

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INFORMATION

- v - : 20 Cr. ____

BILAL SALAJ, :

Defendant. :

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COUNT ONE
(Conspiracy to Defraud the IRS)

The Acting United States Attorney charges:

INTRODUCTION

1. At all times relevant to this Information, BILAL SALAJ, the defendant, was a citizen and resident of the United States.

2. At all times relevant to this Information, BILAL SALAJ, the defendant, operated a construction business in New York, New York. Initially, SALAJ operated the construction business under an S-Corporation of which SALAJ was the sole owner ("Entity-1"). In or about July 2014, SALAJ caused the incorporation of a new entity ("Entity-2"), and started operating the construction business under this new entity. On paper, Entity-2, an S-Corporation, was wholly owned by a third party ("CC-1"). In actuality, however, SALAJ continued to exercise principal control and decision-making authority over

the construction business.

3. At all times relevant to this Information, CC-1 worked for BILAL SALAJ, the defendant, in the construction business.

4. At all times relevant to this Information, BILAL SALAJ, the defendant, exercised control over the financial affairs of Entity-1 and Entity-2 (together, the "Construction Company") and was a responsible person under federal law for collecting, truthfully accounting for, and paying over payroll taxes to the Internal Revenue Service ("IRS").

5. At all times relevant to this Information, BILAL SALAJ, the defendant, was required by federal law to withhold the following from the wages of the Construction Company's employees: i) federal income tax; and ii) the employee's contribution to Social Security and Medicare, unless that employee was exempt from part or all of such withholding. SALAJ was required by federal law to pay over the withheld funds, together with the Construction Company's own contributions to Social Security and Medicare for each employee (all together, "payroll taxes"), to the IRS. In addition, SALAJ was required to report the withheld payroll taxes to the IRS by filing a Form 941, Employer's Quarterly Federal Tax Return, no later than the last day of the month following the end of each quarter.

6. At all times relevant to this Information, BILAL SALAJ, the defendant, was required to truthfully report to the IRS all income in excess of a threshold amount for each calendar year by filing U.S. Individual Income Tax Returns, Forms 1040, by April 15 of the following year, and to pay the taxes due on that income.

7. Between at least in or about 2014 and in or about June 2019, BILAL SALAJ, the defendant, devised and perpetrated a scheme to evade a substantial portion of (1) the payroll taxes due and owing to the IRS by the Construction Company during the period 2014 through 2018, and (2) the personal income taxes due and owing to the IRS by SALAJ for the calendar years 2014 through 2018 (the "Tax Evasion Scheme"). CC-1 participated in the Tax Evasion Scheme with SALAJ.

8. As part of the Tax Evasion Scheme, between in or about 2014 and in or about 2018, BILAL SALAJ, the defendant, cashed, and caused CC-1 to cash, approximately \$3.2 million in business checks payable to the Construction Company at check cashing facilities in New York, New York, instead of depositing said checks into the Construction Company's operating bank account. The cashed checks represented a significant portion of the Construction Company's gross receipts.

9. After cashing the business checks, BILAL SALAJ,

the defendant, and CC-1, used a portion of the proceeds to pay cash wages to employees of the Construction Company and spent most of the rest on personal expenses. SALAJ and CC-1 did not withhold or pay over to the IRS any payroll taxes on the cash wages paid to the employees of the Construction Company. SALAJ and CC-1 also did not report to the IRS or pay any personal income taxes on the cash income they realized from the Construction Company.

10. At all times relevant to this Information, BILAL SALAJ, the defendant, retained an accountant (the "Accountant") to prepare and file corporate and payroll tax returns for the Construction Company, as well as personal tax returns for SALAJ and CC-1. As part of the tax evasion scheme, SALAJ and CC-1 fraudulently withheld from the Accountant any records and information relating to the cashed business checks, which caused the corporate and payroll tax returns for Entity-1 and Entity-2, and the personal tax returns for SALAJ and CC-1 for the period 2014 through 2018, to be materially false in that the returns substantially underreported the amount of taxes due and owing to the IRS. SALAJ and CC-1 caused the false tax returns to be filed with the IRS.

STATUTORY ALLEGATION

11. From at least in or about 2014 through in or

about June 2019, in the Southern District of New York and elsewhere, BILAL SALAJ, the defendant, together with others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to defraud the United States and an agency thereof, to wit, the IRS.

12. It was a part and an object of the conspiracy that BILAL SALAJ, the defendant, together with others known and unknown, willfully and knowingly would and did defraud the United States and the IRS for the purpose of impeding, impairing, obstructing, and defeating the lawful governmental functions of the IRS in the ascertainment, computation, assessment, and collection of revenue, to wit, federal income and payroll taxes.

Overt Acts

13. In furtherance of the conspiracy and to effect the illegal objects thereof, BILAL SALAJ, the defendant, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. SALAJ provided, and caused CC-1 to provide, materially incomplete records to the Accountant that fraudulently omitted cash income generated by the Construction

Company during the calendar years 2014 through 2018.

b. SALAJ filed, and caused to be filed, with the IRS materially false corporate, payroll, and personal tax returns for the period 2014 through 2018 that materially understated the federal taxes due and owing to the IRS.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Tax Evasion)

The Acting United States Attorney further charges:

14. The allegations set forth in paragraphs 1 through 10 are repeated, realleged, and incorporated by reference as though fully set forth herein.

15. From in or about 2014 through in or about June 2019, in the Southern District of New York and elsewhere, BILAL SALAJ, the defendant, willfully and knowingly did attempt to evade and defeat a substantial part of the income tax due and owing by SALAJ to the United States of America for the calendar years 2014 through 2018 by various means, including, among others, (a) providing materially incomplete records to the Accountant that fraudulently omitted cash income that SALAJ earned through the Construction Company during the calendar years 2014 through 2018; (b) filing, and causing the filing of, false and fraudulent U.S. Individual Income Tax Returns, Forms

1040, that that substantially understated SALAJ's true income.

(Title 26, United States Code, Section 7201.)

COUNT THREE
(Failure to Pay Over Payroll Taxes)

The Acting United States Attorney further charges:

16. The allegations set forth in paragraphs 1 through 10 are repeated, realleged, and incorporated by reference as though fully set forth herein.

17. From in or about 2014 through in or about January 2019, in the Southern District of New York and elsewhere, BILAL SALAJ, the defendant, being a responsible person with respect to payroll taxes, and thereby being required to collect, account for, and pay over to the IRS payroll taxes of the employees of the Construction Company, knowingly and willfully failed to collect, truthfully account for, and pay over substantial amounts of payroll taxes for the Construction Company to the IRS.

(Title 26, United States Code, Section 7202.)

Audrey Strauss

AUDREY STRAUSS
Acting United States Attorney

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INFORMATION

(18 U.S.C. § 371;
26 U.S.C. §§ 7201, 7202.)

AUDREY STRAUSS
Acting United States Attorney
