

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

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UNITED STATES OF AMERICA )  
 v. )  
 RONALD BOYARSKY, )  
 Defendant. )

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CRIMINAL NO.  
 VIOLATION:  
 18 U.S.C. § 371 (Conspiracy)

**10 CR 10021 RGS**  
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 U.S. DISTRICT COURT  
 DISTRICT OF MASS.

INFORMATION

The United States of America, by acting through its attorneys, charges:

**The Relevant Parties and Entities**

At all times pertinent to this Information, unless otherwise noted:

1. Defendant RONALD BOYARSKY resided in Bedford, New Hampshire.
2. BOYARSKY was a part-owner, President and Chief Executive Officer of a direct mail advertising printing company ("PC"). BOYARSKY was responsible for PC's sales, as well as the company's overall management. In 2007, BOYARSKY sold his entire interest in PC and resigned as President and Chief Executive Officer.
3. PC was a company located in Pembroke, New Hampshire. PC serviced customer relationship management agencies, vendor management firms, and other companies that regularly utilized direct mail advertising (collectively, "Advertising Customers"). PC had approximately 150 employees and sales of over \$20 million a year.
4. "CC-1" was a co-conspirator who resided in Braintree, Massachusetts.

CC-1 was a direct mail printing services broker who received commissions for sales he brokered from Advertising Customers to certain printing companies. PC was one of CC-1's printing company clients that paid CC-1 commissions.

5. "Brokerage Company-1" and "Brokerage Company-2" were direct mail printing brokerage companies located in West Bridgewater, Massachusetts. Brokerage Company-1 and Brokerage Company-2 were owned and controlled by CC-1, and were used by him to receive commissions from his printing clients such as PC. CC-1 also utilized Brokerage Company-1 and Brokerage Company-2 to invoice certain Advertising Customers directly.

6. "CC-2" was a co-conspirator who resided in Loudon, New Hampshire. CC-2 was PC's Senior Vice President in charge of manufacturing. CC-2 assisted in calculating the commissions owed by PC to CC-1, and helped determine the final amount charged to PC's Advertising Customers for sales CC-1 brokered.

7. "CC-3" was a co-conspirator who resided in Stoughton, Massachusetts. CC-3 was a part-time employee of Brokerage Company-1 and Brokerage Company-2.

8. "CC-4" was a co-conspirator who resided in Braintree, Massachusetts. CC-4 was CC-1's friend and received payments from Brokerage Company-1 and Brokerage Company-2.

9. "CC-5" was a co-conspirator who resided in Braintree, Massachusetts, and was a relative of CC-1. CC-5 purported to perform legal services for Brokerage Company-1 and Brokerage Company-2.

10. "CC-6" was a co-conspirator who resided in Weymouth, Massachusetts, and was a relative of CC-1.

11. Various other persons, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

**Background**

12. Direct mail advertising is the process by which companies specifically target potential customers and contact them with custom tailored offers, promotional materials or advertisements using the United States mail.

13. Beginning at least as early as 1999, PC engaged the brokerage services of CC-1 in order to generate sales of direct mail printing to Advertising Customers. In some instances, these Advertising Customers were the actual end-purchasers of the printed advertising materials. In other cases, these Advertising Customers were customer relationship management agencies or vendor management firms, hired by the end-purchaser of the printed advertising materials to locate suitable providers of direct mail printing services.

**COUNT ONE**  
**Conspiracy**  
**(Title 18, United States Code, Section 371)**

The United States of America further charges:

14. The allegations in paragraphs 1 through 13 of this Information are repeated, re-alleged and incorporated as if set forth herein.

15. From approximately January 1999 through at least April 2005, the exact dates being unknown to the United States of America, within the District of Massachusetts and elsewhere,

RONALD BOYARSKY,

defendant herein, unlawfully, willfully and knowingly did combine, conspire, confederate, and agree with others, known and unknown to the United States of America, to defraud the United States and an agency thereof, to wit, the Internal Revenue Service ("IRS") of the United States Department of Treasury, and to commit offenses against the United States, to wit, to violate Title 26, United States Code, Sections 7201 and 7206(1), and did do acts to effect the objects of the conspiracy.

**Objects of the Conspiracy**

16. It was a part and object of the conspiracy that BOYARSKY, and others known and unknown, unlawfully, willfully and knowingly would and did defraud the United States and the IRS by impeding, impairing, defeating and obstructing the lawful governmental functions of the IRS in the ascertainment, computation, assessment, and collection of income taxes due and owing from CC-1, Brokerage Company-1 and Brokerage Company-2.

17. It was further a part and object of the conspiracy that CC-1 did willfully attempt to evade and defeat a large part of the income tax due and owing by him and Brokerage Company-1 and Brokerage Company-2 to the United States of America, by various means, including, among others, concealing and attempting to conceal income from the IRS by diverting substantial amounts of commissions he earned to third party nominees and by preparing and causing to be prepared, signing and causing to be signed, and filing and causing to be filed, false and fraudulent U.S. Individual Income Tax Returns, Form 1040 and false and fraudulent U.S. Corporate Income Tax Returns, Form 1120, for the tax years 1999, 2000, 2001, 2002, 2003 and 2004, wherein he failed to report as income those commissions he diverted to third party nominees, in violation of Title 26, United States Code, Section 7201.

18. It was further a part and object of the conspiracy that CC-2 willfully would and did make and subscribe U.S. Individual Income Tax Returns, Forms 1040, on behalf of himself, for the tax years 2002, and 2003 and 2004, which contained and were verified by CC-2's written declaration that the returns were made under penalties of perjury, and which were filed with the Internal Revenue Service, which income tax returns he did not believe were true and correct as to every material matter, in violation of Title 26, United States Code, Section 7206(1).

**Manner and Means of the Conspiracy**

19. The manner and means of the conspiracy included, among others, the following:

20. CC-1 received a commission for each sale that he brokered to PC from an Advertising Customer. CC-1's commissions were included in the final price that PC charged its Advertising Customers, and were not identified as a line item on the invoices PC submitted to its Advertising Customers.

21. CC-2 was responsible for calculating CC-1's commission and creating the final invoice issued by PC to the Advertising Customer. For each job it performed, PC's employees produced an invoice that included all of PC's costs as well as its markup. When PC performed work for sales brokered by CC-1, however, PC's employees forwarded its initial invoice – which included PC's costs and markup – to CC-2, who was responsible for calculating CC-1's commission amount, which CC-2 then added to increase the amount of the invoice.

22. After creating a new PC invoice to account for CC-1's commission, CC-2 routinely provided the final invoice to BOYARSKY for approval.

23. PC paid CC-1's commissions in two ways. In some instances, PC remitted checks to Brokerage Company-1 and Brokerage Company-2 for the commissions that PC owed CC-1. At other times, CC-1's commissions were remitted to third parties, including CC-2, CC-3, CC-4, CC-5, and CC-6 (collectively “the Nominees”). The portion of CC-1's commissions given to the Nominees was deducted from the total amount of commissions PC owed CC-1. Pursuant to this scheme, approximately \$2.6 million in CC-1's commissions were paid to the Nominees.

24. Pursuant to CC-1's instructions, BOYARSKY directed employees at PC to pay CC-1's commissions to the Nominees, relaying CC-1's instructions as to whom to pay, when, and in what amounts. In other instances, CC-1 directed employees at PC to pay his commissions to the Nominees. CC-1 routinely specified whom to pay, when and in what amounts. BOYARSKY authorized this practice.

25. CC-3 received numerous checks from PC for commissions generated by CC-1. CC-3 then cashed many of those checks pursuant to CC-1's instructions. CC-1 informed CC-3 that none of the checks CC-3 received from PC would be over \$10,000. This was done to avoid

raising suspicion at the banks at which CC-3 cashed these checks. In some instances, CC-3 received multiple checks on the same day, in amounts individually less than \$10,000 but, in aggregate, greater than \$10,000. On such occasions, following CC-1's instructions, CC-3 cashed the checks at different bank locations. After CC-3 cashed the checks, he typically provided the entire amount of cash to CC-1. Occasionally, CC-3 was permitted to keep some of the cash, as payment for his role in the scheme.

26. CC-4, CC-5, and CC-6, along with other co-conspirators, received and cashed checks from PC in the same manner as CC-3.

27. As part of this scheme and based on the instructions of CC-1, BOYARSKY also directed employees at PC to remit checks to certain Nominees for personal expenses that were incurred by CC-1.

28. Other than CC-2, the Nominees were not employed by PC, and did not actually broker any sales on PC's behalf, nor did they perform any work for PC. Although CC-2 was a full-time employee of PC, the money that CC-2 collected on CC-1's behalf was not part of CC-2's compensation as a PC employee.

29. In approximately June 2002, on advice of Precision's outside auditors, payments to most of the Nominees ceased and CC-1's commissions were instead paid to CC-2, Brokerage Company-1 and Brokerage Company-2, and certain Nominees.

30. In approximately February 2003, PC's controller issued an IRS Form 1099 to CC-2, which reported approximately the total of commission checks that CC-2 had collected on CC-1's behalf during the 2002 tax year. PC did not issue IRS Form 1099's to any other Nominees for the commissions they received on CC-1's behalf.

31. Following CC-1's and CC-2's instructions, and in response to the IRS Form 1099 issued in February 2003, on approximately April 14, 2003 BOYARSKY directed PC to pay CC-2 a \$57,400 advance in order to cover the taxes due on the commissions CC-2 collected on CC-1's behalf, as reflected in the 2002 IRS Form 1099.

32. CC-1 and CC-2 also directed BOYARSKY to help CC-2 offset the income reported on the 2002 IRS Form 1099 by falsifying deductible business expenses for CC-2, which BOYARSKY did.

33. On approximately April 13, 2004, following CC-1's and CC-2's instructions, BOYARSKY directed PC to pay CC-2 a \$45,000 advance in order to cover the taxes due on the commissions CC-2 collected on CC-1's behalf, as reflected in the 2003 IRS Form 1099.

**Overt Acts**

34. In furtherance of the Conspiracy, in the District of Massachusetts and elsewhere, BOYARSKY and others committed, and caused to be committed, among others, the following overt acts:

(a) On numerous occasions from approximately 1999 to approximately the March 2004, BOYARSKY and his co-conspirators caused PC to issue checks to the Nominees for commissions earned by CC-1, Brokerage Company-1 or Brokerage Company-2, in an effort to divert income earned by CC-1, Brokerage Company-1 or Brokerage Company-2. Many of the checks diverted to the Nominees were cashed, and the proceeds were given to CC-1.

(b) On approximately April 12, 2005, CC-1, and on approximately April 16, 2005, Brokerage Company-1 and Brokerage Company-2, each filed false and fraudulent U.S. Income Tax Returns, for the tax year 2004, wherein they all failed to report commissions earned from PC in 2004 which were instead diverted to the Nominees, thereby substantially understating the correct tax due and owing by CC-1, Brokerage Company-1 and Brokerage Company-2.

(c) On approximately June 10, 2003, PC diverted commissions earned by CC-1 by issuing a check in the amount of \$20,000 to a hotel located in Massachusetts, in payment of a wedding hosted by CC-1.

(d) Between approximately February and March 2004, PC diverted commissions earned by CC-1 by issuing checks totaling \$13,130 to a construction company located in Quincy, Massachusetts, in payment for work the construction company performed on CC-1's residence.

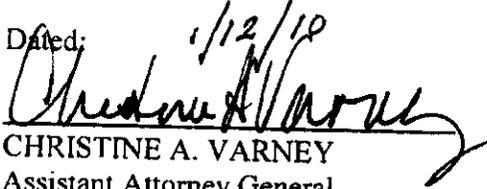
(e) On approximately April 13, 2004, PC issued a check for \$45,000 to CC-2 for taxes due on commissions payments CC-2 collected on CC-1's behalf in 2003.

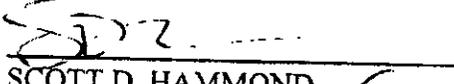
(f) On approximately April 15, 2005, CC-2 caused to be filed U.S. Individual Income Tax Returns wherein he falsely reported as income certain payments he received from PC in 2003, well knowing that such payments were the sales commission income of CC-1 and Brokerage Company-1 and/or Brokerage Company-2.

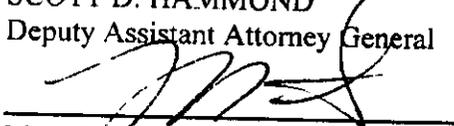
All in violation of Title 18, United States Code, Section 371.

Dated:

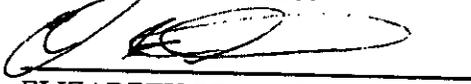
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