

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No.
v. : 26 U.S.C. §§ 7203 & 7206(1)
MAZEN MOKHTAR : I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting at Newark, charges:

COUNT ONE
(False 2000 Individual Tax Return)

1. At all times relevant to this Indictment:
 - a. Defendant MAZEN MOKHTAR was a resident of New Jersey;
 - b. Defendant MAZEN MOKHTAR worked as a computer consultant;
 - c. Defendant MAZEN MOKHTAR performed his consulting work through the business Mindcraft, Inc. ("Mindcraft");
 - d. Defendant MAZEN MOKHTAR was the President and sole shareholder of Mindcraft;
 - e. Mindcraft was an S Corporation as defined by federal law. As an S Corporation, the profits of Mindcraft passed through to its sole shareholder, defendant MAZEN MOKHTAR, who was required to report all such profits on his United States Individual Income Tax Returns, Forms 1040; and

f. As an S Corporation, Mindcraft was required to file a yearly United States S Corporation Tax Return, Form 1120, regardless of Mindcraft's income for the applicable tax year. A Form 1120 enabled the Internal Revenue Service ("IRS") to identify any income that should be reported on the United States Individual Tax Returns of Mindcraft's sole shareholder, defendant MAZEN MOKHTAR.

2. During the calendar year 2000, Mindcraft earned gross income of approximately \$162,537.85 and net income of approximately \$89,481.85.

3. On or about April 15, 2001, defendant MAZEN MOKHTAR signed, filed, and caused to be filed with the IRS a 2000 United States Individual Tax Return ("the 2000 Tax Return") on behalf of himself and his wife. The 2000 Tax Return listed an adjusted gross income of approximately \$43,216 and a taxable income of approximately \$21,866.

4. The 2000 Tax Return was signed by defendant MAZEN MOKHTAR and contained a written declaration that it was signed under penalties of perjury.

5. The 2000 Tax Return was not true and correct as to every material matter in that the 2000 Tax Return did not report all of defendant MAZEN MOKHTAR's taxable income for the applicable tax year. Specifically, the 2000 Tax Return failed to include the approximately \$89,481.85 in taxable income received

by defendant MAZEN MOKHTAR as pass-through income from Mindcraft during the applicable tax year.

6. On or about April 15, 2001, in the District of New Jersey and elsewhere, defendant

MAZEN MOKHTAR

did knowingly and willfully make and subscribe the 2000 Tax Return, as described in paragraph 3 of this Count of the Indictment, which contained and was verified by a written declaration that it was made under the penalties of perjury, and which he did not believe to be true and correct as to every material matter, as described in paragraph 5 of this Count of the Indictment.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWO

(False 2002 Individual Tax Return)

1. Paragraph 1 of Count One of this Indictment is realleged and incorporated as though set forth in full herein.
2. During the calendar year 2002, Mindcraft earned gross income of approximately \$68,051.05 and net income of approximately \$52,762.20.
3. On or about July 7, 2003, defendant MAZEN MOKHTAR signed, filed, and caused to be filed with the IRS a 2002 United States Individual Tax Return ("the 2002 Tax Return") on behalf of himself and his wife. The 2002 Tax Return listed an adjusted gross income of approximately \$20,907 and a taxable income of approximately \$1,057.
4. The 2002 Tax Return was signed by defendant MAZEN MOKHTAR and contained a written declaration that it was signed under penalties of perjury.
5. The 2002 Tax Return was not true and correct as to every material matter in that the 2002 Tax Return did not report all of defendant MAZEN MOKHTAR's taxable income for the applicable tax year. Specifically, the 2002 Tax Return failed to include approximately \$52,762.20 in taxable income received by defendant MAZEN MOKHTAR as pass-through income from Mindcraft during the applicable tax year.

6. On or about July 7, 2003, in the District of New Jersey and elsewhere, defendant

MAZEN MOKHTAR

did knowingly and willfully make and subscribe the 2002 Tax Return, as described in paragraph 3 of this Count of the Indictment, which contained and was verified by a written declaration that it was made under the penalties of perjury, and which he did not believe to be true and correct as to every material matter, as described in paragraph 5 of this Count of the Indictment.

In violation of Title 26, United States Code, Section 7206(1).

COUNT THREE

(Failure to File 2003 S Corporation Tax Return)

1. Paragraph 1 of Count One of this Indictment is realleged and incorporated as though set forth in full herein.

2. During the calendar year 2003, Mindcraft earned gross income of approximately \$100,894.85 and net income of approximately \$93,604.31.

3. Defendant MAZEN MOKHTAR was required by law to make to the IRS an S Corporation tax return, Form 1120, on behalf of Mindcraft, by March 15, 2004, stating specifically the items of Mindcraft's income for 2003.

4. Neither defendant MAZEN MOKHTAR nor Mindcraft ever filed a Form 1120 for Mindcraft for the tax year 2003.

5. On or about March 15, 2004, in the District of New Jersey, defendant

MAZEN MOKHTAR

did knowingly and willfully fail to make with the IRS a 2003 United States Form 1120 tax return on behalf of Mindcraft.

In violation of Title 26, United States Code, Section 7203.

COUNT FOUR
(False 2003 Individual Tax Return)

1. Paragraph 1 of Count One and Paragraph 2 of Count Three of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about April 15, 2004, defendant MAZEN MOKHTAR signed, filed, and caused to be filed with the IRS a 2003 United States Individual Tax Return ("the 2003 Tax Return") on behalf of himself and his wife. The 2003 Tax Return listed an adjusted gross income of approximately \$13,350 and no taxable income.

3. The 2003 Tax Return was signed by defendant MAZEN MOKHTAR and contained a written declaration that it was signed under penalties of perjury.

4. The 2003 Tax Return was not true and correct as to every material matter in that the 2003 Tax Return did not report all of defendant MAZEN MOKHTAR's taxable income for the applicable tax year. Specifically, the 2003 Tax Return failed to include approximately \$93,604.31 in taxable income received by defendant MAZEN MOKHTAR as pass-through income from Mindcraft during the applicable tax year.

5. On or about April 15, 2004, in the District of New Jersey and elsewhere, defendant

MAZEN MOKHTAR

did knowingly and willfully make and subscribe the 2003 Tax Return, as described in paragraph 2 of this Count of the

Indictment, which contained and was verified by a written declaration that it was made under the penalties of perjury, and which he did not believe to be true and correct as to every material matter, as described in paragraph 4 of this Count of the Indictment.

In violation of Title 26, United States Code, Section 7206(1).

COUNT FIVE

(Failure to File 2004 S Corporation Tax Return)

1. Paragraph 1 of Count One of this Indictment is realleged and incorporated as though set forth in full herein.

2. During the calendar year 2004, Mindcraft earned gross income of approximately \$61,640 and net income of approximately \$58,474.

3. Defendant MAZEN MOKHTAR was required by law to make to the IRS an S Corporation tax return, Form 1120, on behalf of Mindcraft, by March 15, 2005, stating specifically the items of Mindcraft's income for 2004.

4. Neither defendant MAZEN MOKHTAR nor Mindcraft ever filed a Form 1120 for Mindcraft for the tax year 2004.

5. On or about March 15, 2005, in the District of New Jersey, defendant

MAZEN MOKHTAR

did knowingly and willfully fail to make with the IRS a 2004 United States Form 1120 tax return on behalf of Mindcraft.

In violation of Title 26, United States Code, Section 7203.

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
United States Attorney