

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NUMBER:** _____
v. : **DATE FILED:** _____
MONI SON :
SREANG PO : **VIOLATIONS:**
: **18 U.S.C. § 371 (conspiracy to defraud the**
: **United States – 1 count)**
: **26 U.S.C. § 7202 (willful failing to**
: **collect and pay over taxes - 1 count)**
: **FILED UNDER SEAL**

INDICTMENT

COUNT ONE

(Conspiracy to Defraud the United States)

THE GRAND JURY CHARGES THAT:

1. The Internal Revenue Service was an agency within the United States Treasury Department. The Internal Revenue Service was responsible for, among other things, collecting income and payroll taxes on wages earned by individuals (“FICA Taxes”).
2. Employers were required to collect, deposit, report and pay FICA taxes to the Internal Revenue Service on a quarterly basis. The amount of the FICA taxes withheld, coupled with the employer’s matching contribution, were required to be recorded on Internal Revenue Service Form 941 and then filed with the Internal Revenue Service.

THE DEFENDANTS

3. Defendants MONI SON and SREANG PO were corporate officers of Asian American Labor Connection, an employee leasing corporation located in Philadelphia during the

years 2007 through 2008. As corporate officers of Asian American Labor Connection, defendants MONI SON and SREANG PO were required to collect and remit, on a quarterly basis, FICA taxes to the Internal Revenue Service.

4. Defendant SREANG PO was the record owner of Asian American Labor Connection. Defendant SREANG PO signed the employee leasing contracts on behalf of Asian American Labor Connection with the various companies that leased employees from Asian American Labor Connection.

5. Defendant MONI SON negotiated the terms and conditions of the labor leasing contracts with companies who hired temporary employees from Asian American Labor Connection. One of the terms of the labor leasing contracts that Asian American Labor Connection provided that Asian American Labor Connection was responsible for all matters pertaining to the payment of federal, state, and local payroll taxes, workers' compensation insurance, salaries and fringe benefits for its employees.

6. The companies who hired Asian American Labor Connection's employees paid for the workers' labor services by giving Asian American Labor Connection one check which defendant MONI SON converted to cash at a check cashing agency. Defendant MONI SON and SREANG PO paid their employees in cash and did not give the employees either IRS Form W-2 or 1099 for tax reporting purposes, nor did they report the cash wages given to their employees to the Internal Revenue Service.

7. For the period of March 31, 2007 through December 31, 2007, Asian American Labor Connection had taxable wages of \$760,728.73, but only reported \$88,288.00 as taxable wages to the Internal Revenue Service.

8. For the period of March 31, 2008 through December 31, 2008, Asian

American Labor Connection had taxable wages of \$751,438.43, but only reported \$91,647.43 as taxable to the IRS.

9. From on or about March 31, 2007 to on or about August 17, 2009, in the Eastern District of Pennsylvania, and elsewhere, defendants

**MONI SON
and
SREANG PO**

conspired and agreed, together and with others known and unknown to the grand jury, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment and collection of taxes.

MANNER AND MEANS

10. It was part of the conspiracy that defendants MONI SON and SREANG PO entered into leasing contracts with various companies seeking the temporary labor services of individuals employed by Asian American Labor Connection.

11. Contrary to express provisions in the labor leasing contracts that Asian American Labor Connection entered into with its clients regarding the collection and payment of FICA taxes to the Internal Revenue Service, Asian American Labor Connection failed to collect and pay over FICA taxes from the lump sum payment for labor services that it received from its clients.

It was further a part of the conspiracy that:

12. To avoid the creation of employee wage statements, defendant MONI SON cashed the checks that were paid to Asian American Labor Connection at a check cashing agency. After receiving cash from the checking cashing agency, defendant MONI SON then paid Asian

American Labor Connection's employees in cash.

13. Defendant MONI SON and SREANG PO employed an accountant to prepare tax returns for Asian American Labor Connection. Defendant MONI SON and SREANG PO failed to provide their accountant with a true accounting of the revenues earned by Asian American Labor Connection in connection for tax years 2007 and 2008.

14. The federal tax returns signed by defendant SREANG PO for tax years 2007 and 2008, which were filed with the Internal Revenue Service, understated the gross receipts and the employment taxes withheld, or that should have been withheld, from the wages paid to its employees.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its object, defendant MONI SON and SREANG PO committed the following overt acts, among others, in the Eastern District of Pennsylvania:

1. For the tax period ending on or about March 31, 2007, defendants MONI SON and SREANG PO failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connections employees, that is, taxable wages of approximately \$187,385, based on 36,385.50 hours worked by its employees, at the \$5.15 per hour minimum wage rate.

2. For the tax period ending on or about June 30, 2007, defendants MONI SON and SREANG PO failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connection employees, that is, taxable wages of approximately \$144,990.53, based on 28,153.50 hours worked by its employee, at the rate of \$5.15 per hour minimum wage rate.

3. For the tax period ending on or about September 30, 2007, defendants MONI SON and SREANG PO failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connection employees, that is, taxable wages of approximately \$143,139.87, based on 27,794.15 hours worked by its employees, at the rate of \$5.15 per hour minimum wage rate.

4. For the tax period ending on or about December 31, 2007, defendants MONI SON and SREANG PO failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connection employees, that is, taxable wages of approximately \$285,213.01, based on 48,754.36 hours worked by its employees, at the rate of \$5.85 per hour minimum wage rate.

5. For the tax period ending on or about March 31, 2008, defendants MONI SON and SREANG PO failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connections employees, that is, taxable wages of approximately \$225,222.08, based on 38,499.50 hours worked by its employees, at the rate of \$5.85 per hour minimum wage rate.

6. For the tax period ending on or about June 30, 2008, defendants MONI SON and SREANG PO failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connections employees, that is, taxable wages of approximately \$181,233.00, based on 30,980.00 hours worked by its employees, at the \$5.85 per hour minimum wage rate.

7. For the tax period ending on or about September 30, 2008, defendants MONI SON and SREANG PO, failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connections employees, that is,

taxable wages of approximately \$172,417.05, based on 29,473.00 hours worked by its employee, at the \$5.85 per hour minimum wage rate.

8. For the tax period ending on or about December 31, 2008, defendants MONI SON and SREANG PO failed to properly collect and pay over to the Internal Revenue Service FICA taxes associated with wages paid to Asian American Labor Connections employees, that is, taxable wages of approximately \$172,566.30, based on 26,346.00 hours worked by its employees, at the \$ 6.55 per hour minimum wage rate.

9. On or about August 17, 2009, defendant MONI SON and SREANGO PO filed Asian American Labor Connections' 2008 employment tax return, IRS Form 944 which stated that Asian American Labor Connection had paid wages to its employees of approximately \$91,647 when, in fact, the correct amount of wages paid to the employees was approximately \$659,791.

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

COUNT TWO

(Failure To Collect and Pay over Payroll Taxes)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs One through Six and Eight and paragraph Nine of the Overt Acts of Count One incorporated here.
2. During the period of March 2008 through August 17, 2009, Asian American Labor Connections was paid thousands of dollars by its client. Asian American Labor Connection was required to withhold from its employees' paychecks Federal Insurance Contribution Act ("FICA") taxes.
3. Asian American Labor Connection was required to make deposits of the FICA taxes to the Internal Revenue Service on a periodic basis. In addition, Asian American Labor Connection was required to file, following the end of each calendar quarter, an Employer's Quarterly Federal income Tax Return (Form 941), setting forth the total amount of wages and other compensation subject to withholding, the total amount of FICA taxes.
4. Defendants MONI SON and SREANG PO were the corporate officers of Asian American Labor Connection charged with the responsibility of collecting, truthfully accounting for, depositing and then paying over to the Internal Revenue Service, on a quarterly basis, FICA taxes associated with the wages paid to its employees.
5. Beginning on or about March 31, 2008 and continuing up to and including on or about August 17, 2009, at Philadelphia, in the Eastern District of Pennsylvania, defendants

**MONI SON
SREANG PO**

willfully failed to truthfully account for and pay over to the Internal Revenue Service all of the

federal income taxes and Federal Insurance Contribution Act taxes due and owing to the United States on behalf of Asian American Labor Connection and its employees for fourth quarter of 2008 which ended on December 31, 2008.

All in violation of Title 26, United States Code, Section 7202.

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**