



PRESS RELEASE

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Michael ‘The Situation’ Sorrentino and His Brother, Marc Sorrentino, Indicted on Additional Charges Including Tax Evasion, Structuring and Falsifying Records

Television personality Michael “The Situation” Sorrentino and his brother, Marc Sorrentino, were indicted today on additional charges including tax evasion, structuring and falsifying records, Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department’s Tax Division and Acting U.S. Attorney William E. Fitzpatrick for the District of New Jersey announced.

In September 2014, the Sorrentino brothers were **indicted** for tax offenses and conspiring to defraud the United States. The superseding indictment returned today includes new charges against both men. Michael is now also charged with tax evasion and structuring funds to evade currency transaction reports and Marc is now also charged with falsifying records to obstruct a grand jury investigation. An arraignment on the superseding indictment is scheduled on April 17 at 11:30 a.m. before U.S. District Court Judge Susan D. Wigenton in Newark, New Jersey.

According to the superseding indictment, Michael was a reality television personality who gained fame on the television show “The Jersey Shore,” which first appeared on the MTV network. Michael and his brother Marc created businesses, such as MPS Entertainment LLC and Situation Nation Inc., to exploit Michael’s celebrity status. The superseding indictment alleges that the brothers conspired to defraud the United States by not paying all federal income tax owed on approximately \$8.9 million that Michael earned between 2010 and 2012. It is alleged that the brothers filed or caused to be filed with the Internal Revenue Service (IRS) false tax returns that understated gross receipts, claimed fraudulent business deductions, disguised income payments made to the brothers and to others and underreported net business income. As part of the conspiracy, the brothers also allegedly commingled funds among business and personal bank accounts and used the money from the business bank accounts to pay for personal items, such as high-end luxury vehicles and clothing.

The superseding indictment further alleges that Michael evaded his 2011 income taxes – failing to file a personal return, filing a false corporate return for Situation Nation and concealing his cash income.

The superseding indictment also charges that Michael made multiple cash deposits on the same day in amounts less than \$10,000, into different bank accounts that he controlled, in an effort to evade the banks' reporting requirements – banks are required to file reports with the U.S. Treasury for cash deposits exceeding \$10,000. These reports include the identity of the person who conducted the transaction and the individual or organization for whom the transaction was completed.

The superseding indictment also alleges that after being served with Grand Jury subpoenas seeking books and records of MPS and Situation Nation, but prior to producing the books and records to the Grand Jury, Marc falsified them by altering and reclassifying taxable payments to himself as non-taxable payments and as legitimate business deductions.

The charges and allegations contained in the superseding indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

If convicted, the Sorrentino brothers face a statutory maximum sentence of five years in prison on the conspiracy count and three years in prison for each count of aiding in the preparation of false tax returns. Michael faces a statutory maximum sentence of 10 years in prison for each structuring count and five years in prison for the tax evasion count. Marc faces a statutory maximum sentence of 20 years in prison for obstruction. They also face a period of supervised release, restitution and monetary penalties.

Acting Deputy Assistant Attorney General Goldberg and Acting U.S. Attorney William E. Fitzpatrick thanked special agents of IRS–Criminal Investigation, who conducted the investigation, and Assistant U.S. Attorney Jonathan W. Romankow and Trial Attorneys Yael T. Epstein and Jeffrey Bender of the Tax Division, who are prosecuting the case.

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