

Department of Justice

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FOR IMMEDIATE RELEASE
MAY 7, 2012
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PIZZERIA OWNER PLEADS GUILTY TO TAX EVASION

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Michael Gerace, 49, of Buffalo, N.Y., pleaded guilty before Judge Richard J. Arcara, to tax evasion. The charge carries a maximum penalty of five years in prison and a \$250,000 fine.

Assistant U.S. Attorney MaryEllen Kresse, who is handling the case, said that from 2005 through 2007, Gerace maintained two separate sets of books and records for his business, Abbott Pizza, located on Abbott Road in Buffalo. The first set of books, which accurately recorded the total revenue generated by the pizzeria, was removed from the pizzeria and concealed by Gerace after he received information that he might be under investigation by the Internal Revenue Service. The second set of books, which recorded only a portion of the pizzeria's revenue, was provided by Gerace to his accountant for use in the preparation of Gerace's personal and corporate tax returns for 2005 through 2007. The defendant's unreported income during this three-year period was in excess of \$500,000, resulting in Gerace's failure to pay approximately \$176,000 in income taxes.

The guilty plea was the result of an investigation by the Internal Revenue Service, under the direction Special Agent-in-Charge Victor Lessoff.

Sentencing is scheduled for August 13, 2012 at 1:00 p.m. before Judge Arcara

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