

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Paul J. Fishman, U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

News on the Internet. News Releases and related documents are posted at our website, along with links to our archived releases for other years. **Go to: www.usdoj.gov/usao/nj/press/**

Assistant U.S. Attorney:
DEBORAH J. GANNETT
973-645-2781

virt1130.rel
FOR IMMEDIATE RELEASE
Nov. 30, 2009

Watch Salesman Sentenced to Six Months in Prison
for Failing to Report Income on Tax Returns

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

Breaking News: <http://www.usdoj.gov/usao/nj/publicaffairs>

NEWARK – An Essex County man who sold watches and other merchandise through Internet sites such as eBay was sentenced today to six months in prison for filing a fraudulent tax return, U.S. Attorney Paul J. Fishman announced.

U.S. District Judge Stanley R. Chesler also ordered Jaime Virtucio, 60, of Bloomfield, to pay net taxes due the government of \$72,261, excluding penalties and interest. Virtucio must surrender on a date to be determined by the federal Bureau of Prisons to begin serving the sentence.

Virtucio pleaded guilty on July 20 to one count of subscribing to a false personal tax return.

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 IRS. Virtucio told Judge Chesler that the tax return stated his taxable income for 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.

In determining the sentence, Judge Chesler consulted 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, was not bound by those guidelines in determining a sentence.

Fishman credited Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, 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.

-end

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