



*United States Attorney
Southern District of New York*

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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**FORMER OWNERS OF CHECK CASHING OPERATION
AND ARMORED CAR COMPANY SENTENCED
ON TAX AND BANK FRAUD CHARGES**

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York, announced today that DOMINICK COLASUONNO and PHILIP COLASUONNO, former owners of Prima Checking Cashing, Inc. ("Prima"), and American Armored Car, Ltd. ("American Armored Car"), were sentenced today by United States District Judge ALVIN K. HELLERSTEIN on tax and bank fraud charges. DOMINICK COLASUONNO was sentenced to 40 months' imprisonment, and PHILIP COLASUONNO was sentenced to 46 months' home confinement. Both were ordered to pay restitution totaling approximately \$781,000.

The Bank Fraud Charges

In November 2006, DOMINICK and PHILIP COLASUONNO were found guilty, after a jury trial in Manhattan federal court, of bank fraud relating to a scheme to defraud JPMorgan Chase Bank ("Chase"). As the evidence at that trial demonstrated: Prima needed a line of credit to operate its check cashing business. To that end, Prima, under the control of DOMINICK COLASUONNO and PHILIP COLASUONNO, maintained a banking relationship with Chase and its predecessor banks since the late 1980's. Chase extended various forms of credit to Prima that were critical to Prima's business and, in turn, required Prima to submit annual financial statements audited by an independent accounting firm. The financial statements were necessary for Chase to decide whether to continue to extend credit to Prima and, if so, how much.

Starting with the financial statements for 2001 and continuing until late 2004, Prima's annual audited financial statements, which were prepared under the control of PHILIP COLASUONNO, inflated the amount of fixed assets held by Prima by at least approximately \$3.9 million. (PHILIP COLASUONNO was a

certified public accountant and a partner in the accounting firm Philip Colasuonno & Co. LLP.) Chase was falsely told that Prima had spent approximately \$3.9 million in, among other things, making improvements to its check cashing locations. In fact, these statements were false and Prima did not make these improvements to its stores. For example, Chase was told that Prima spent over \$180,000 making improvements to a store located in Long Island City, Queens when, in fact, no such improvements were made. In addition, although Chase was to receive audited financial statements of Prima, audits by outside accountants of the amount of fixed assets acquired by Prima did not take place.

DOMINICK COLASUONNO and PHILIP COLASUONNO also defrauded Chase by artificially inflating the balance in Prima's primary account at Chase with money obtained from American Armored Car. The balance in Prima's account at Chase was calculated on a daily basis and Chase used this balance to monitor Prima's business activity and to make daily lending decisions. By parking cash from American Armored Car in Prima's Chase account for up to eight days, Prima's bank balance at Chase was inflated and, thereby, the defendants misled Chase as to Prima's true financial condition and misled Chase in its lending decisions.

The Tax Charges

In June 2007, DOMINICK and PHILIP COLASUONNO pled guilty to tax fraud charges. As charged in the Information to which they pled guilty:

From late 2000 through December 2005, DOMINICK and PHILIP COLASUONNO paid, and caused to be paid, wages to employees of American Armored Car in cash, without withholding various taxes that employers are required to withhold from employee paychecks, and without having paid to the Internal Revenue Service various taxes that employers are required to pay. During that period of time, DOMINICK and PHILIP COLASUONNO failed to withhold more than \$390,000, and failed to pay employer taxes in an approximately equal amount. To cover up the cash payroll and their failure to withhold and pay various employment-related taxes, DOMINICK COLASUONNO and PHILIP COLASUONNO wrote, and caused to be written, weekly checks from American Armored Car made payable to a security company even though American Armored Car had no ongoing business relationship with this security company. The sole purpose for the checks to the security company was to disguise the payment of cash payroll to employees of American Armored Car. The defendants would then cash, and cause to be cashed, the checks to the security company at Prima, their

check-cashing establishment, without the knowledge or involvement of the security company or any representative of the security company. American Armored Car would then fraudulently account for cash payroll to its employees in its books and records as payments for "outside services."

DOMINICK COLASUONNO, age 38, resides in Bedford Corners, New York. PHILIP COLASUONNO, age 57, resides in New Rochelle, New York.

Mr. GARCIA extended his thanks and appreciation to the Internal Revenue Service, Criminal Investigation Division, which investigated the tax fraud case, and to the Federal Bureau of Investigation, which investigated the bank fraud case.

The case is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorneys DANIEL W. LEVY and THOMAS G. A. BROWN are in charge of the prosecution.

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