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#### TWO CHARGED WITH TAX VIOLATIONS

Boston, MA... A Cohasset man, formerly of Newton, and a Waltham man were charged today in federal court with conspiring to defraud the United States by engaging in a scheme to divert income from their businesses to their personal benefit without reporting that income to the Internal Revenue Service. The Cohasset man was also charged with evasion of taxes, and the Waltham man with filing a false tax return.

United States Attorney Michael J. Sullivan, Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation New England Field Division and Douglas A. Bricker, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation - Boston Field Office, announced today that JOSEPH A. YERARDI, age 45, of 91 Nichols Rd., Cohasset (formerly of 338 Langley Road, Newton) and JOHN J. TOYIAS, age 42, of 15 King's Way, Waltham, were charged in an Information with one count of conspiring with each other to defraud the United States. YERARDI was also charged with one count of evasion of taxes, and TOYIAS with one count of filing a false tax return.

The Information alleges that YERARDI and TOYIAS conspired to divert proceeds from their respective businesses to several sham bank accounts, which they then used to pay themselves and their employees without reporting the income to the IRS. In some instances, TOYIAS created fictitious invoices to make it appear that the payments to the hidden bank accounts were for legitimate business purposes. According to the Information, YERARDI and TOYIAS diverted at least \$1.4 million to themselves and their employees through the hidden bank accounts. The Information alleges that YERARDI separately committed tax evasion for the year 2002 by, among other things, failing to file a tax return, failing to pay taxes of more than \$180,000 on income of more than \$650,000, and diverting business income to his own and his wife's personal bank accounts. The Information also charges TOYIAS with filing a false tax return for tax year 2000 which understated his total taxable income by over \$100,000.

If convicted on these charges, YERARDI and TOYIAS each face up to 5 years imprisonment, to be followed by three years of supervised release, and a \$250,000 fine on the conspiracy count. YERARDI also faces up to 5 years imprisonment, a \$100,000 fine, three years of supervised release and a \$100 mandatory special assessment on the tax evasion charge. TOYIAS also faces three years imprisonment, one year of supervised release and a \$250,000 fine on the false tax return count.

The case was investigated by the Federal Bureau of Investigation New England Field Office and the Internal Revenue Service, Criminal Investigation - Boston Field Office. It is being prosecuted by Assistant U.S. Attorney Mark J. Balthazard of Sullivan's Economic Crimes Unit.

The charged contained in the Information are allegations. The defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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