



*United States Attorney
Southern District of New York*

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**FORMER OWNER AND OPERATOR OF PAINTING CONTRACTOR
PLEADS GUILTY IN MANHATTAN FEDERAL COURT
TO PAYROLL AND INCOME TAX VIOLATIONS**

PREET BHARARA, United States Attorney for the Southern District of New York, and PATRICIA J. HAYNES, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation Division ("IRS-CID"), announced that GLORIA TROZZO, the former owner and operator of Trozz Enterprises Inc. ("Trozz Enterprises"), pleaded guilty earlier today before United States District Judge THOMAS P. GRIESA to evading taxes on over \$1.46 million in cash payroll and \$375,900 in personal income, resulting in a tax loss to the IRS of over \$270,000. According to the felony Information filed in this case and statements made during TROZZO's guilty plea:

TROZZO owned, operated, and controlled Trozz Enterprises, a commercial painting contractor with its principal offices in East Meadow, New York. From about 2003 through late 2006, rather than depositing all of the checks received from the customers of Trozz Enterprises into bank accounts, TROZZO cashed many of these checks at check-cashing establishments located in, among other places, the Bronx.

TROZZO used the cash generated by her check-cashing activity to pay the employees of Trozz Enterprises cash wages that were not reported to the Internal Revenue Service (the "IRS"). She also failed to withhold or remit to the IRS the required payroll taxes under the Federal Insurance Contributions Act ("FICA") for these employees. Over the course of her conduct, TROZZO paid cash wages, on which there was no withholding, of over \$1.46 million, which resulted in the

underpayment of total FICA taxes of over \$193,500.

TROZZO also received some of the cash generated by the check-cashing activity as income that was not reported to the IRS on her federal tax returns. Over the course of her conduct, TROZZO received unreported income of over \$375,900, and evaded over \$90,100 of federal income taxes.

Trozz Enterprises ceased to do business in 2007.

TROZZO, age 50, resides in East Meadow, New York. TROZZO faces a maximum sentence of 5 years in prison on each of the two counts charged in the Information and a maximum term of 3 years supervised release. TROZZO also faces a maximum fine of the greatest of \$250,000, or twice the gross pecuniary gain derived from the offense or twice the gross pecuniary loss to the United States.

TROZZO is scheduled to be sentenced by Judge GRIESA on March 22, 2010.

Mr. BHARARA extended his appreciation to IRS-CID, which investigated the case.

The case is being handled by the Complex Frauds Unit of the United States Attorney's Office. Assistant United States Attorney DANIEL W. LEVY is in charge of this prosecution.

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