

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
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***Paul J. Fishman, U.S. Attorney***

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## **BUSINESS OWNER ADMITS PAYING OVER \$2 MILLION IN CASH WAGES AND FAILING TO REPORT IT TO IRS**

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NEWARK – The owner of two interior contracting companies located in Newton, New Jersey, pleaded guilty today to income tax evasion charges, U.S. Attorney Paul Fishman announced.

Edward Albanese, 53, a resident of Sussex County, New Jersey entered his plea in federal court in Newark before Federal District Judge Dennis Cavanaugh. Albanese pleaded guilty to two counts of income tax evasion for failing to report and pay employment taxes relating to his two businesses. Judge Cavanaugh scheduled sentencing for June 28, 2010 at 10:30AM.

At his plea hearing, Albanese admitted that he owned and operated two interior contracting companies located in Newton, New Jersey, DDB Interior Contracting Inc. (DDB) and Regency Interior LLC (Regency). As owner and operator of DDB and Regency, Albanese was responsible for collecting, accounting for, and paying employment taxes for DDB and Regency.

During the fourth quarter of calendar year 2008, Albanese caused approximately \$164,261 in “under the table” cash wages to be paid to employees of Regency without withholding, reporting, and paying over the corresponding employment taxes to the Internal Revenue Service (IRS). On or about January 31, 2009, Albanese caused Regency to file a false Employer’s Quarterly Federal Tax Return (Form 941) in order to evade approximately \$49,771 in employment taxes due and owing to the United States.

During the second quarter of calendar year 2005, Albanese caused approximately \$78,043 in “under the table” cash wages to be paid to employees of DDB without withholding, reporting, and paying over the corresponding employment taxes to the IRS. On or about July 31, 2005, Albanese caused DDB to file a false Form 941 in order to evade approximately \$23,647 in employment taxes due and owing to the United States.

Albanese admitted he caused a total of approximately \$2,349,475 in “under the table” cash wages to be paid to employees of DDB and Regency from 2005 through 2008. The total employment tax due and owing to the United States on those unreported wages is approximately \$711,890. Albanese is also subject to civil penalties arising from his failure to report and pay taxes.

In order to pay cash wages to employees, Albanese made structured cash withdrawals from bank accounts in amounts of less than \$10,000 in order to avoid the filing of Currency Transaction Reports and further conceal the tax evasion scheme. On March 13, 2009, a search warrant was executed at the offices of DDB and approximately \$50,957 in cash was recovered during the search. As part of his plea agreement, Albanese agreed to forfeit these funds.

The charge of income tax evasion carries a statutory maximum prison sentence of five years and a maximum fine of \$100,000.

U.S. Attorney Fishman credited Special Agents with the Internal Revenue Service, Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, in Newark, for investigation of the case.

“Paying employees in cash to evade taxes is a crime,” stated Offord. “Employers who engage in this practice will be prosecuted to the full extent of the law.”

The Government was represented by Assistant U.S. Attorney Randall Cook, of the Criminal Division in Newark.

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