

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No.
 :
 v. :
 : 26 U.S.C. § 7206(1)
 JANICE PFEFFERKORN, : 18 U.S.C. § 2
 aka "Janice Morton," :

 Defendant

INFORMATION

The defendant having waived in open court prosecution by Indictment the United States Attorney for the District of New Jersey charges:

COUNT ONE

(Making and Subscribing a False Federal Employment Tax Return)

1. At all times relevant to this Information, unless otherwise noted:

The Federal Corporate Income Tax System

a. Corporate income taxes are collected under authority of the Internal Revenue Code by the United States Department of Treasury, Internal Revenue Service ("IRS"). Corporate income tax must be reported yearly by an officer of all registered United States corporations on the "U.S. Corporation Income Tax Return," IRS Form 1120.

Factory Direct Modular Homes, Inc.

b. Factory Direct Modular Homes, Inc. ("FDMH"), a domestic corporation whose primary office was located in Brick, New Jersey, was solely owned and operated by defendant JANICE

PFEFFERKORN. FDMH was formed in November 2001 to act as a broker for a particular modular home manufacturer. PFEFFERKORN was the President of FDMH.

c. Typically, modular home buyers paid FDMH a 10-20% deposit for a home order. Final payments were due upon delivery of the home to the manufacturer, which would then pay FDMH a commission.

3. During the years 2002 and 2003, defendant JANICE PFEFFERKORN intentionally filed false IRS Form 1120s for FDMH to the IRS which understated FDMH's gross taxable income. JANICE PFEFFERKORN knowingly and willfully did make and subscribe false tax returns, which contained written declarations that they were made under the penalties of perjury, and were filed with the Internal Revenue Service, which she knew to be materially false and fraudulent at the time they were filed.

4. Defendant JANICE PFEFFERKORN understated the gross receipts of FDMH by cashing a large number of business checks and depositing only a fraction of the proceeds back into the FDMH business bank account.

a. Specifically, in 2002, PFEFFERKORN cashed approximately \$237,000 in business checks but only deposited \$66,400 in cash back into the FDMH business bank account. PFEFFERKORN did not declare the remaining business receipts of approximately \$160,600 on FDMH's 2002 Form 1120.

b. Specifically, in 2003, PFEFFERKORN cashed approximately \$292,000 in business checks but only deposited

\$47,600 in cash back into the FDMH business bank account.

PFEFFERKORN did not declare the remaining business receipts of approximately \$245,400 on FDMH's 2003 Form 1120.

5. The tax returns were signed by defendant JANICE PFEFFERKORN, as President of FDMH and contained written declarations that they were signed under the penalties of perjury.

6. The tax returns were materially false and fraudulent in that the returns did not include all gross receipts and income of FDMH.

7. The total tax loss of 2002 and 2003 caused by filing the false and fraudulent corporate tax returns was approximately \$125,000.

8. In or about March 2004, in the District of New Jersey, and elsewhere, defendant

JANICE PFEFFERKORN

knowingly and willfully did make and subscribe a false 2002 United States Corporation Income Tax Return, IRS Form 1120, on behalf of FDMH, which contained a written declaration that it was made under the penalties of perjury, and was filed with the Internal Revenue Service, which she knew to be materially false and fraudulent as set forth herein.

In violation of Title 26, United States Code, Section 7206(1) and Title 18, United States Code, Section 2.

COUNT TWO

(Making and Subscribing a False Federal Employment Tax Return)

11. The allegations contained in paragraphs 1 through 7 are realleged and incorporated as if fully set forth in this paragraph.

12. In or about October 2004, in the District of New Jersey, and elsewhere, defendant

JANICE PFEFFERKORN

knowingly and willfully did make and subscribe a false 2003 United States Corporation Income Tax Return, IRS Form 1120, on behalf of FDMH, which contained a written declaration that it was made under the penalties of perjury, and was filed with the Internal Revenue Service, which she knew to be materially false and fraudulent as set forth herein.

In violation of Title 26, United States Code, Section 7206(1) and Title 18, United States Code, Section 2.

RALPH J. MARRA, JR.
Acting United States Attorney