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CLERK, U.S. DISTRICT COURT - DNJ

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Madeline Cox Arleo
: :
v. : Crim. No. 23- 629(MCA)
: :
JOEL KONOPKA : 26 U.S.C. § 7201
: 26 U.S.C. § 7206(1)
: 26 U.S.C. § 7203



INDICTMENT

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

COUNTS 1 to 4
(Evasion of Assessment of Corporate Taxes Due and Owing
Calendar Years 2014, 2015, 2016, and 2017)

1. At all times relevant to Count 1 of this Indictment, unless otherwise
indicated:

a. Defendant JOEL KONOPKA (“KONOPKA”) was a resident of
Union County, New Jersey, and was the sole shareholder/owner and operator of
Konopka’s Construction, Inc., (“Konopka Construction”), which provided
construction, contracting, and snow plowing services.

b. Konopka Construction was a “C Corporation.” Under the
Internal Revenue Code, the profits of a C Corporation were taxed separately from
its shareholders.

c. The Internal Revenue Service (“IRS”) was an agency of the
United States Department of the Treasury, responsible for administering and

enforcing the tax laws of the United States and collecting the taxes that were due and owing to the Treasury of the United States by its citizens and residents.

d. Under the tax laws of the United States, every corporation was required to make and annually file a U.S. Corporation Income Tax Return, Form 1120 (a "Corporate Tax Return"), reporting, among other things, its taxable income, determined by subtracting the company's total deductions from its total income. A corporation is responsible for paying the income tax due on its taxable income.

2. From in or about 2014 to in or about 2017, KONOPKA, through Konopka Construction, obtained payments from clients for services provided, including payments from the Township of Hillside, New Jersey for snow plowing services and from various individuals and entities, including from Essex and Union Counties, for home improvement/contracting services. For example, in or about 2016, Konopka Construction was awarded an emergency contract to provide snowplowing services to the Township of Hillside and received approximately \$387,610.00 pursuant to the contract.

3. As a result of payments from clients to Konopka Construction for services rendered, Konopka Construction obtained hundreds of thousands of dollars in gross receipts per year for calendar years 2014, 2015, and 2017 and over a million dollars in calendar year 2016 (totaling over three million dollars collectively during that four-year period) and had a substantial tax due and owing for each of those calendar years.

Defendant KONOPKA's Scheme to Evade Assessment of Corporate Taxes

4. As the sole shareholder of Konopka Construction, KONOPKA was obligated to file truthful Corporate Tax Returns for Konopka Construction and to cause payments to the IRS on behalf of Konopka Construction of any income tax due. KONOPKA did neither.

5. On or about March 28, 2016, KONOPKA prepared, signed under oath, and caused to be filed Corporate Tax Returns for calendar years 2014 and 2015 for Konopka Construction that falsely reported zero income and bore the notation "Inactive Return Year," despite the fact that Konopka Construction received hundreds of thousands of dollars in gross receipts for services provided in each of these calendar years.

6. For calendar years 2016 and 2017, KONOPKA did not file any Corporate Tax Returns for Konopka Construction, despite the fact that Konopka Construction received over a million dollars in gross receipts for services provided in calendar year 2016 and more than eight hundred thousand dollars in gross receipts for services provided in calendar year 2017.

7. On or about July 12, 2018, and July 13, 2018, respectively, KONOPKA electronically signed under oath and caused to be filed U.S. Personal Income Tax Returns, Form 1040, on behalf of himself and his wife for calendar years 2015, 2016 and 2017. Those returns falsely listed business income of \$32,070, \$33,682 and \$35,778 for those respective years, primarily from Konopka Construction as set forth in the Schedule C attached to those Personal Income Tax Returns. Konopka

knew, however, that Konopka Construction had business income for each of those years of at least \$600,000 and exceeding \$1,000,000 for calendar year 2016.

8. KONOPKA caused no payments to be made to the IRS for any corporate taxes due and owing for calendar years 2014 through 2017.

9. Each year, from in or about 2014 to in or about 2017, KONOPKA cashed or caused to be cashed hundreds of checks issued to Konopka Construction for services rendered at multiple check cashers in Essex and Ocean Counties, New Jersey, to conceal the income of Konopka Construction from the IRS.

10. The only instance in which KONOPKA deposited a check issued to Konopka Construction into a bank account for Konopka Construction was in 2016 when KONOPKA was unable to cash the aforementioned check from the Township of Hillside for \$387,610 at a check casher because the amount of the check was too large.

11. During the approximate dates set forth below, in the District of New Jersey and elsewhere, defendant

JOEL KONOPKA

did willfully attempt to evade and defeat the payment of the income tax due and owing by Konopka Construction to the United States for each of the calendar years set forth in the table below by: (a) cashing at check cashers checks made payable to Konopka Construction for services rendered, as set forth in Paragraph 9 of this Indictment; (b) filing false Corporate Tax Returns for calendar years 2014 and 2015; and (c) filing false Personal Tax Returns for calendar years 2015, 2016, and 2017

which falsely represented his business income for those years as ranging from \$32,070 to \$35,778 when he well knew that Konopka Construction had generated more than twenty times the amount of gross revenue for each of those years.

Count	Date Period	Calendar Year
Count 1	From on or about January 1, 2014 to on or on about March 28, 2016	2014
Count 2	From on or about January 1, 2015 to on or about July 12, 2018	2015
Count 3	From on or about January 1, 2016 to on or about July 13, 2018	2016
Count 4	From on or about January 1, 2016 to on or about July 13, 2018.	2017

In violation of Title 26, United States Code, Section 7201.

COUNTS 5 and 6
(Subscribing to False Tax Returns – U.S. Corporation Income Tax Returns
for Calendar Years 2014 and 2015)

1. Paragraphs 1 to 5, and 7 to 9 of Counts 1 to 4 of this Indictment are realleged and incorporated herein.

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

JOEL KONOPKA

did willfully make and subscribe U.S. Corporation Income Tax Returns, Forms 1120, on behalf of Konopka Construction, for the calendar years set forth below, each of which was verified by a written declaration that the return was made under the penalties of perjury and each of which he did not believe to be true and correct as to material matters. On these income tax returns, which were filed with the IRS on or about the dates set forth below, KONOPKA falsely reported no income on Line 11, when, as he then and there well knew, Konopka Construction had income in excess of the amount reported on the tax returns.

Count	Calendar Year	Approximate Date of Filing
5	2014	March 28, 2016
6	2015	March 28, 2016

In violation of Title 26, United States Code, Section 7206(1) and Title 18, United States Code, Section 2.

COUNTS 7 and 8
(Failure to File Corporate Tax Returns – Calendar Years 2016 and 2017)

1. Paragraphs 1 to 9 of Counts 1 to 4 of this Indictment are realleged and incorporated herein.

2. During each of the calendar years 2016 and 2017, Konopka Construction received substantial gross income exceeding hundreds of thousands of dollars.

3. By reason of that gross income, KONOPKA was required by law, following the close of each of those calendar years and on or before April 18, 2017, and April 17, 2018, respectively, to make and file a U.S. Corporation Income Tax Return, Form 1120 to the IRS, stating specifically the items of gross income and any deductions and credits to which Konopka Construction was entitled.

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

JOEL KONOPKA

well knowing and believing all the foregoing, did willfully fail to make a U.S. Corporate Income Tax Return, Form 1120, to the IRS for each of the calendar years set forth below:

Count	Date	Calendar Year
7	April 18, 2017	2016
8	April 17, 2018	2017

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

A TRUE BILL

FOREPERSON

Philip Sellinger /rew

PHILIP R. SELLINGER
UNITED STATES ATTORNEY

CASE NUMBER: 23-cr-629 (MCA)

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

UNITED STATES OF AMERICA

v.

JOEL KONOPKA

**INDICTMENT FOR
26 U.S.C. §§ 7201, 7203 and 7206(1)**

PHILIP R. SELLINGER
UNITED STATES ATTORNEY
FOR THE DISTRICT OF NEW JERSEY

MARK J. MCCARREN
ASSISTANT U.S. ATTORNEY
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