

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No.
	:	
v.	:	26 U.S.C. § 7206(1)
	:	
	:	
KENNETH MORTON	:	<b>INFORMATION</b>
	:	

The United States Attorney charges:

**COUNT ONE**

1. At all times relevant to this Information, defendant KENNETH MORTON was a resident of Pitman, New Jersey.

2. At all times relevant to this Information, KENNETH MORTON owned and operated Kenal Enterprises, L.L.C. d/b/a Ken Morton Roofing and Siding ("Kenal"), a residential roofing company based in Pitman, New Jersey.

3. From in or around the beginning of 2007 through in or around the end of 2009, KENNETH MORTON cashed approximately \$3,946,046 of Kenal's gross receipts at a check cashing agency, the majority of which he did not deposit into the business bank account.

4. KENNETH MORTON reported Kenal's income on Form 1040, Schedule C, Profit or Loss from Business.

5. KENNETH MORTON did not report the cashed gross receipts on his 2007 through 2009 Forms 1040, U.S. Individual Income Tax Returns, Schedule C.

6. From in or around the beginning of 2007 through in or around the end of 2009, KENNETH MORTON used a portion of these cashed gross receipts to fund a cash payroll.

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

KENNETH MORTON

did willfully make and subscribe 2007, 2008 and 2009 U.S. Individual Income Tax Returns, Forms 1040, which were verified by a written declaration that they were made under the penalties of perjury and which MORTON did not believe to be true and correct as to every material matter. These individual income tax returns, which were filed with the Internal Revenue Service, underreported Kenal's gross receipts, as stated on Schedule C, whereas, as MORTON then and there knew Kenal received gross receipts substantially in excess of those reported and as stated below:

Year	Approximate Date Form 1040 Filed	Unreported Gross Receipts
2007	April 12, 2008	\$1,343,348
2008	April 12, 2009	\$1,471,430
2009	April 10, 2010	\$1,131,268
<b>Total</b>		<b>\$3,946,046</b>

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



ROSEMARY PAOLUNI  
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Department of Justice - Tax Division