

LMCJR/2011R00154

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NOV 10 2011

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

AT 8:30 _____M
WILLIAM T. WALSH, CLERK

UNITED STATES OF AMERICA	:	Crim. No. 11-
	:	
v.	:	
	:	26 U.S.C. § 7201;
CARMINE C. INTESO, JR.	:	26 U.S.C. § 7203

INDICTMENT

The Grand Jury, in and for the District of New Jersey, sitting at Newark, charges:

COUNTS 1-3

(Tax Evasion)

1. At all times relevant to Counts 1-3 of this Indictment:
 - a. Defendant CARMINE C. INTESO, JR. (“defendant INTESO”) was a resident of Toms River, New Jersey. From in or about January 2002 to in or about December 2007, defendant INTESO held the positions of Township Committee Member, Mayor, Deputy Mayor, and Councilman for the Township of Toms River, formerly known as Dover Township (“Toms River”). Defendant INTESO also controlled a company that had ceased operating by at least in or about 2007 and was instead used by defendant INTESO to facilitate his evasion of federal income taxes (the “Sham Company”).
 - b. There was an insurance broker based in Towson, Maryland, who specialized in providing insurance brokerage services for public entities, including municipalities and school boards (the “Insurance Broker”). Through companies under his control, the Insurance Broker obtained yearly insurance brokerage contracts with, and provided insurance brokerage services for,

numerous New Jersey municipal entities, including, but not limited to, the Brick Township, New Jersey Board of Education (the “Brick BOE”) and Toms River. The Insurance Broker, through his companies, received premiums, brokerage commissions, and fees on a yearly basis for providing insurance brokerage and other services for the Brick BOE and Toms River.

2. From in or about July 2005 to in or about June 2008, defendant INTESO accepted hundreds of thousands of dollars in commission payments from the Insurance Broker through the Sham Company that defendant INTESO controlled.

3. It was part of the tax evasion scheme that defendant INTESO received compensation from the Insurance Broker through payments made by the Insurance Broker’s companies to the Sham Company as directed by defendant INTESO, in order to conceal such income and purposely evade the assessment by the Internal Revenue Service (“IRS”) of federal income tax owing on such compensation. Specifically:

a. In or about 2006, as set forth in the chart below, the Insurance Broker, through his various entities, made payments totaling approximately \$133,235 to the Sham Company:

2006			
DATE	PAYOR	PAYEE	AMOUNT
01/09/06	Insurance Broker	Sham Company	\$10,417
02/02/06	Insurance Broker	Sham Company	\$10,417
03/02/06	Insurance Broker	Sham Company	\$10,417
04/04/06	Insurance Broker	Sham Company	\$10,417
05/05/06	Insurance Broker	Sham Company	\$8,231
05/08/06	Insurance Broker	Sham Company	\$10,417
06/16/06	Insurance Broker	Sham Company	\$10,417

DATE	PAYOR	PAYEE	AMOUNT
07/17/06	Insurance Broker	Sham Company	\$10,417
08/08/06	Insurance Broker	Sham Company	\$10,417
09/01/06	Insurance Broker	Sham Company	\$10,417
10/03/06	Insurance Broker	Sham Company	\$10,417
11/03/06	Insurance Broker	Sham Company	\$10,417
12/04/06	Insurance Broker	Sham Company	\$10,417
Total Received from Insurance Broker — 2006			\$133,235

b. In or about 2007, as set forth in the chart below, the Insurance Broker, through his various entities, made payments totaling approximately \$127,304 to the Sham Company:

2007			
DATE	PAYOR	PAYEE	AMOUNT
01/09/07	Insurance Broker	Sham Company	\$10,417
02/02/07	Insurance Broker	Sham Company	\$10,417
03/09/07	Insurance Broker	Sham Company	\$10,417
04/04/07	Insurance Broker	Sham Company	\$10,417
04/04/07	Insurance Broker	Sham Company	\$2,300
05/03/07	Insurance Broker	Sham Company	\$10,417
06/08/07	Insurance Broker	Sham Company	\$10,417
07/02/07	Insurance Broker	Sham Company	\$10,417
08/02/07	Insurance Broker	Sham Company	\$10,417
09/04/07	Insurance Broker	Sham Company	\$10,417
10/03/07	Insurance Broker	Sham Company	\$10,417
11/05/07	Insurance Broker	Sham Company	\$10,417
12/04/07	Insurance Broker	Sham Company	\$10,417
Total Received from Insurance Broker — 2007			\$127,304

c. In or about 2008, as set forth in the chart below, the Insurance Broker, through his various entities, made payments totaling approximately \$31,253 to the Sham Company:

2008			
DATE	PAYOR	PAYEE	AMOUNT
01/04/08	Insurance Broker	Sham Company	\$5,209
02/01/08	Insurance Broker	Sham Company	\$5,208
03/04/08	Insurance Broker	Sham Company	\$5,209
04/03/08	Insurance Broker	Sham Company	\$5,209
05/05/08	Insurance Broker	Sham Company	\$5,209
06/02/08	Insurance Broker	Sham Company	\$5,209
Total Received from Insurance Broker — 2008			\$31,253

4. Defendant INTESO used these funds to pay his personal expenses and to withdraw significant amounts of cash from the Sham Company's bank account. Specifically:

a. In or about 2006, defendant INTESO withdrew approximately \$95,161 in cash from the bank account of the Sham Company.

b. In or about 2007, defendant INTESO withdrew approximately \$169,779 in cash from the bank account of the Sham Company.

c. In or about 2008, defendant INTESO withdrew approximately \$15,169 in cash from the bank account of the Sham Company.

5. Having received this income, defendant INTESO was required by law, following the close of each calendar year and on or before the deadline for filing federal personal income tax returns (IRS Forms 1040), to make and file an income tax return to the IRS stating specifically the items of his gross income and any deductions and credits to which he was entitled.

6. Defendant INTESO failed to file a U.S. Individual Income Tax Return (IRS Form 1040) for tax years 2006, 2007, and 2008, thereby failing to report as income the payments that he received from the Insurance Broker, as well as additional income that defendant INTESO received.

7. On or about the dates set forth below, in Ocean County, in the District of New Jersey, and elsewhere, defendant

CARMINE C. INTESO, JR.

did knowingly and willfully attempt to evade and defeat a substantial tax due and owing by him to the IRS for the tax years set forth below by causing payments to be made by the Insurance Broker to the Sham Company for defendant CARMINE C. INTESO, JR.'s benefit, by withdrawing cash from the bank account of the Sham Company, and by failing to file U.S. Individual Income Tax Returns, IRS Forms 1040 with the IRS:

COUNT	RETURN & TAX YEAR	APPROXIMATE UNREPORTED INCOME	APPROXIMATE TAX DEFICIENCY	DATE OF OFFENSE
1	IRS Form 1040—2006	\$155,226	\$26,971	4/17/2007
2	IRS Form 1040—2007	\$135,271	\$20,839	4/15/2008
3	IRS Form 1040—2008	\$62,504	\$3,206	4/15/2009

In violation of Title 26, United States Code, Section 7201.

COUNTS 4-6

(Failure to File Federal Personal Income Tax Return)

1. Paragraphs 1 to 6 of Counts 1 to 3 of this Indictment are realleged as if set forth in full herein.

2. During the following calendar years, defendant INTESO had and received gross income of approximately \$155,226 (2006), \$135,271 (2007), and \$62,504 (2008).

3. On or about the dates set forth below, in Ocean County, in the District of New Jersey and elsewhere, defendant

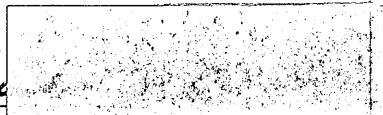
CARMINE C. INTESO, JR.


did knowingly and willfully fail to make and file an income tax return for the tax years set forth below to the IRS as required.

COUNT	TAX YEAR	DATE OF OFFENSE
4	2006	4/17/2007
5	2007	4/15/2008
6	2008	4/15/2009

In violation of Title 26, United States Code, Section 7203.

A TRUE BILL


FOREPERSON



PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER: 11-

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

CARMINE C. INTESO, JR.

INDICTMENT FOR

26 U.S.C. § 7201;
26 U.S.C. § 7203

A True Bill,

Foreperson

PAUL J. FISHMAN

**UNITED STATES ATTORNEY
NEWARK, NEW JERSEY**

LEE M. CORTES, JR.

**ASSISTANT U.S. ATTORNEY
(973) 645-2742**

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(Ed. 1/97)