



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
Special Agent in Charge Jonathan D. Larsen

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OCEAN AND MONMOUTH COUNTY RESTAURANT OWNER INDICTED ON TAX CHARGES

Newark, N.J. – Nikolaos Psaros, a resident of Palisades Park, N.J., was indicted by a federal grand jury on two counts of tax evasion and five counts of failing to pay payroll taxes relating to two New Jersey restaurants he owns.

According to the indictment:

Psaros owned and operated two New Jersey restaurants, Nick's Horizon Diner Corporation (Horizon) located in Manahawkin and Mariner's Cove LLC (Mariner's Cove) in Brielle. Psaros was the sole owner of Horizon and ninety-nine percent owner of Mariner's Cove with the other one percent owned by his wife.

In 2009 and 2010, Horizon and Mariner's Cove each generated over \$1 million in revenue per year. It is alleged that Psaros skimmed a portion of the gross receipts from both restaurants during 2009 and 2010. He used the gross cash receipts to fund an unreported cash payroll and other expenses and diverted the remaining cash to a personal bank account. For the years 2009 and 2010, it is alleged that Psaros failed to report approximately \$273,347 and \$333,627 of income on his personal tax returns. This unreported income resulted in an approximate tax loss of \$86,238 for 2009 and \$104,006 for 2010.

In addition, Psaros employed individuals at both Horizon and Mariner's Cove. It is alleged that Psaros maintained two payroll systems at both restaurants. One payroll system that he reported to the IRS and another that was strictly a cash payroll system that was not reported to the IRS. It is alleged that during the years 2008 and 2012,

Psaros failed to truthfully account for and pay over to the IRS over \$50,000 in payroll taxes for his employees.

If convicted, each count of the indictment 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 charges and allegations contained in the indictment are merely accusations, and the defendant is considered innocent unless and until proven guilty.

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 Molly S. Lorber.

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