

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon. Madeline Cox Arleo
	:	
v.	:	Crim. No. 24-107
	:	
JOSEPH CARAVELLA	:	26 U.S.C. § 7201
	:	18 U.S.C. § 2
	:	(Evasion of Payment)

**SUPERSEDING INFORMATION**

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

1. At all times relevant to this Superseding Information, unless otherwise stated:

a. Defendant JOSEPH CARAVELLA (“CARAVELLA”) resided in Randolph, New Jersey.

b. The Internal Revenue Service (“IRS”) was an agency of the United States Department of the Treasury responsible for administering the tax laws of the United States and collecting taxes owed to the United States.

c. Federal law required employers to collect, truthfully account for, and pay over to the IRS certain payroll taxes, including their employees’ withheld federal income taxes and Federal Insurance Contribution Act taxes (“FICA”), that is, Social Security and Medicare taxes. These taxes were referred to as Trust Fund Taxes because employers held the withheld amounts in trust until paid to the government. Employers were required to remit the Trust Fund Taxes to the IRS on

a quarterly basis, no later than the last day of month following the end of the quarter.

d. Employers were also required to pay over to the IRS a matching share of FICA taxes equal to the amount withheld from the employees' wages. A responsible person at the business was required to pay over the Trust Fund Taxes and the employer's matching share of FICA taxes to the IRS. These employer contributions were likewise required to be remitted to the IRS no later than the last day of the month following the end of the quarter. Collectively, the Trust Fund Taxes and matching employer contributions were commonly referred to as "employment taxes."

e. A person was responsible for collecting, accounting for, and paying over the employment taxes if he or she had the authority required to exercise significant control over the employer's financial affairs, regardless of whether the individual exercised such control in fact.

f. CARAVELLA was the owner of various concrete companies incorporated in New Jersey, including CMC Concrete and Masonry Corp., Inc. ("CMC Concrete"); Red Brick Masonry Corporation ("Red Brick Masonry"); and Everest Contracting Corp. ("Everest Contracting").

The Tax Evasion Scheme

2. From in or around 2004 to in or around 2012, CARAVELLA, as a responsible person, failed to pay approximately \$654,035 in employment taxes owed to the IRS on behalf of CMC Concrete, Red Brick Masonry, and Everest Contracting.

3. In or around November 2004, the IRS began auditing CARAVELLA relating to his failure to pay over to the IRS the employment taxes of CMC Concrete. CARAVELLA was aware of the IRS audit. For instance, on or about February 25, 2005, an IRS revenue officer explained to CARAVELLA that he had failed to pay over employment taxes for CMC Concrete for the year 2004.

4. Since that time, the IRS assessed approximately \$654,035 in Trust Fund Recovery Penalties against CARAVELLA for causing CMC Concrete, Red Brick Masonry, and Everest Contracting to not pay their employment taxes for the following quarters:

<b>Approximate Date Assessed</b>	<b>Approximate Amount Assessed</b>	<b>Quarter</b>	<b>Company</b>
Mar. 10, 2008	\$97,460.14	3 <sup>rd</sup> Quarter of 2004	CMC Concrete
Mar. 10, 2008	\$60,784.35	4 <sup>th</sup> Quarter of 2004	CMC Concrete
Mar. 10, 2008	\$66,255.93	4 <sup>th</sup> Quarter of 2007	CMC Concrete
July 4, 2011	\$62,010.60	4 <sup>th</sup> Quarter of 2007	Red Brick Masonry
Oct. 26, 2016	\$9,086.64	1 <sup>st</sup> Quarter of 2011	Everest Contracting
Oct. 26, 2016	\$14,777.86	2 <sup>nd</sup> Quarter of 2011	Everest Contracting
Oct. 26, 2016	\$20,187.87	3 <sup>rd</sup> Quarter of 2011	Everest Contracting
Oct. 26, 2016	\$40,223.42	4 <sup>th</sup> Quarter of 2011	Everest Contracting
Oct. 26, 2016	\$120,608.65	1 <sup>st</sup> Quarter of 2012	Everest Contracting
Oct. 26, 2016	\$62,236.30	2 <sup>nd</sup> Quarter of 2012	Everest Contracting
Oct. 26, 2016	\$33,339.85	3 <sup>rd</sup> Quarter of 2012	Everest Contracting
Oct. 26, 2016	\$67,063.61	4 <sup>th</sup> Quarter of 2012	Everest Contracting

6. After the IRS assessed approximately \$654,035 in Trust Fund Recovery Penalties, CARAVELLA ceased doing business through CMC Concrete, Red Brick Masonry, and Everest Contracting and instead used nominee entities to evade his Trust Fund Recovery Penalties. He registered and caused others to register companies in the names of nominees. Although the companies appeared to be owned and operated by the nominees, CARAVELLA managed the day-to-day operations of the companies, made strategic business decisions, and controlled the corporate finances. For instance:

a. On or about March 11, 2008, Blue Ridge Construction Corporation was registered with the state of New Jersey with individual “R.M.” as the registered agent.

b. On or about January 30, 2009, Blueridge Contracting Inc. was registered with the state of New Jersey with R.M. listed as the registered agent.

c. On or about June 13, 2013, Everest Masonry Construction LLC was registered with the state of New Jersey with individual “R.R.” listed as the registered agent.

d. On or about July 8, 2014, Everest Masonry Construction Inc. was registered with the state of New Jersey with individual “M.R.” listed as the registered agent.

e. On or about April 10, 2015, Cam Contractors, Inc. was registered with the state of New Jersey with individual “M.C.” listed as the registered agent.

f. On or about May 18, 2016, Brickhouse Construction Corporation (“Brickhouse Construction”) was registered with the state of New Jersey with individual “S.B.” as the registered agent.

g. CARAVELLA also managed other companies that were in the name of S.B. CARAVELLA caused these companies to pay his personal expenses and to inaccurately report, or not report at all, compensation he received on Forms W-2 in an effort to further thwart IRS collection efforts.

h. On or about May 18, 2016, Brickhouse Construction Corporation was registered with the state of New Jersey with S.B. as the registered agent.

i. On or about August 3, 2018, Strongman Security LLC was incorporated in the state of New Jersey with S.B. listed as the only member of the company. Strongman Security LLC was similar to Strongman Security Limited Liability Company, which was registered in New Jersey on or about November 29, 2012 with CARAVELLA as the registered agent. Strongman Security LLC officially changed its name to EPIC Systems Tech LLC on or about June 10, 2020.

8. In an attempt to settle his Trust Fund Recovery Penalties with the IRS, in or around August 2018, CARAVELLA submitted an Offer in Compromise to the IRS, which contained a false Form Collection Information Statement for Wage Earners and Self-Employed Individuals, Form 433-A (OIC) (the “Form 433-A”). The Form 433-A falsely stated that CARAVELLA lived at a certain address in Lincoln Park, New Jersey, that he leased a 2005 truck, and that his total household income was only \$2,426 per month.

9. On or about October 12, 2018, CARAVELLA submitted to the IRS a false Individual Income Tax Return, Form 1040 for the calendar year 2017. The return was false in that CARAVELLA reported total income of approximately \$38,769, when his total income was substantially higher.

The Charge

10. From in or around March 2008 through in or around April 2019, in the District of New Jersey and elsewhere, the defendant,

**JOSEPH CARAVELLA,**

did willfully attempt to evade and defeat the payment of substantial tax due and owing, namely approximately \$654,035 in Trust Fund Recovery Penalties assessed against him on or about March 10, 2008 to on or about October 26, 2016, by committing the following affirmative acts, among others:

- a) placing companies that he controlled in the names of nominee owners;
- b) providing the IRS with false and misleading information as part of an Offer in Compromise;
- c) filing a false individual income tax return that understated the amount of his taxable income;
- d) failing to maintain a bank account in his own name and instead using bank accounts in the names of nominees for his own purposes;
- d) causing his personal expenses to be paid with corporate funds; and
- e) causing his compensation to be inaccurately reported or not reported

to the IRS on Forms W-2.

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

A handwritten signature in blue ink that reads "Philip R. Sellinger". The signature is written in a cursive style and is positioned above a horizontal line.

PHILIP R. SELLINGER  
United States Attorney

**CASE NUMBER: 24-107**

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**UNITED STATES OF AMERICA**

**v.**

**JOSEPH CARAVELLA**

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**SUPERSEDING INFORMATION FOR**

**26 U.S.C. § 7201  
18 U.S.C. § 2**

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PHILIP R. SELLINGER  
*UNITED STATES ATTORNEY  
NEWARK, NEW JERSEY*

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