

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

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AUG 09 2011  
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UNITED STATES OF AMERICA

Criminal No. 11-532

AT 8:30  
WILLIAM T. WALSH

v.

(NLH) AUG 09 2011

FRANK DOMINICO

26 U.S.C. § 7206(1)  
18 U.S.C. § 2

AT 8:30  
WILLIAM T. WALSH  
CLERK

**INDICTMENT**

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

**COUNTS 1 to 6**

**(Subscribing to a False Income Tax Return - 26 U.S.C. § 7602(1))**

1. At all times relevant to this Indictment:

a. Defendant Frank Dominico, was a resident of Brigantine and Linwood, New Jersey.

b. Defendant Dominico attended Rutgers University and took several accounting classes.

c. Defendant Dominico was employed by General Glass Equipment Company ("GGE") in Gallaway, New Jersey until in or about 2009, and had been so employed since 1971.

d. Defendant Dominico was also a partner in FADCO Enterprises, LLC ("FADCO") which owned two buildings leased by GGE and used as GGE's administrative offices and their warehouse.

2. In or about 2004, defendant Frank Dominico was promoted to GGE's treasurer. In or about 2008, defendant Dominico became the president of GGE and served in that capacity

until 2009. Defendant Dominico's duties at GGE consisted of, among other things, handling all accounting and financial aspects of the company such as payroll; accounts receivable; accounts payable, preparing billing, paying bills and signing checks drawn on GGE's bank account, tax return preparation; and maintenance of GGE's corporate books and records.

Obligations to the Internal Revenue Service

3. As the treasurer and president of GGC, defendant Frank Dominico was responsible for collecting, accounting for, and paying taxes over to the Internal Revenue Service ("IRS"). Defendant Dominico was also responsible for preparing GGE's Corporate Income Tax Returns (Form 1120), payroll tax returns (Forms 940 and 941) and Forms W-2 for himself and other GGE employees.

4. Defendant Frank Dominico was also responsible for preparing the Partnership Returns (Form 1065) for his company FADCO.

5. Defendant Frank Dominico signed, filed and caused to be filed with the IRS the following tax forms in the following years, and reported his wages to the IRS as follows:

| YEAR | GGE Form 1120      | Dominico Form 1040 |
|------|--------------------|--------------------|
| 2004 | \$89,822           | \$51,334           |
| 2005 | \$237,257          | \$89,416           |
| 2006 |                    | \$210,749          |
| 2007 | \$266,866          | \$183,750          |
| 2008 | No Salary Reported | \$237,441          |
| 2009 | No Salary Reported | \$374,000          |

6. The tax returns for tax years 2004 to 2009 were signed by defendant Frank Dominico and contained written declarations that they were signed under the penalties of perjury.

7. The tax returns for tax years 2004 to 2009 were not true and correct as to every material matter in that the returns did not include approximately \$2,586,763 in taxable income received by defendant Frank Dominico from GGE, and claimed deductions and credits to which defendant Dominico was not entitled.

8. In addition, defendant Frank Dominico's tax returns contained the following false statements:

a. For tax years 2006, 2007, and 2008, defendant Frank Dominico falsely claimed mortgage interest that he did not pay for his personal residence;

b. For tax year 2007, defendant Frank Dominico falsely listed M.B. as a third partner of FADCO, thereby reducing the amount of income listed on his personal income tax return; and

c. For tax year 2008, defendant Frank Dominico submitted Form W-2, which he prepared, claiming that GGE withheld \$37,094 of his earnings for tax purposes when in fact, GGE only withheld \$4,860.

9. On or about the dates set forth below, in Atlantic County, in the District of New Jersey, and elsewhere, defendant

FRANK DOMINICO

did knowingly and willfully make and subscribe a Form 1040, U.S. Individual Income Tax Return, which was verified by a written declaration by defendant Frank Dominico that it was made under the penalties of perjury and which return the defendant did not believe to be true and correct as to every material matter in that the return falsely set forth an amount of federal income taxes paid to the Internal Revenue Service and a tax refund due, as follows:

| Count | Tax Year Return/Filed    | Nature of Falsity in Return   | Additional Tax Due and Owing |
|-------|--------------------------|---|------------------------------|
| 1     | 2004 - August 17, 2005   | <ul style="list-style-type: none"> <li>•Falsely stated his income by failing to report approximately \$722,000 which he obtained from GGE</li> </ul>  | \$235,710                    |
| 2     | 2005 - November 13, 2006 | <ul style="list-style-type: none"> <li>•Falsely stated his income by failing to report approximately \$794,000 which he obtained from GGE</li> </ul>  | \$187,268                    |
| 3     | 2006 - August 22, 2008   | <ul style="list-style-type: none"> <li>•Falsely stated his income by failing to report approximately \$313,315 which he obtained from GGE</li> <li>•Falsely inflated itemized deductions, deducting approximately \$233,000 in mortgage interest</li> </ul>   | \$149,483                    |
| 4     | 2007 - April 19, 2009    | <ul style="list-style-type: none"> <li>•Falsely inflated itemized deductions, deducting approximately \$243,000 in mortgage interest</li> <li>•False Form 1065, U.S. Return of Partnership, falsely deducted \$85,000 as a "Guaranteed payment to partners" and listing a third party as a partner</li> </ul> | \$208,826                    |
| 5     | 2008 - June 29, 2009     | <ul style="list-style-type: none"> <li>•Form W-2 falsely reported wages of \$237,441 and withholdings of \$37,094 associated with his employment at GGE</li> <li>•Falsely inflated itemized deductions, deducting approximately \$202,000 in mortgage interest</li> </ul>                                     | \$165,535                    |

|   |   |   |     |
|---|---|---|-----|
| 6 | 2009 - January 28, 2010<br>(electronically filed) | <ul style="list-style-type: none"><li>• W-2 falsely reported wages of \$370,000 and withholdings of \$74,000 associated with his employment at GGE</li><li>• Falsely inflated itemized deductions, deducting approximately \$255,720 in mortgage interest</li></ul> | N/A |
|---|---|---|-----|

In violation of Title 26, United States Code, Section 7206(l) and Title 18, United States Code, Section 2.

A TRUE BILL

  
\_\_\_\_\_  
FOREPERSON

  
\_\_\_\_\_  
PAUL J. FISHMAN  
United States Attorney

CASE NUMBER: \_\_\_\_\_

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**United States District Court  
District of New Jersey**

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**UNITED STATES OF AMERICA**

**v.**

**FRANK DOMINICO**

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**INDICTMENT FOR**

26 U.S.C. § 7206(1)

18 U.S.C. § 2

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*A.*  
**A True Bill,**

\_\_\_\_\_  
**foreperson**

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**PAUL J. FISHMAN**

*UNITED STATES ATTORNEY*

*NEWARK, NEW JERSEY*

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**JASON M. RICHARDSON**

*ASSISTANT U.S. ATTORNEY*

*856-757-5026*

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(Ed. 1/97)

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