



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
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OWNER OF WESTWOOD PAINTING BUSINESS SENTENCED FOR TAX EVASION

Newark, N.J. –The owner of Steve’s Painting and Staining, Inc. (Steve’s Painting), located in Westwood, N.J., was sentenced today to five months in prison and five months of home confinement.

U.S. District Judge Katharine S. Hayden also ordered Steven Krumrei, 48, to serve three years of supervised release and pay restitution to the Internal Revenue Service in the amount of \$462,984.46.

“The term voluntary compliance means that each of us is responsible for filing a tax return when required and for paying the correct amount of tax,” stated Jonathan D. Larsen, Special Agent in Charge, IRS-Criminal Investigation, Newark Field Office. “That responsibility should not be taken lightly. Mr. Krumrei chose to ignore his duty to pay his fair share of taxes and is now a convicted felon with a prison term to serve.”

Previously, on March 23, 2015, Krumrei pleaded guilty to a one count information charging him with tax evasion.

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 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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