

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

UNITED STATES OF AMERICA : **Hon.**
 :
 v. : **Crim. No. 21-**
 :
 GABRIEL M. FERRARI : **26 U.S.C. § 7201**
 : **26 U.S.C. § 7206(1)**
 :

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges as follows:

COUNTS 1 THROUGH 3
(Evasion of the Assessment of Taxes Due and Owing)

1. At all times relevant to this Indictment:
 - a. The defendant, GABRIEL M. FERRARI (“FERRARI”), resided in Edison, New Jersey and was the owner of Buses and Trucks, Inc. (“B&T”), an automotive repair business incorporated in New Jersey with a principal place of business in Linden, New Jersey.
 - b. FERRARI was the sole owner and President of B&T.
 - c. As a corporation, B&T was required to make and file annually a U.S. Corporation Income Tax Return, Form 1120 (“Form 1120”), reporting, among other items, B&T’s gross receipts on line 1a.
 - d. The tax laws of the United States required every citizen and resident of the United States who received income in excess of the minimum filing amount established by law for a particular tax year to make and file annually a U.S. Individual Income Tax Return, Form 1040 (“Form 1040”), in

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 - b. FERRARI was the sole owner and President of B&T.
 - c. As a corporation, B&T was required to make and file annually a U.S. Corporation Income Tax Return, Form 1120 ("Form 1120"), reporting, among other items, B&T's gross receipts on line 1a.
 - d. The tax laws of the United States required every citizen and resident of the United States who received income in excess of the minimum filing amount established by law for a particular tax year to make and file annually a U.S. Individual Income Tax Return, Form 1040 ("Form 1040"), in

which a taxpayer reported items including income, deductions, and tax due and owing.

e. FERRARI and B&T utilized the tax preparation services of a Certified Public Accountant located in Hackensack, New Jersey (the "Tax Preparer").

2. From at least as early as in or about April 2011 through at least as recently as in or about March 2015, FERRARI diverted B&T's gross receipts to pay personal expenses including, but not limited to, gambling on horse races. FERRARI failed to disclose the diverted gross receipts to his Tax Preparer, failed to report the complete amount of gross receipts on the B&T Forms 1120, and failed to report the diverted funds as personal income on his Forms 1040.

3. Between in or around the dates set forth in the table below, in Union County, in the District of New Jersey and elsewhere, the defendant,

GABRIEL M. FERRARI,

did willfully attempt to evade and defeat substantial income tax due and owing by him and his spouse to the United States of America, for the tax periods set forth below, by committing the following affirmative acts, among others, each of which pertains to all tax periods set forth below:

a. preparing and causing to be prepared, and signing and causing to be signed, false and fraudulent Forms 1040, which were submitted to the Internal Revenue Service;

b. preparing and causing to be prepared, and signing and causing to be signed, false and fraudulent Forms 1120 for B&T, which were submitted to the Internal Revenue Service;

c. using check cashers to conceal income; and

d. submitting incomplete business invoice records to the Tax Preparer to conceal income;

each tax period constituting a separate count of this Indictment:

Count	Approximate Date Range of Evasion	Tax Period of Evaded Assessment
1	January 2012 – June 2015	2012
2	January 2013 – September 2015	2013
3	January 2014 – January 2016	2014

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

COUNTS 4 THROUGH 10
(Making and Subscribing False Tax Returns)

1. The allegations set forth in Paragraphs 1 and 2 of Counts 1 through 3 of this Indictment are realleged as if set forth in full herein.

2. On or about the dates set forth in the table below, in Bergen County, in the District of New Jersey and elsewhere, the defendant,

GABRIEL M. FERRARI,

did willfully make and subscribe and file and cause to be filed with the Internal Revenue Service the Forms 1040 and Forms 1120 set forth below, for the tax periods and taxpayers set forth below, each of which Forms 1040 and Forms 1120 was verified by a written declaration that it was made under the penalties of perjury and which FERRARI did not believe to be true and correct as to every material matter, in that the Forms 1120 set forth below reported gross receipts that Ferrari knew to be false, and the Forms 1040 set forth below reported total income that Ferrari knew to be false, each false Form 1040 and Form 1120 constituting a separate count of this Indictment:

Count	Tax Period	Taxpayer	Tax Form	Approximate Date Filed	False Statement
4	2011	B&T	Form 1120	1/29/2015	\$779,594 Line 1a (Gross Receipts or Sales)
5	2012	B&T	Form 1120	6/9/2015	\$524,576 Line 1a (Gross Receipts or Sales)

Count	Tax Period	Taxpayer	Tax Form	Approximate Date Filed	False Statement
6	2013	B&T	Form 1120	9/21/2015	\$399,477 Line 1a (Gross Receipts or Sales)
7	2014	B&T	Form 1120	1/25/2016	\$435,565 Line 1a (Gross Receipts or Sales)
8	2012	FERRARI and his spouse	Form 1040	12/19/2014	\$227,071 Line 22 (Total Income)
9	2013	FERRARI and his spouse	Form 1040	12/19/2014	\$84,117 Line 22 (Total Income)
10	2014	FERRARI and his spouse	Form 1040	11/16/2015	\$46,553 Line 22 (Total Income)

In violation of Title 26, United States Code, Section 7206(1).

A TRUE BILL



Rachael A. Honig

 RACHAEL A. HONIG
 Acting United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

GABRIEL M. FERRARI

INDICTMENT FOR

26 U.S.C. §§ 7201, 7206(1)

A True Bill,

Foreperson

RACHAEL A. HONIG
ACTING UNITED STATES ATTORNEY
FOR THE DISTRICT OF NEW JERSEY

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