



*United States Attorney
District of New Jersey*

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**OWNER OF NEW YORK AND NEW JERSEY-BASED MEDICAL COMPANIES
SENTENCED TO PRISON FOR TAX EVASION**

NEWARK, N.J. – The owner of New York and New Jersey-based medical companies was sentenced today to a year and a day in prison for evading taxes related to income diverted from his companies for his personal use, United States Attorney Paul J. Fishman announced.

Jack Melman, a/k/a “Yaakov Melman,” 49, of East Brunswick, New Jersey, pleaded guilty on September 17, 2009, to one count of tax evasion before United States District Judge Susan D. Wigenton, who also imposed the sentence today in Newark federal court.

According to documents filed in this case and statements made in court:

In 2001, Melman was the part owner of Air Plus Surgical Supplies, incorporated in New York, and the sole owner of Ortho Med Distributors Inc. and EQU Management, Inc., both incorporated in New Jersey. These companies primarily bought and sold medical supplies and equipment.

In order to conceal some of the income he received from customers of Air Plus, Ortho Med, and EQU Management, Melman issued checks from those corporate accounts to a co-conspirator’s company. In return, the co-conspirator issued personal checks back to Melman, which he then deposited into his personal savings and investment accounts. Melman also directed some of his companies’ customers to issue corporate checks payable to cash, which he then deposited into his personal accounts.

Melman’s 2001 tax return intentionally concealed the diverted income. At his guilty plea, Melman admitted that the tax return concealed approximately \$205,947 that he had diverted to himself and that he had evaded the payment of approximately \$81,813 in taxes through his scheme.

In addition to the prison term, Melman was ordered to pay a \$3,000 fine and to pay the IRS back taxes, interest, and penalties.

U.S. Attorney Fishman credited special agents of the IRS, under the direction of Special Agent in Charge Victor W. Lessoff, and special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, with the investigation leading to today’s sentencing.

The government is represented by Assistant United States Attorney Anthony Moscato of the U.S. Attorney’s Office Organized Crime/Gangs Unit in Newark.

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Defense counsel: Michael Chazen, Esq. (Freehold, N.J.)
Robert DeGroot, Esq. (Newark, N.J.)
Ricardo Solano, Jr., Esq. (Newark, N.J.)