

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No.
	:	
v.	:	26 U.S.C. § 7201
	:	
	:	
FRED MARCUS	:	INFORMATION
	:	

The United States Attorney charges:

COUNT ONE

1. At all times relevant to this Information, defendant FRED MARCUS was a resident of Mount Laurel, New Jersey.

2. At all times relevant to this Information, FRED MARCUS owned and operated Vortex Installations, Inc. ("Vortex"), a window installation company based in Mount Laurel, New Jersey.

3. From in or around the beginning of 2006 through in or around the end of 2009, FRED MARCUS cashed approximately \$2,806,016 of Vortex's gross receipts at a check casher, instead of using the business bank account.

4. The Internal Revenue Service ("IRS") is 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 are due and owing to the Treasury of the United States by its citizens and businesses.

5. Pursuant to the Internal Revenue Code and associated statutes and regulations, including the Federal Insurance Contributions Act ("FICA"), employers are required to withhold

certain amounts from the paychecks of their employees and then remit those amounts over to the IRS on a quarterly basis.

6. The FICA Tax is comprised of two elements: old age, survivor and disability insurance, which is commonly referred to as “Social Security,” and health insurance, which is commonly referred to as “Medicare.” Social Security taxes are used to fund retirement and disability benefits, while Medicare taxes are used to provide health and medical benefits for the aged and disabled. An employer must deduct FICA taxes from the amount of wages that actually or constructively are paid to its employees, and pay over those FICA taxes to the IRS.

7. To account for payroll taxes that must be paid to the IRS, the tax laws require employers and payors, either directly or through third-party payroll services acting on their behalf, to prepare and submit tax forms, including:

a. Form 941, “Employer’s Quarterly Federal Tax Return,” to be filed quarterly with the IRS to report employer wages paid to employees, together with payment to the IRS for all payroll taxes due based upon those wages;

b. Form W-2, “Wage and Tax Statement,” to be filed annually with the IRS, to report amounts paid to persons who are not employees, such as independent contractors, and to be given to such persons for preparation of their individual income tax returns.

c. Form 1099-MISC, “Miscellaneous Income,” to be filed annually with the IRS, to report amounts paid to persons who are not employees, such as independent contractors, and to be given to such persons for preparation of their individual income tax returns.

8. FRED MARCUS had a duty and responsibility to collect, truthfully account for, and pay over to the IRS employment taxes from the wages paid to the employees of Vortex Installations, Inc.

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

FRED MARCUS

knowingly and willfully did attempt to evade and defeat a substantial part of the federal employment taxes due and owing to the United States in the approximate amounts set forth below, in that he failed to file Forms 941 for all quarters from 2006 through 2008 and committed the following affirmative acts designed to conceal the employment taxes due and owing to the IRS:

- a. MARCUS filed false Forms 941 for the first through fourth quarter of 2009.
- b. MARCUS paid employees of Vortex wages in cash from at least 2006 through at least 2009.
- c. In order to fund his cash payroll, MARCUS cashed a substantial portion of Vortex's gross receipts at a check casher, knowing that he would more likely be detected had he used the business bank account.

Quarter Ended	Unreported Quarterly Wages	Total Unpaid FICA Taxes
03/31/2006	\$50,788	\$7,771
06/30/2006	\$50,788	\$7,771
09/30/2006	\$50,788	\$7,771
12/31/2006	\$51,287	\$7,847
03/31/2007	\$76,320	\$11,677
06/30/2007	\$76,320	\$11,677
09/30/2007	\$76,320	\$11,677
12/31/2007	\$76,320	\$11,677
03/31/2008	\$70,150	\$10,733

06/30/2008	\$70,150	\$10,733
09/30/2008	\$70,150	\$10,733
12/31/2008	\$70,150	\$10,733
03/31/2009	\$80,261	\$12,280
06/30/2009	\$46,800	\$7,160
09/30/2009	\$46,800	\$7,160
12/31/2009	\$62,476	\$9,559
Total	\$1,025,868	\$156,958

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



PAUL J. FISHMAN
United States Attorney
District of New Jersey