

NEWS

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FOR IMMEDIATE RELEASE
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Watch Salesman Admits Failing to Report Income
Of More than \$106,000 on Tax Return

(More)

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NEWARK – An Essex County man who sells watches and other merchandise through Internet sites, such as eBay, pleaded guilty today to filing a fraudulent tax return, Acting United States Attorney Ralph J. Marra, Jr. announced today.

Jaime Virtucio, 59, of Bloomfield, made his first appearance in federal court and pleaded guilty before U.S. District Judge Stanley Chesler. Virtucio pleaded guilty to Count One of a three-count Information, which charges him with subscribing to a false personal tax return. Judge Chesler released the defendant on a \$100,000 appearance bond pending sentencing, which is scheduled for Oct. 29.

At his plea hearing, Virtucio admitted that he received payment from internet sources, including PayPal and CPS Merchant Services, directly into bank accounts he controlled in return for merchandise he sold over the Internet.

Virtucio admitted that in April 2004, he signed and filed a 2003 U.S. Individual Income Tax Return, Form 1040, with the Internal Revenue Service. Virtucio told Judge Chesler that the tax return stated his taxable income for the year 2003 was approximately \$18,307. Virtucio admitted that he actually had received and failed to report additional taxable income of approximately \$106,559 that he gained through the sale of watches and other merchandise.

Virtucio also admitted that he filed false personal income tax returns with the IRS for 2004 and 2005, which understated the amount of taxable income he received for those calendar years. Virtucio admitted that for tax years 2004 and 2005, he failed to report a total of approximately \$122,498 in additional taxable income on those tax returns.

The charge to which Virtucio pleaded guilty, subscribing to a fraudulent tax return, carries a statutory maximum penalty of 3 years in prison and a fine of up to \$100,000.

In determining an actual sentence, Judge Chesler will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Marra credited Special Agents of the IRS Criminal Investigation Division, under the direction of Acting Special Agent in Charge Julio La Rosa, with investigation of the case.

The government was represented by Assistant U.S. Attorney Deborah J. Gannett of the U.S. Attorney's Public Protection Division in Newark.

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Defense Counsel: David Holman, Esq. Assistant Federal Public Defender