

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

v.

CHUNG LAM,
a/k/a “Alex Lam”

Crim. No.

18 U.S.C. § 371

INFORMATION

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

1. At all times relevant to this Information:

a. Defendant CHUNG LAM, a/k/a “Alex Lam,” was a resident of Sicklerville, New Jersey.

b. 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, residents, and businesses.

c. Pursuant to the tax laws of the United States, employers had a duty to collect, truthfully account for, and pay over to the IRS Federal Insurance Contribution Act (“FICA”) and income taxes (collectively, “payroll taxes”). FICA required the payment of taxes by employees and employers to fund various federal benefit programs, including Social Security and Medicare. Employers were required to withhold payroll taxes from their employees’ wages; file an Employer’s Quarterly Federal Tax Return, IRS Form 941 (“Form 941”) disclosing all

wages paid, taxes withheld, and payroll taxes due and owing; and pay over to the IRS the payroll taxes withheld from the employees' wages by the due date indicated on the Form 941.

d. Pursuant to the tax laws of the United States, individuals who earn over a certain amount of gross income are required to file a U.S. Individual Income Tax Return ("Form 1040") that reports income, deductions, and credits. The Form 1040 is used by the IRS to assess liability for individual income tax and eligibility for refunds.

e. On December 3, 2018, defendant CHUNG LAM was sentenced to 18 months' incarceration after pleading guilty in the Eastern District of Pennsylvania to failing to collect, truthfully account for, and pay over to the IRS payroll taxes due and owing for the employees of a temporary staffing company that LAM owned and operated through 2015.

The Conspiracy

2. Between on or about January 4, 2018 until on or about February 8, 2019 and continuing on or about June 5, 2020 through on or about July 5, 2023, in Gloucester and Camden Counties, in the District of New Jersey and elsewhere, the defendant,

CHUNG LAM,
a/k/a "Alex Lam,"

did knowingly and intentionally conspire and agree with others to defraud the United States by impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment, and collection of the revenue, namely, payroll taxes due and owing from the employees of temporary staffing companies ("Staffing Companies") and the individual income taxes due and owing from defendant CHUNG LAM and others involved with the Staffing Companies.

Object of the Conspiracy

3. It was the object of the conspiracy to defraud the United States and the Internal Revenue Service by concealing cash wages paid to employees of the Staffing Companies and to prevent the Internal Revenue Service from properly assessing and collecting payroll taxes due and owing from the Staffing Companies' employees and the individual income taxes due and owing from defendant CHUNG LAM and others involved with the Staffing Companies.

Manner and Means of the Conspiracy

4. It was a part of the conspiracy that defendant CHUNG LAM aided other members of the conspiracy in forming Staffing Companies that would provide pools of temporary workers to businesses ("Customer Businesses") for a negotiable rate. The Staffing Companies charged the Customer Businesses a premium above each worker's hourly wage in exchange for the Staffing Companies' responsibilities as the employer of those workers, including, as most relevant here, collecting, truthfully accounting for, and paying over to the IRS the workers' payroll taxes.

5. It was a further part of the conspiracy that, between the first quarter of 2018 and the second quarter of 2023, defendant CHUNG LAM negotiated at a commercial check casher more than \$4,000,000 in checks received by the Staffing Companies as payment for providing labor to the Customer Businesses.

6. It was a further part of the conspiracy that defendant CHUNG LAM kept a portion of the resulting cash for personal use and caused the remaining cash to be provided to other members of the conspiracy to pay the Staffing Companies' employees their wages in cash without first collecting payroll taxes from the gross wages.

7. It was a further part of the conspiracy that the Staffing Companies violated their agreements with the Customer Businesses by failing to file Forms 941 that truthfully accounted

payroll taxes and by failing to pay over to the IRS more than \$600,000 in payroll taxes for the Staffing Companies' employees who worked at the Customer Businesses.

8. It was a further part of the conspiracy that defendant CHUNG LAM and other members of the conspiracy filed false Forms 1040 that omitted the income they received from the Staffing Companies.

Overt Acts

9. In furtherance of this conspiracy and to effect its object, the following overt acts were committed in the District of New Jersey and elsewhere:

- a. On or about June 9, 2022, defendant CHUNG LAM used a commercial check casher to negotiate a \$1,890.00 check paid to a Staffing Company for work its employees performed for a Customer Business located in Gloucester County, New Jersey. Defendant CHUNG LAM kept a portion of the cash proceeds and caused the remaining cash to be provided to a co-conspirator for the co-conspirator to pay the Staffing Company's employees cash wages without first collecting payroll taxes from the cash wages.
- b. On or about May 4, 2023, defendant CHUNG LAM caused the preparation and presentation to the IRS of a false 2022 Form 1040 that falsely omitted the income that he earned from cashing checks for the Staffing Companies.

In violation of Title 18, United States Code, Section 371.


VIKAS KHANNA
Acting United States Attorney