

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA :

- v. - :

ZEHY JEREIS, :

:

Defendant.

- - - - - X

INFORMATION

13 Cr.

COUNT ONE

(Aiding and Assisting in the Preparation of False and  
Fraudulent Payroll Tax Returns)

The United States Attorney Charges:

1. From in or about at least August 2007 through in or about 2009, ZEHY JEREIS, the defendant, was a part owner of a business that operated a combination car wash, gas station, auto repair shop, and convenience store at a location in Brooklyn, New York and known as Atlantic Gas and Wash, LLC. ("ATLANTIC"). ZEHY JEREIS, the defendant, who resided in Westchester County, New York, participated in running the business of ATLANTIC, including decisions about how its employees were to be paid.

2. ATLANTIC was a limited liability company, that, pursuant to the Internal Revenue Code, was treated as a partnership for tax purposes. Defendant ZEHY JEREIS owned fifty percent of ATLANTIC.

3. ATLANTIC employed a substantial number of employees to wash and repair cars and sell gasoline and other products at the

convenience store. As an employer, ATLANTIC and its owners were obligated to: (a) withhold and pay over to the Internal Revenue Service ("IRS") certain payroll taxes; (b) file IRS Forms 941, which are quarterly payroll tax forms, reporting to the IRS the wages and other compensation received by employees and the taxes withheld; and (c) file with the IRS and send to each employee a copy of IRS Forms W-2, reflecting the taxes withheld and wages and other compensation received by employees during the tax year.

4. Rather than paying employees pursuant to the aforementioned requirements, ATLANTIC paid numerous employees, including undocumented aliens, in cash and failed to withhold and pay over to the IRS the required payroll taxes.

5. In furtherance of this scheme not to pay payroll taxes, ZEHY JEREIS, the defendant, caused the preparation and filing with the IRS of certain IRS Forms 941, which forms falsely and fraudulently omitted and understated the true wages and other compensation paid to ATLANTIC'S employees. Those returns were prepared in Westchester County, New York.

6. During the tax years 2007 through 2009, ZEHY JEREIS, the defendant, paid employees of ATLANTIC, and caused those employees to be paid, in cash, in whole or in part, which cash payments totaled at least \$403,127. JEREIS also failed to report such cash payments to the IRS, and caused those cash payments not to be reported to the IRS, in order to avoid withholding taxes and

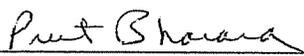
paying required payroll taxes to the IRS, which together amounted to approximately \$61,678.

Statutory Allegation

7. On or about the dates set forth below, in the Southern District of New York and elsewhere, ZEHY JEREIS, the defendant, willfully and knowingly did aid and assist in, and procure, counsel, and advise the preparation and presentation under, the internal revenue laws, of returns, which were fraudulent and false as to material matters, to wit, the below-described Employer's Quarterly Federal Tax Returns, Forms 941, which returns failed to report cash wages paid to employees of ATLANTIC:

Reporting Period	Filing Date
Q3 2007	10/31/07
Q4 2007	1/31/08
Q1 2008	4/30/08
Q2 2008	7/31/08
Q3 2008	10/31/08
Q4 2008	1/31/09
Q1 2009	4/30/09
Q2 2009	7/31/09
Q3 2009	10/31/09
Q4 2009	1/31/10

(Title 26, United States Code, Section 7206(2).)

  
PREET BHARARA  
United States Attorney