

Department of Justice

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Western District of New York

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WILLIAMSVILLE BUSINESS OWNER CHARGED WITH TAX FRAUD

BUFFALO, N.Y. - U.S. Attorney William J. Hochul, Jr. announced today that a federal grand jury has returned an Indictment charging Carlo J. Marinello, II, 65, of Williamsville, N.Y., with obstructing and impeding the due administration of the Internal Revenue Code, and failing to file personal income tax and corporate tax returns with the Internal Revenue Service. The charges carry a maximum sentence of three years in prison, a fine of \$250,000 or both.

Assistant U.S. Attorney Russell T. Ippolito, Jr., who is handling the prosecution, stated that Marinello was the manager and owner/operator of Express Courier Group/Buffalo Inc. ("Express Courier"), a corporation formed to commercially transport letters and documentation between businesses in New York and Canada. According to the Indictment, the defendant earned income through his Express Courier business but failed to pay taxes on any of the earned income.

The Indictment further alleges that Marinello hid the income and obstructed and impeded the due administration of the Internal Revenue Code by: (1) failing to maintain corporate books and records for Express Courier; (2) failing to provide his accountant with complete and accurate information related to the defendant's personal income and the income of Express Courier; (3) destroying, shredding and discarding business records of Express Courier; (4) cashing business checks received by Express Courier for services rendered; (5) hiding income earned by Express Courier in personal and other non-business bank accounts; (6) transferring assets to a nominee; (7) paying employees of Express Courier with cash; (8) using business receipts and money from business accounts to pay personal expenses, including the mortgage for the residence in which the defendant resided and expenses related to the defendant's mother's care at a senior living center; and (9) failing to file with the Internal Revenue Service personal income tax returns and corporate tax returns for Express Courier.

Although required to do so, Marinello is also accused of failing to file personal income tax and corporate tax returns for tax years 2005 through 2008. In total, it is alleged that Marinello owes the federal government \$78,300 in unpaid taxes, not including penalties and interest.

The Indictment is the culmination of an investigation by Special Agents of the Internal Revenue Service, under the direction of Special Agent in Charge Charles R. Pine.

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