



Riverside County District Attorney

CRIMINAL CASE UPDATE

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COUPLE SENTENCED IN MULTIMILLION DOLLAR FRAUD CASE INVOLVING RESTAURANTS IN RANCHO MIRAGE AND IRVINE

RIVERSIDE – The former owners of two high-end Japanese restaurants have been sentenced for sales tax evasion and insurance fraud in a case with losses totaling \$2.1 million.

Simon Sungheok Hong, DOB: 8-11-67, and his wife, Katie Kyanghee Shinn, DOB: 1-10-67, both of Coto De Caza, pleaded guilty to 14 felonies. Hong entered his pleas on Jan. 12, 2011, while Shinn entered her pleas on Dec. 8, 2010.

Today, Feb. 23, 2011, Riverside County Superior Court Judge Richard Fields sentenced Hong to two years in prison. Fields sentenced Shinn to four years in prison on Feb. 8, 2011. Hong and Shinn had faced up to 23 years in prison before making their pleas to the court.

Hong and Shinn owned and operated Maki Maki, California Japanese Cuisine with restaurants at The River At Rancho Mirage and the Irvine Spectrum.

In late 2009, after the couple was arrested, they abruptly stopped operating both restaurants leaving at least a dozen employees without jobs and not being notified.

The couple pocketed \$2.1 million which should have legally been distributed to the State Board of Equalization (which estimates a sales tax loss to the state of more than \$1.1 million), the Employment Development Department and the California State Compensation Insurance Fund.

Authorities believe the fraud, in which the couple failed to pay proper workers' compensation premiums and unemployment insurance, began when they opened their first restaurant in 2001.

The case, RIF153274, was prosecuted by Riverside County Deputy District Attorney Michael Mayman.

"I hope this sentence will act as a deterrent to business owners who act selfishly by failing to protect their employees and take money that should instead be paid to the state," Mayman said.