United States Attorney
District of New Jersey

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OWNER OF WINDOW INSTALLATION BUSINESS ADMITS TAX EVASION

TRENTON, N.J. – The owner of a window installation company located in Mt.Laurel, N.J., admitted today he converted to cash millions of dollars in the company's gross receipts and used the money to pay his workers without withholding employment taxes, U.S. Attorney Paul J. Fishman, District of New Jersey, and Assistant Attorney General Kathryn Keneally of the U.S. Department of Justice, Tax Division, announced today.

Fred Marcus, 39, of Camden County, the owner and operator of Vortex Installations Inc., pleaded guilty before U.S. District Judge Mary L. Cooper in Trenton federal court to an Information charging him with one count of tax evasion.

According to documents filed in this case and statements made in court:

From early 2006 through the end of 2009, Marcus cashed approximately $2.8 million in Vortex Installations' gross receipts at a check casher. Marcus used $1,025,868 of that money to pay cash wages to his workers, which he did not report to the IRS and from which he did not withhold employment taxes. From 2006 through 2008, Marcus failed to file IRS Forms 941 – Employer's Quarterly Federal Tax Returns – in which he was required to report the wages paid to his employees. In 2009, Marcus filed false Forms 941, in that he failed to report the cash wages that he paid to Vortex employees.

On the count of tax evasion, Marcus faces a maximum potential penalty of five years in prison and a fine of $250,000, along with restitution to the IRS. Sentencing is scheduled for Sept. 19, 2013.

Assistant Attorney General Keneally and U.S. Attorney Fishman credited special agents of IRS–Criminal Investigation, under the direction of Special Agent in Charge Shantelle P. Kitchen, for the investigation leading to today's guilty plea.

The government is represented by Tax Division Trial Attorney Tino M. Lisella. Additional information about the Tax Division and its enforcement efforts may be found at: www.justice.gov/tax.

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Defense counsel: John Crayton Esq., Moorestown, N.J.