



*United States Attorney  
Southern District of New York*

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**FOR IMMEDIATE RELEASE**  
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**FORMER RESTAURATEUR SENTENCED TO 15 MONTHS**  
**IN PRISON FOR PAYROLL TAX OFFENSES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that RALPH JOSEPH SCOTTO was sentenced in Manhattan federal court today to 15 months in prison for evading -- for more than a decade -- the payment of Trust Fund Recovery Penalties of approximately \$50,000, and assisting in the filing of false payroll tax returns for corporations he owned or controlled.

SCOTTO, 59, the former owner of several restaurants in Manhattan -- including Wolf's Delicatessen and Celebrity Deli -- pleaded guilty on September 25, 2006, to one count of tax evasion and thirteen counts of aiding and assisting the preparation of false Employer's Quarterly Tax Returns. According to the Indictment and SCOTTO's guilty plea:

Two of SCOTTO's corporations, for which he was responsible, were delinquent in paying over to the IRS taxes withheld from their employees. SCOTTO, as owner, was personally assessed for those delinquencies. He then evaded payment of those assessments for over a decade. In addition, SCOTTO assisted in filing false quarterly payroll tax returns that failed to report portions of the salaries to his corporations' employees that SCOTTO had paid them in cash.

SCOTTO's acts of evasion, from approximately 1985 to 2006, included concealing his assets and expenses by, among other things: paying personal expenses by means of cash, money orders, and business checks of corporations he owned or controlled, and holding property in the names of nominees. For example, in 1998, SOTTO purchased a weekend house in upstate New York for approximately \$291,000, and placed it in the name of his mother,

who died in 2002. In 1999, SCOTTO purchased a 2000 BMW -- for his personal use -- for approximately \$72,000, paying for it with \$800 cash as well as checks from six companies he owned or controlled.

In imposing a term of 15 months' imprisonment, United States District Judge HAROLD BAER, JR. noted that SCOTTO's activities in furtherance of his "serious offense" had "occupied a substantial part of [his] life."

Mr. GARCIA praised the work of the Internal Revenue Service Criminal Investigation Division.

Assistant United States Attorney PETER B. SOBOL is in charge of the prosecution.

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