

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Katharine S. Hayden
 :
 v. : Crim. No. 18-
 :
 GEORGE DFOUNI : 18 U.S.C. § 1343
 : 26 U.S.C. § 7201
 : 18 U.S.C. § 2

INFORMATION

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

**Count One
(Wire Fraud)**

Relevant Entities and Individuals

1. At all times relevant to this this Information:
 - a. “Company A” owned and operated hotels in New York and New Jersey.
 - b. “Company B” was in the hospitality industry and entered into various leasing contracts for properties owned by Company A.
 - c. “Company C” was in the hospitality industry and entered into various leasing contracts for properties owned by Company B.
 - d. Defendant George Dfouni (“DFOUNI”), a resident of New Jersey, was employed by Company A from approximately 1996 to 2015 in various positions, including as Company A’s Chief Operating Officer.

The Charge

2. From at least as early as 2007 through in or about September 2015, in Bergen County, in the District of New Jersey and elsewhere, defendant

GEORGE DFOUNI

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud Company A and to obtain money and property from Company A by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud was in substance as set forth below, and for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted writing, signals, and sounds by means of a wire, radio, and television communication in interstate commerce.

Object of the Scheme to Defraud

3. It was the object of the scheme to defraud for DFOUNI and others to obtain money and property by fraudulently diverting over \$13,000,000 in funds to themselves that Company B and Company C owed to Company A.

Manner and Means of the Scheme to Defraud

4. It was part of the scheme to defraud that beginning in 2007, DFOUNI negotiated multiple contracts, whereby Company B and Company C leased hotel properties located in New York, New York from Company A. As consideration for the leases, Company B and Company C agreed to pay millions of dollars in payments to Company A.

5. It was further part of the scheme to defraud that DFOUNI directed Company B and Company C to transmit funds in interstate commerce directly to DFOUNI instead of Company A.

6. It was further part of the scheme to defraud that each contract negotiated by DFOUNI included a signing bonus owed to DFOUNI.

7. It was further part of the scheme to defraud that Company B and Company C paid the signing bonuses, along with the payments due on the contracts, directly to DFOUNI in New Jersey.

8. It was further part of the scheme to defraud that Company A expected DFOUNI to keep his signing bonus and pay the remaining balance to Company A.

9. It was further part of the scheme to defraud that on or about January 8, 2009, DFOUNI received \$847,000 from Company B.

10. It was further part of the scheme to defraud that on or about March 19, 2012, DFOUNI received \$150,000 from Company C.

11. It was further part of the scheme to defraud that from 2007 through 2014, DFOUNI embezzled approximately \$13,807,034 belonging to Company A. This money was not part of DFOUNI's signing bonus.

12. It was further part of the scheme to defraud that DFOUNI used the embezzled funds to support his lavish lifestyle.

In violation of Title 18, United States Code, Sections 1343 and 2.

**Count Two
(Tax Evasion)**

13. The allegations set forth in Paragraphs 1-12 of Count One of this Information are hereby re-alleged as if fully set forth herein.

14. At all times relevant to Count Two of this Information, DFOUNI:

a. was an employee of Company A;

b. brokered contracts on behalf of Company A with Company B and Company C, and received fees, commissions, and otherwise derived income from those activities;

c. embezzled money from Company A;

d. deposited portions of these monies into his bank accounts in New Jersey;

e. used portions of these monies for personal expenses; and

f. failed to report as income on his personal tax returns the monies received from Company B and Company C, thereby causing such returns to understate a substantial amount of the income he received .

15. On or about April 15, 2015, DFOUNI signed and caused to be filed with the Internal Revenue Service a Form 1040 for tax year 2014 on behalf of himself. That return declared that his taxable income for calendar year 2014 was approximately \$336,812, and the amount of tax due and owing was approximately \$114,901. That return did not include approximately \$2,867,091 in additional taxable income defendant DFOUNI had received in 2014. With this income, an additional tax of approximately \$1,144,368 was due and owing to the United States.

16. In total, between 2007 and 2014, DFOUNI received \$27,739,114 in income that he failed to report to the Internal Revenue Service.

The Charge

17. On or about April 15, 2015, in Bergen County, in the District of New Jersey and elsewhere, defendant

GEORGE DFOUNI

knowingly and willfully attempted to evade and defeat a substantial part of the income tax due and owing to the United States, in that he signed and caused to be filed a false and fraudulent 2014 Form 1040 knowing it to be false and fraudulent, as described in this Count.

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in all paragraphs of Count One of this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeitures pursuant to Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to the defendant that, upon conviction of the offenses charged in Count One of this Information, the government will seek forfeiture, in accordance with Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violations of Title 18, United States Code, Section 1343, alleged in Count One of this Information, including but not limited to a sum of money equal to at least \$13,807,034 in United States currency.

3. If by any act or omission of the defendant, any of the property subject to forfeiture described in paragraph 2 herein:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty, the United States of America will be entitled to forfeiture of substitute property up to the value of the property described above

in paragraph 2, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).


CRAIG CARPENITO
United States Attorney

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INFORMATION FOR

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