



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
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OCEAN COUNTY MOTEL OWNER PLEADS GUILTY TO FILING FALSE TAX RETURNS

Trenton, N.J. –The co-owner and operator of K & J Motel, Inc., d/b/a Sand & Surf Motel, located in Seaside Heights, New Jersey, pleaded guilty today to filing false income tax returns.

Kenneth Bowden, 67, a resident of Normandy Beach, N.J., entered his plea in Newark federal court before U. S. District Judge Michael A. Shipp. Bowden pleaded guilty to a one count Information charging him with filing false tax returns for the years 2010 through 2013. Sentencing is scheduled for March 1, 2017.

“The license to run a business is not a license to avoid paying your taxes,” stated Jonathan D. Larsen, Special Agent in Charge, IRS-Criminal Investigation, Newark Field Office. “Filing false tax returns is not a victimless crime. We all pay when others swindle the government.”

According to court documents and statements made in court:

Bowden was the co-owner of K & J Motel, Inc. Bowden and his co-owner designated K & J as a subchapter S corporation, and in doing so, Bowden was required to accurately report the gross receipts of K & J on the business tax returns as well as the flow through income earned from K & J on his personal income tax returns.

During the years 2010 through 2013, Bowden maintained at least eight personal bank accounts at two different banks. During these years, Bowden deposited a substantial amount of the gross cash receipts earned by K & J into his personal bank accounts. Bowden did not report these cash receipts on the K & J Motel tax returns and therefore

he did not pick up the flow through income on his personal tax returns. For the years 2010, 2011, 2012 and 2013, Bowden failed to report as income on his personal tax returns \$167,345, \$177,723, \$206,537 and \$116,844 respectively. This unreported income resulted in an approximate tax due and owing to the government of \$189,048.67.

The count of filing 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 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 J. Brendan Day.

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Defense Attorney: Riza I. Dagli, Esq. – Roseland, NJ