



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
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ONLINE JEWELRY BUSINESS OWNER ADMITS FAILING TO REPORT OVER \$540,000 OF INCOME

Newark, N.J. – The owner of Totaram On-Line Jewelers, an on-line jewelry business based in North Brunswick, N.J., pleaded guilty today to filing a false tax return.

Rajnees Gupta, 39, a resident of North Brunswick, N.J., entered his guilty plea in federal court before U.S. District Judge Kevin McNulty. Gupta pleaded guilty to one count of subscribing to a false tax return for the 2008 calendar year. Sentencing is scheduled for November 24, 2014.

“Whether you operate your business online or through a traditional storefront, you cannot use your business as a personal piggy bank and avoid paying taxes,” stated Jonathan D. Larsen, Acting Special Agent in Charge, IRS Criminal Investigation, Newark Field Office. “Those Americans who file accurate, honest and timely returns can be assured that the government will hold accountable those who don't.”

At his plea hearing and according to court documents:

Gupta owned and operated Totaram On-Line Jewelers. Totaram On-Line Jewelers was a Schedule C business, and therefore, Gupta was required to report the income earned by the business on his personal tax returns. For the calendar years 2007 through 2009, Gupta deposited checks and money orders payable to Totaram On-Line Jewelers into his personal bank account instead of into the business bank account. These deposits represented gross receipts of the business which Gupta was required to report as income. Gupta failed to report these deposits as gross receipts to his accountant and

he failed to report these deposits as either business income or personal income on his tax returns filed with the Internal Revenue Service.

Specifically, for the 2008 tax year, Gupta admitted that he failed to report approximately \$284,990.36 in taxable income he earned doing business as Totaram On-Line Jewelers. This additional income resulted in a tax loss to the government of approximately \$100,808.00.

In addition, Gupta failed to report approximately \$76,520.99 and \$182,130.90 in taxable income from Totaram On-Line Jewelers on his 2007 and 2009 tax returns respectively. This additional income resulted in a tax loss to the government of approximately \$28,474.00 in 2007 and \$67,769.00 in 2009.

The charge of subscribing to a false tax return carries a statutory maximum prison sentence of three years and a statutory maximum fine equal to the greatest of: (1) \$250,000; (2) twice the gross amount of any pecuniary gain derived from the offense; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense.

The investigation was conducted by IRS-Criminal Investigation, Newark Field Office, under the direction of Acting Special Agent in Charge Jonathan D. Larsen and the U.S. Attorney's Office, under the direction of U.S. Attorney Paul J. Fishman.

The government is represented by Assistant U.S. Attorney Charlton A. Rugg.

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Defense counsel: William Cagney, Esq.