2024R00600/KMR

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon. Michael E. Farbiarz
	:	
v.	:	Crim. No. 25-602
	:	
KFIR BAROAN	:	26 U.S.C. § 7201
	:	26 U.S.C. § 7202

I N F O R M A T I O N

Count One
(Income Tax Evasion)

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 KFIR BAROAN was a resident of Wayne, New Jersey and the owner and operator of Business 1.

b. Business 1 was an auto body shop in Elmwood Park, New Jersey that was solely owned and controlled by defendant BAROAN.

a. 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.

2. BAROAN failed to file personal income tax returns, including for tax years 2018, 2019, 2020, and 2021. During this time, however, BAROAN earned significant income from Business 1.

3. BAROAN knew that he had a duty to file tax returns and to report to the IRS the income he received from Business 1. BAROAN hired a tax preparer to prepare tax returns for 2018 and 2019, but BAROAN chose not to file the returns.

4. BAROAN regularly received payments for services rendered at Business 1 via check but did not deposit them into a Business 1 bank account. Instead, BAROAN cashed business receipt checks at various check-cashing facilities and failed to report the income to the IRS. For example, between in or around 2018 and 2021, BAROAN cashed over approximately $1.5 million in checks at check-cashing facilities in New Jersey and elsewhere.

5. BAROAN also used bank accounts associated with businesses other than Business 1 to deposit cash and to withdraw funds for personal and business expenses. BAROAN failed to report this income to the IRS.

6. BAROAN failed to maintain accurate business records relating to his business income and business expenses.

7. BAROAN paid Business 1 employees in cash and failed to report their wages to the IRS.

8. BAROAN failed to withhold, truthfully account for, and pay over to the IRS a variety of taxes from employee wages (collectively referred to as "Payroll Taxes"). The Payroll Taxes included Federal income tax withholding and Federal Insurance Contribution Act ("FICA") taxes, which included Social Security and Medicare taxes. BAROAN failed to make deposits of the Payroll Taxes to the IRS on a periodic basis.

9. BAROAN exercised control over the financial and business operations of Business 1. Therefore, BAROAN was responsible for collecting, truthfully accounting for, and paying over to the IRS the Business 1 Payroll Taxes.

10. In total for tax years 2018, 2019, 2020, and 2021, BAROAN failed to pay at least approximately $100,354 in personal income taxes.

11. In total for tax years 2019, 2020, and 2021, BAROAN failed to pay over to the IRS at least approximately $133,806 in Payroll Taxes owed by Business 1.

12. On or about July 15, 2020, in the District of New Jersey and elsewhere, the defendant,

KFIR BAROAN,

did willfully attempt to evade and defeat personal income tax due and owing by him to the United States of America for tax year 2019 by failing to make personal income tax returns to the IRS on or before the deadline and by committing the following affirmative acts, among others: (1) cashing business receipt checks at check-cashing locations; (2) failing to maintain accurate books and records; (3) paying employees in cash and failing to report employee wages to the IRS; and (4) utilizing accounts associated with other businesses to conduct Business 1 business.

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

Count Two
(Failure to Pay Over Payroll Taxes)

13. The allegations contained in Paragraphs 1-11 are re-alleged here.

14. For the period of on or about October 1, 2019 through on or about December 31, 2019, in the District of New Jersey and elsewhere, the defendant,

KFIR BAROAN,

being a person required to collect, truthfully account for, and pay over payroll taxes to the IRS, did willfully fail to collect, truthfully account for, and pay over to the IRS approximately $8,387 in Payroll Taxes due and owing to the IRS on behalf of Business 1, for the quarter ending December 31, 2019.

In violation of Title 26, United States Code, Section 7202.

ROBERT FRAZER
United States Attorney

Katherine M. Romano

Katherine M. Romano
Assistant U.S. Attorney

Approved:

Bradley A. Harsch
Chief, Criminal Division

CASE NUMBER: 25-602 (MEF)

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INFORMATION FOR

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