

NEWS

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Dover Township Man Pleads Guilty to Tax Evasion

(More)

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TRENTON – A Dover Township man pleaded guilty today to one count of tax evasion for not reporting approximately \$481,402 in income for tax year 2002, U.S. Attorney Christopher J. Christie announced.

Brian Winters, 36, made is his first appearance in federal court and pleaded guilty before U.S. District Chief Judge Garrett E. Brown, Jr., to a one-count Information. Judge Brown released the defendant on a \$200,000 unsecured bond pending sentencing, which is scheduled for July 7.

At his plea hearing, Winters admitted that during the tax years 2002 and 2003, he owned and operated Global Trading Investments (“GTI”) and the Wyndham Group (“WG”), both located in Lacey Township.

Winters admitted that through GTI and WG, he sold interests in fictitious private hedge funds to investors. Winters commingled the investment funds in his business accounts and withdrew the investment funds for his own personal use, Winters admitted.

In January 2004, Winters filed a U.S. Individual Income Tax Return, Form 1040, for tax year 2002, which stated his taxable income for that year was \$96,787. Winters admitted that he failed to disclose and report additional taxable income, received via the fraudulent scheme, of approximately \$481,402, upon which an additional tax of approximately \$187,413 was due and owing to the U.S.

Winters also admitted that he engaged in a similar course of relevant conduct with regard to tax year 2003, during which he failed to pay an additional tax of \$751,716 due and owing to the IRS.

As part of Winters’ plea agreement, he agreed to be responsible for restitution of \$5,869,298 to the victim-investors of GTI and WG. The State of New Jersey is prosecuting Winters for his scheme to defraud his clients.

The charge of tax evasion carries a maximum penalty of 5 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to the defendant.

In determining an actual sentence, Judge Brown will consult 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, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial

terms must serve nearly all that time.

Christie credited Special Agents with the Internal Revenue Service, under the direction of Special Agent in Charge William P. Offord, and the United States Postal Inspection Service, under the direction of Inspector in Charge David L. Collins, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney John J. Hoffman of the Criminal Division in Trenton.

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Defense Attorney: David Schafer, Esq. Assistant Federal Public Defender