

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 09-  
 :  
 v. :  
 :  
 ANTHONY MEHRAN : 26 U.S.C. § 7206(1)

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the Acting United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant ANTHONY MEHRAN ("defendant MEHRAN") was a resident of Fort Lee, New Jersey.

b. Moda Furniture, Inc., located in Paramus, New Jersey ("Moda Furniture"); and Moda Fairfield, Inc., located in Fairfield, New Jersey ("Moda Fairfield"), were home furnishings stores wholly-owned and operated by defendant MEHRAN.

c. Defendant MEHRAN established Moda Furniture and Moda Fairfield as "S Corporations" under the Internal Revenue Code. As S Corporations, the profits of Moda Furniture and Moda Fairfield passed through to their sole shareholder, defendant MEHRAN, who was required to report all such profits on his U.S. Individual Income Tax Returns, Forms 1040. Furthermore, as S Corporations, Moda Furniture and Moda Fairfield were each required to file annually a U.S. Income Tax Return for an S Corporation, Form 1120S, with the Internal Revenue Service

("IRS"). A Form 1120S enabled the IRS to identify any income required to be reported on defendant MEHRAN's personal income tax returns.

2. From in or about 2000 through in or about 2005, defendant MEHRAN engaged in a cash diversion scheme by which cash received by Moda Furniture and Moda Fairfield was not reflected on the S Corporations' Forms 1120S.

3. As part of the scheme, defendant MEHRAN would personally collect cash sales proceeds from Moda Furniture and Moda Fairfield on a periodic basis.

4. As a further part of the scheme, defendant MEHRAN would prevent these cash proceeds from being deposited into Moda Furniture's and Moda Fairfield's corporate bank accounts.

5. As a further part of the scheme, defendant MEHRAN caused Moda Furniture's and Moda Fairfield's corporate bank account records to be sent to his accountant and withheld records of Moda Furniture's and Moda Fairfield's cash sales from his accountant.

6. As a further part of the scheme, defendant MEHRAN caused to be filed with the IRS income tax returns for an S corporation (Forms 1120S), which failed to report nearly all of the cash income received by Moda Furniture and Moda Fairfield, and individual income tax returns (Forms 1040), which understated his passed-through income from Moda Furniture and Moda Fairfield.

7. On or about April 15, 2004, defendant MEHRAN signed, filed, and caused to be filed with the IRS a 2003 U.S. Individual Income Tax Return, Form 1040 (the "2003 Tax Return"), which stated that defendant MEHRAN's total income for calendar year 2003 totaled approximately \$909,991.

8. The 2003 Tax Return was signed by defendant MEHRAN and contained a written declaration that it was signed under penalties of perjury.

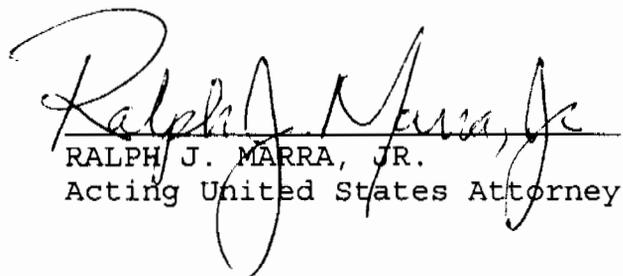
9. The 2003 Tax Return was not true and correct as to every material matter, in that the return failed to report additional income that defendant MEHRAN received in the form of cash through sales at Moda Furniture and Moda Fairfield during the calendar year 2003, upon which a substantial additional tax was due and owing.

10. On or about April 15, 2004, in the Borough of Fort Lee, in Bergen County, in the District of New Jersey, and elsewhere, defendant

ANTHONY MEHRAN

did knowingly and willfully make and subscribe a 2003 U.S. Individual Income Tax Return, Form 1040, as described in paragraph 7 of this Information, which he did not believe to be true and correct as to every material matter, as described in paragraph 9 of this Information.

In violation of Title 26, United States Code, Section  
7206(1).

  
RALPH J. MARRA, JR.  
Acting United States Attorney

CASE NUMBER: \_\_\_\_\_

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**ANTHONY MEHRAN**

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**INFORMATION FOR**

**26 U.S.C. § 7206(1)**

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**RALPH J. MARRA, JR.**

**ACTING U.S. ATTORNEY, NEWARK, NEW JERSEY**

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**SCOTT B. MCBRIDE**

**ASSISTANT U.S. ATTORNEY**

**NEWARK, NEW JERSEY**

**973-645-2708**

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