



**U.S. Department of Justice**

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FOR IMMEDIATE RELEASE  
Monday, April 7, 2008

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**PRESS RELEASE**

Colm F. Connolly, United States Attorney for the District of Delaware, announced today that Jerrold E. Richard has entered a guilty plea to a criminal information charging him with making a false individual income tax return, in violation of Title 26, United States Code, Section 7206(1). The plea was entered this morning before Judge Sue L. Robinson.

Jerrold E. Richard was a co-owner of FNJ LLC t/a The Big Easy Seafood and Steakhouse in Bethany Beach, Delaware. During 2005, Richard put the restaurant on the market for sale. Richard told an undercover IRS agent posing as prospective buyer that he was skimming from the restaurant and that his tax returns were understated. The IRS then executed search warrants at the restaurant and at Richard's home. Based on the financial records recovered, the IRS determined that although Richard reported a loss of \$616 for tax year 2004, his actual taxable income was \$112,114. This corresponds to a tax loss of \$30,517.

Pursuant to the plea agreement entered in Court today, Richard agrees that at sentencing the Court may consider his underreporting of income for tax years 2001-2003, as well as 2004. In tax years 2001 and 2003, he reported no taxable income, and in 2002 he reported a \$9 loss. The government contends that his actual income during that period was \$394,683, corresponding to a tax loss of \$103,547. Therefore, the total tax loss for the period 2001-2004 is \$134,064. Richard has agreed to file amended returns for the tax years 2001-2004.

Sentencing is scheduled for July 31, 2008 at 8:30 am. He faces a maximum sentence of three years imprisonment, three years supervised release, a \$250,000.00 fine, restitution, and a \$100.00 special assessment.