



*United States Attorney
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**FORMER OWNERS OF CHECK CASHING OPERATION AND
ARMORED CAR COMPANY PLEAD GUILTY TO TAX
CHARGES FOLLOWING EARLIER CONVICTION,
AFTER TRIAL, OF BANK FRAUD SCHEME**

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"), pleaded guilty this morning to tax charges -- specifically, aiding and assisting in the preparation of false tax returns, and conspiring to do the same. The defendants' guilty plea follows their earlier conviction after trial in a large-scale bank fraud scheme. As charged in the Information to which DOMINICK COLASUONNO and PHILIP COLASUONNO pleaded guilty:

From late 2000 through December 2005, DOMINICK and PHILIP COLASUONNO caused employees of American Armored Car to be paid in cash, and did not withhold various taxes that employers are required to withhold from employee paychecks, or pay to the Internal Revenue Service various taxes that employers are required to pay.

In particular, between late 2000 and December 2005, DOMINICK and PHILIP COLASUONNO failed to withhold from employee paychecks over approximately \$390,000 that should have been withheld. During the same period, the defendants separately failed to pay employer taxes of over approximately \$390,000.

In order to cover up the cash payroll and their failure to withhold and pay various employment-related taxes, DOMINICK 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 cover up and disguise the payment of cash payroll to employees of American Armored Car. The defendants would then cause the checks to the security company to be cashed 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 fraudulently account for cash payroll to its employees in its books and records as payments for "outside services."

In November 2006, DOMINICK and PHILIP COLASUONNO were convicted of bank fraud by a federal jury sitting in Manhattan, relating to their involvement in a scheme to defraud JPMorgan Chase Bank ("Chase"). PHILIP COLASUONNO was also convicted of conspiracy to commit bank fraud. DOMINICK COLASUONNO was acquitted by the jury of conspiracy to commit bank fraud.

The evidence at the 2006 trial demonstrated that, in order to operate its check cashing locations, Prima was required to have a line of credit. To that end, Prima, under the control of DOMINICK 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 credit to extend.

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. The evidence at trial also demonstrated that, 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 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 the defendants thus misled Chase as to Prima's true financial condition and misled Chase in its lending decisions.

On the tax and bank fraud charges, DOMINICK COLASUONNO faces a maximum sentence of 38 years' imprisonment and various fines. PHILIP COLASUONNO faces a maximum sentence of 68 years' imprisonment and various fines. Sentencing on the tax and bank fraud charges is currently scheduled for July 19, 2007, at 10:30 a.m., before United States District Judge ALVIN K. HELLERSTEIN, who presided over the trial of the bank fraud charges and the guilty plea to the additional tax charges.

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 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 this prosecution.

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