

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	
	:	Crim. No. 11-
v.	:	
	:	26 U.S.C. § 7201
THOMAS J. O'LEARY	:	

INFORMATION

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

COUNTS 1-4

(Tax Evasion)

1. At all times relevant to Counts 1-4 of this Information:

A. Defendant THOMAS J. O'LEARY ("Defendant O'LEARY") was the Executive Director of the South Amboy Housing Authority in South Amboy, New Jersey, as well as the Executive Director of the Old Bridge Housing Authority. Defendant O'LEARY also was an insurance broker/salesman for insurance service-related companies. Defendant O'LEARY was the principal of an entity that served as the depository for insurance brokerage commissions received by Defendant O'LEARY (the "O'Leary Company").

B. Francis X. Gartland ("Gartland") was an insurance broker based in Towson, Maryland, who specialized in providing insurance brokerage services for public entities, including municipalities and school boards. Through companies under his control, including Federal Hill Risk Management, L.L.C. ("Federal Hill"). Gartland obtained yearly insurance brokerage contracts with, and provided insurance brokerage services for, numerous

New Jersey local government entities. Gartland's companies earned commissions from their representations of these New Jersey local government entities.

C. Defendant O'LEARY and Gartland were health insurance co-brokers for several New Jersey local government entities, including, but not limited to, the City of Perth Amboy and the Perth Amboy Board of Education. As a co-broker, Defendant O'LEARY assisted Gartland in obtaining and maintaining the yearly health insurance brokerage contracts for these New Jersey local government entities. In return for Defendant O'LEARY's assistance, Gartland compensated Defendant O'LEARY.

2. It was part of the tax evasion scheme that Defendant O'LEARY and Gartland agreed that Gartland would compensate Defendant O'LEARY, among other means, through checks to Defendant O'LEARY from two sham companies controlled by Gartland, Insurance Dynamics Consulting Services LLC ("IDCS") and E-Administrative Systems, Inc. ("EAS" and, collectively, the "Sham Companies"), and payments by Gartland, through his various entities, to third parties for Defendant O'LEARY's benefit and pursuant to his direction. These arrangements were made in order to conceal Defendant O'LEARY's income and purposely evade the assessment by the United States Department of the Treasury, Internal Revenue Service ("IRS") of federal income tax owing on such compensation to Defendant O'LEARY. Examples of such activity are set forth below:

A. Defendant O'LEARY entered into an arrangement with Gartland where, in order to conceal commission income received by Defendant O'Leary through the O'Leary Company from Gartland's entities and other insurance providers, Defendant O'LEARY issued checks from the O'Leary Company payable to the Sham Companies. The O'Leary Company deducted these payments to the Sham Companies as expenses on its federal tax returns. In turn, Defendant O'LEARY directed Gartland to issue checks from the Sham Companies to Defendant O'LEARY in amounts generally corresponding to the payments from the O'Leary Company to the Sham Companies. Defendant O'LEARY then deposited these checks into his personal bank accounts and failed to declare this income on his federal income tax returns. For instance, in or about 2005

and 2006, Gartland, through IDCS, issued checks payable to Defendant O'Leary totaling approximately \$86,000 (2005) and \$201,000 (2006).

- B. Defendant O'Leary directed Gartland to make payments for Defendant O'Leary's ownership interest in a bar and restaurant located in Phillipsburg, New Jersey (the "bar"). Gartland, through EAS, then issued two checks, dated August 8, 2008 and September 19, 2008, in the amounts of \$59,000 and \$25,000, respectively, payable to the bar.
- C. Defendant O'Leary directed Gartland to pay Defendant O'Leary's membership fees and expenses at a golf club in Colts Neck, New Jersey (the "New Jersey golf club"), another golf club in Bethlehem, Pennsylvania (the "Pennsylvania golf club"), and a yacht club in Perth Amboy, New Jersey (the "yacht club"). Specifically:
 - i. From in or about 2005 to in or about 2008, Defendant O'LEARY directed Gartland, through Federal Hill, to issue checks payable to the New Jersey golf club totaling approximately \$37,000.
 - ii. From in or about 2006 to in or about 2008, Defendant O'LEARY directed Gartland, through Federal Hill, to issue checks payable to the yacht club totaling approximately \$13,245.
 - iii. In or about 2008, Defendant O'Leary directed Gartland to pay fees for the Pennsylvania golf club. Gartland, through EAS, then issued a check, dated September 11, 2008, in the amount of \$41,680, payable to the Pennsylvania golf club.
- D. Defendant O'Leary directed Gartland to pay a personal loan obtained by defendant O'Leary to pay for Defendant O'Leary's initial membership fee at the New Jersey golf club. From in or about 2005 to in or about 2008, Gartland, through Federal Hill, issued checks totaling approximately \$57,904 to pay for Defendant O'Leary's loan.
- E. Defendant O'Leary directed Gartland to pay Defendant O'Leary's home equity line of credit. Beginning on or about February 19, 2007 and continuing through on or about December 6, 2007, Gartland, through EAS, issued checks totaling approximately \$48,000 to pay for Defendant O'Leary's home equity line of credit.

3. Defendant O'Leary purposely failed to report the payments and benefits specified above in paragraphs 2.A through 2.E on his U.S. Individual Tax Returns (IRS Forms 1040) that Defendant O'Leary filed with the IRS for tax years 2005, 2006, 2007, and 2008.

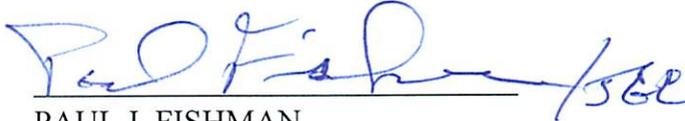
4. On or about the dates set forth below, in Middlesex County, in the District of New Jersey and elsewhere, defendant

THOMAS J. O'LEARY

did knowingly and willfully attempt to evade and defeat a substantial tax due and owing by him to the IRS for the tax years set forth below by obtaining payments and other benefits from Gartland and by filing false and fraudulent U.S. Individual Income Tax Returns, IRS Forms 1040 with the IRS that did not report these payments and benefits in the total amounts set forth below:

COUNT	RETURN & TAX YEAR	UNREPORTED INCOME	TAX DEFICIENCY	DATE OF OFFENSE
1	IRS Form 1040—2005	\$118,500	\$42,051	4/15/2006
2	IRS Form 1040—2006	\$223,958	\$79,926	10/11/2007
3	IRS Form 1040—2007	\$119,364	\$35,102	10/10/2008
4	IRS Form 1040—2008	\$170,652	\$60,325	10/15/2009

In violation of Title 26, United States Code, Section 7201.


PAUL J. FISHMAN
UNITED STATES ATTORNEY