

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 15-
 : 18 U.S.C. § 371
v. :
 :
GREGG MARK : I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Introduction

1. At all times relevant to this Information:

a. Defendant GREGG MARK was a resident of Middlesex County, New Jersey, and was employed by a certified public accounting firm (the "Accounting Firm") with offices in Staten Island, New York.

b. MPS Entertainment, LLC ("MPS") and Situation Nation, Inc. ("SitNat") (collectively "the Businesses") were entities existing under the laws of the State of New Jersey that were formed in or about January 2010 and November 2010, respectively.

c. Michael Sorrentino, a/k/a "The Situation," was a resident of Ocean County, New Jersey, held a part ownership interest in MPS, and held the sole ownership interest in

SitNat.

d. Marc Sorrentino, a brother of Michael Sorrentino, was a resident of Monmouth County, New Jersey, and held the remaining ownership interest in MPS.

e. MPS was established as a partnership under the Internal Revenue Code. As a partnership, MPS was required to annually file a U.S. Return of Partnership Income, Form 1065, reporting, among other items, its ordinary business income ("net business income"). A partnership's net business income as reported on the Form 1065 is determined by subtracting its total deductions from its total income. A partnership does not incur any tax liability for any net business income it may have earned during a given tax year. Instead, the owners of the partnership are required to report such net business income on their respective U.S. Individual Income Tax Returns, Forms 1040. Accordingly, any net business income generated by MPS was required to be reported by Michael Sorrentino and Marc Sorrentino on their respective U.S. Individual Income Tax Returns, Forms 1040.

f. SitNat was established as an S Corporation under the Internal Revenue Code. As an S Corporation, SitNat was required to annually file a U.S. Income Tax Return for an S Corporation, Form 1120S, reporting, among other items, its ordinary business income ("net business income"). An S

Corporation's net business income as reported on the Form 1120S is determined by subtracting its total deductions from its total income. An S Corporation does not incur any tax liability for any net business income it may have earned during a given tax year. Instead, the owner of the S Corporation is required to report such net business income on his U.S. Individual Income Tax Return, Form 1040 ("Form 1040"). Accordingly, any net business income generated by SitNat was required to be reported by Michael Sorrentino on his U.S. Individual Income Tax Return, Form 1040.

g. Among other things, the U.S. Return of Partnership Income, Form 1065, and U.S. Income Tax Return for an S Corporation, Form 1120S, enable the Internal Revenue Service ("IRS") to identify any income required to be reported on the U.S. Individual Income Tax Returns, Form 1040s, of the owner or owners of the entity and assess and compute any taxes that may be due and owing.

h. In the course of his employment with the Accounting Firm, defendant GREGG MARK prepared false and fraudulent tax returns for the Businesses, as well as false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, for both Michael Sorrentino and Marc Sorrentino.

The Conspiracy

2. From in or about January 2010 through at least in or about March 2013, in Monmouth and Ocean Counties, in the District of New Jersey and elsewhere, defendant

GREGG MARK

did knowingly and wilfully conspire and agree with Michael Sorrentino, Marc Sorrentino, and others, to defraud, through deceitful and dishonest means, the United States and an agency thereof, to wit, the Internal Revenue Service of the United States Department of Treasury, and did do acts to effect the object of the conspiracy.

Object of the Conspiracy

3. It was the object of the conspiracy for defendant GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others, to defraud the United States of America and the IRS by impeding, impairing, defeating and obstructing the lawful governmental functions of the IRS in the ascertainment, computation, assessment, and collection of income taxes.

Manner and Means of the Conspiracy

4. Among the manner and means used by defendant GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others, to achieve the object of the conspiracy were the following:

a. It was part of the conspiracy that for tax years 2010 and 2011, Michael Sorrentino and Marc Sorrentino failed to

pay all of the federal income taxes due and owing on several million dollars in income which they earned.

b. It was further part of the conspiracy that defendant GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others submitted and caused to be submitted to the IRS false and fraudulent Forms 1065 and 1120S for tax years 2010 and 2011 related to the Businesses that included false items, such as false and inflated deductions, and which collectively underreported net business income.

c. It was further part of the conspiracy that defendant GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others submitted and caused to be submitted to the IRS false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, for tax years 2010 and 2011, which failed to report all of the income which Michael Sorrentino and Marc Sorrentino received from the Businesses.

Overt Acts

5. In furtherance of the conspiracy and to effect its unlawful object, defendant GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others committed, and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

a. On or about July 5, 2011, GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others, prepared and

caused to be prepared, and filed and caused to be filed a false and fraudulent U.S. Return of Partnership Income, Form 1065, on behalf of MPS for tax year 2010. The Form 1065 was false and fraudulent in that GREGG MARK and others, among other things, fraudulently reported personal expenses as business deductions and underreported net business income.

b. On or about July 5, 2011, GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others, prepared and caused to be prepared, and filed and caused to be filed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, on behalf of Michael Sorrentino for tax year 2010. The Form 1040 was false and fraudulent in that GREGG MARK and others, among other things, fraudulently underreported Michael Sorrentino's income from his ownership in MPS as well as his total income.


c. On or about July 5, 2011, GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others, prepared and caused to be prepared, and filed and caused to be filed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, on behalf of Marc Sorrentino for tax year 2010. The Form 1040 was false and fraudulent in that GREGG MARK and others, among other things, fraudulently underreported

Marc Sorrentino's income from his ownership in MPS as well as his total income.

d. On or about August 23, 2012, GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others, prepared and caused to be prepared, and filed and caused to be filed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, on behalf of Marc Sorrentino for tax year 2011. The Form 1040 was false and fraudulent in that GREGG MARK and others, among other things, fraudulently underreported Marc Sorrentino's total income.

e. On or about February 26, 2013, GREGG MARK, Michael Sorrentino, Marc Sorrentino, and others, prepared and caused to be prepared, and filed and caused to be filed a false and fraudulent U.S. Income Tax Return for an S Corporation, Form 1120S, on behalf of SitNat for tax year 2011. The Form 1120S was false and fraudulent in that GREGG MARK and others, among other things, fraudulently reported personal expenses as business deductions and underreported net business income.

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


PAUL J. FISHMAN
United States Attorney

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v.

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INFORMATION FOR

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PAUL J. FISHMAN
U.S. ATTORNEY
NEWARK, NEW JERSEY

JONATHAN W. ROMANKOW
ASSISTANT U.S. ATTORNEY
973-645-2884

USA-48AD 8
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