whose Company Provided Military Support Services in Iraq Gets 4 Years in Federal Prison for Failing to Report Millions in Income

FOR IMMEDIATE RELEASE

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SANTA ANA, California – The owner of a Huntington Beach-based military contractor who pleaded guilty to federal tax charges for failing to report to the Internal Revenue Service millions of dollars his company received for providing services to the military at Baghdad International Airport was sentenced today to 48 months in federal prison.

Nadim “Nick” Saifan Jr., 48, of Huntington Beach, was sentenced by United States District Judge Cormac J. Carney

Saifan pleaded guilty in May to two counts of attempted tax evasion and specifically admitted that he substantially underreported income on his company's 2005 corporate tax return and his personal tax return for 2006.

Saifan was the owner and operator of Defense Logistical Support & Services Corporation (DLSS), which provided services to the military and some civilian companies in Iraq. From August 2004 through October 2007, DLSS received nearly \$16 million from the United States military for services in Iraq, according to court documents that state Saifan reported only a small fraction of this income on DLSS's corporate tax returns filed with the IRS. The court documents also show that Saifan used foreign bank accounts, specifically in Lebanon, to conceal his assets and profits from DLSS Corp.

“In addition to failing to report the millions of dollars in taxable income on DLSS Corp.'s tax returns, [Saifan] also used substantial corporate funds for personal purchases and payments to himself, without claiming these distributions and payments as income to himself on his individual tax returns,” prosecutors wrote in a sentencing memo filed with the court. Saifan used corporate money to make approximately \$880,000 in down payments on real estate and approximately \$292,000 in payments towards vehicles that included a Ferrari and a Rolls-Royce.

Saifan has been in federal custody since Judge Carney revoked Saifan's bond in May.

The case against Saifan was investigated by the Defense Criminal Investigative Service and IRS – Criminal Investigation.