



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
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Date: March 23, 2015

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CI Release #: NEWFO-2015-06

OWNER OF WESTWOOD PAINTING BUSINESS ADMITS TAX EVASION

Newark, N.J. –The owner of Steve’s Painting and Staining, Inc. (Steve’s Painting), located in Westwood, N.J., pleaded guilty today to tax evasion.

Steven Krumrei, 48, entered his plea in Newark federal court before U. S. District Judge Katharine S. Hayden. Krumrei pleaded guilty to a one count information that charges him with tax evasion. Sentencing is scheduled for July 20, 2015.

“As we near the April 15 tax filing deadline, today’s guilty plea by Mr Krumrei should serve as a reminder that IRS-Criminal Investigation takes these violations of law very seriously,” stated Jonathan D. Larsen, Special Agent in Charge, IRS-Criminal Investigation, Newark Field Office. “It is important for people to have confidence that when they pay their taxes, their neighbors and co-workers are doing the same.”

According to court documents and statements made in court:

Krumrei was the owner and operator of Steve’s Painting, a business specializing in corporate and residential painting, staining, wall covering removal and installation, drywall and plaster repair, epoxy finish, custom finishes, pressure washing and spray services. Between January, 2005 and December, 2009, Steve’s Painting received over \$6 million in payments from customers for services rendered. Krumrei used a portion of these funds to pay for personal expenses such as housing and utility bills. Krumrei also used a portion of these funds to pay salaries to employees of Steve’s Painting. Krumrei frequently withdrew cash from Steve’s Painting bank accounts for his personal use and to pay his employees.

During the years 2005 through 2009, Krumrei intentionally failed to include portions of the above mentioned payments from customers on his personal income tax returns. This unreported income resulted in a tax due and owing of approximately \$180,454.

In addition, Krumrei admitted that between 2005 and 2010 he failed to collect and account for approximately \$3,026,042 in payroll which resulted in an approximate tax loss to the government of \$462,984.

The charge of tax evasion carries a statutory maximum prison sentence of five 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 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 Adam N. Subervi.

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