

The United States Attorney's Office

Southern District of Florida

Press Release

FORMER BOCA RATON SALON OWNERS PLEAD GUILTY TO TAX FRAUD

April 13, 2009

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, John A. DiCicco, Acting Assistant Attorney General, United States Department of Justice, Tax Division, and Daniel W. Auer, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, announced today that defendants **Judith Artzt** and **Norman Artzt** each pled guilty to a one count Information charging them with conspiring to defraud the Internal Revenue Service, in violation of 18 U.S.C. § 371, before United States District Judge Kenneth A. Marra in West Palm Beach, Florida. Sentencing for both defendants has been scheduled for July 17, 2009 at 10:30 a.m.

As set forth in the Information and the written proffers filed with their plea agreements, defendants Judith and Norman Artzt operated a Boca Raton hair salon, which mostly did business under the name "Norman's of New York." The salon employed approximately forty hairdressers. The salon filed federal tax returns under the name "Sasha, Inc." The defendants were the sole officers and directors of Sasha, Inc.

According to the charges, the defendants paid the wages of most of their employees partly by check and partly in cash, and some of their employees exclusively in cash. Although required by law to issue Form W-2 tax documents to their employees that reflected all wages paid to the employees, the defendants issued Forms W-2 that reflected only the wage amounts that the employees were paid by check and did not include the employees' cash wages. They also provided false information to their accountant, telling him only about the wages paid by check and not about the cash wages paid, causing their payroll and corporate tax returns to significantly understate the amounts paid to their employees. The defendants under-reported the actual wages earned by their employees in order to avoid paying the full federal payroll tax liability due and owing by Sasha, Inc. and on behalf of each of the employees. The defendants agreed they were jointly and severally liable for \$372,713.66 in payroll taxes owed by Sasha, Inc. and its employees for tax years 2000 - 2004.

Mr. Acosta commend the investigative efforts of the Internal Revenue Service. The case is being handled by Assistant United States Attorney Carolyn Bell and Tax Division Trial Attorney Tracy Gostyla.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

Technical comments about this website can be e-mailed to the [Webmaster](#). PLEASE NOTE: The United States Attorney's Office does not respond to non-technical inquiries made to this website. If you wish to make a request for information, you may contact our office at 305-961-9001, or you may send a written inquiry to the United States Attorney's Office, Southern District of Florida, 99 NE 4th Street, Miami, FL 33132.