

The United States Attorney's Office

District of Massachusetts

Press Releases

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WEST BROOKFIELD MAN SENTENCED TO FEDERAL PRISON FOR TAX FRAUD

WORCESTER, MA - A West Brookfield man was sentenced yesterday in federal court to 30 days in prison for filing false tax returns in connection with his failure to report as taxable income cash payments received by his pool installation business, thus allowing him to avoid paying an additional \$94,000 in taxes over a three-year period.

United States Attorney Michael J. Sullivan and Douglas A. Bricker, Special Agent in Charge of the U.S. Internal Revenue Service, Criminal Investigation announced that U.S. District Judge F. Dennis Saylor IV sentenced BRUCE PIERMARINI, 54, of 44 West Main Street, West Brookfield, Massachusetts, to 30 days in prison, to be followed by 1 year of supervised release in home detention with electronic monitoring and a \$15,000 fine. In addition PIERMARINI will be required to pay the IRS the \$94,000 in back taxes owed. On November 6, 2006, PIERMARINI pleaded guilty to filing a false and fraudulent federal income tax return.

At the earlier plea hearing, the prosecutor told the Court that, had the case proceeded to trial, the Government's evidence would have proven that PIERMARINI owns and operates a pool and patio construction business named Piermarini Pools and Patios located at 87 East Main Street in West Brookfield. PIERMARINI was the only person keeping the company's books between 2001 and 2003. He received payments for work performed in the form of both checks and cash. Although PIERMARINI deposited the checks into the business bank account, he kept the cash he received from his customers in a box in his house. From time to time PIERMARINI deposited some of the cash on an as-needed basis into his business bank account, primarily during the off-season of his business. PIERMARINI deposited the cash in increments of less than \$10,000 to avoid triggering a Currency Transaction Report. PIERMARINI used the funds from the business bank account for his personal use and benefit, including the payment of all his personal expenses.

PIERMARINI filed tax returns for years 2001, 2002 and 2003, all of which were prepared by a return preparer at PIERMARINI's direction and based upon information provided by PIERMARINI. The gross receipts figure reported on each of the returns reflected only the payments for work performed made by check. Because PIERMARINI kept track of the checks and cash received from customers for work performed by the company on separate worksheets, PIERMARINI knew that the cash receipts received by the company were not reported on the tax returns that he signed and filed with the IRS for 2001, 2002 and 2003.

In addition, in connection with certain loan applications prepared by him during the relevant period, PIERMARINI indicated a substantially higher salary than his reported income to the IRS for 2001, 2002 and 2003. In particular, between August 2001 and May 2004, PIERMARINI signed three automobile loan applications and a home equity loan application indicating that his annual salary was approximately \$100,000, and he submitted to the banks in support of the applications a second set of tax returns for tax years 2002 and 2003 that were prepared by his return preparer (but were not filed with the IRS) and reflected a significantly larger gross receipts figure.

In total, PIERMARINI willfully filed false tax returns with the IRS for the years 2001, 2002, and 2003 that he knew failed to report gross receipts of approximately \$120,000 in 2001, \$69,000 in 2002, and \$101,000 in 2003. The additional total tax due and owing on these amounts is approximately \$94,000.

The case was investigated by the U.S. Internal Revenue Service, Criminal Investigation. It is was prosecuted by Assistant U.S. Attorney Linda M. Ricci in Sullivan's Economic Crimes Unit.

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