

Department of Justice

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Western District of New York

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FORMER PIZZERIA OWNER SENTENCED FOR TAX EVASION

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Michael Gerace, 49, of Buffalo, N.Y., who was convicted of tax evasion, was sentenced to 21 months in prison and ordered to pay \$176,000 in restitution to the Internal Revenue Service by U.S. District Court Judge Richard J. Arcara.

Assistant U.S. Attorney MaryEllen Kresse, who handled 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 IRS. 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 sentencing is the culmination of an investigation on the part of the Internal Revenue Service Criminal Investigation Division, under the direction of Acting Special Agent-in-Charge Toni Weirauch.

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