

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Crim. No.
 :
 BOHDAN SENYSZYN : 18 U.S.C. § 2;
 : 26 U.S.C. §§ 7201, 7214(a)(7);
 : 31 U.S.C. § 5324(a)(3)

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting in Newark, charges:

COUNTS ONE THROUGH FOUR
FALSE RETURNS BY AN IRS AGENT

Background

1. At all times relevant to this Indictment, unless
otherwise indicated:

a. Defendant BOHDAN SENYSZYN, a resident of
Succasunna, New Jersey, was a Certified Public
Accountant employed by the Internal Revenue Service ("IRS") as a
Revenue Agent.

b. A business herein referred as "MM" was a New
Jersey sole proprietorship in the business of, among other
things, real estate development and home construction. DH, an
acquaintance of defendant BOHDAN SENYSZYN, wholly owned MM.

2. In or about 1998, defendant BOHDAN SENYSZYN
began assisting DH in the preparation of his personal tax
returns. In exchange for defendant BOHDAN SENYSZYN preparing
DH's returns, DH performed repairs on, and made improvements to,

defendant BOHDAN SENYSZYNS' residence. In or about June 2002, DH agreed to turn over control of MM's finances and business affairs to defendant BOHDAN SENYSZYN for the purpose of reducing the company's tax obligations. From in or about June 2002, through in or about April 2004, while employed as an Internal Revenue Agent, defendant BOHDAN SENYSZYN managed and controlled the financial and business affairs of MM.

3. During this time period, DH, doing business as MM, was involved in the development and sale of certain residential properties that DH personally owned in Andover Township, New Jersey. Upon taking control of MM's financial and business affairs, defendant BOHDAN SENYSZYN created certain business entities for the purpose of sheltering and avoiding payment of taxes for DH on income derived from the Andover Township development project as well as from future development projects.

a. In or about July 2002, defendant BOHDAN SENYSZYN created two partnerships herein referred as "MMLDP" and "MMPP", naming DH as the general partner for both.

b. On or about August 16, 2002, defendant BOHDAN SENYSZYN created a corporation herein referred as "MMDI", naming DH as the sole director of the company.

c. On or about September 18, 2002, defendant BOHDAN SENYSZYN established a trust herein referred as "MMT", making himself Grantor and Trustee, and listing his children, as well as DH's children, as beneficiaries.

4. As set forth below, in or about 2003, defendant BOHDAN SENYSZYN prepared and caused to be filed with the IRS the 2002 federal income tax returns for those entities described in paragraph 3. Defendant BOHDAN SENYSZYN made false entries in the tax returns to enable the partners, shareholders, or entities to offset (and avoid the payment of taxes on) future income.

2002 MMDI Tax Return

5. On or about April 15, 2003, defendant BOHDAN SENYSZYN prepared and caused to be filed with the IRS a 2002 U.S. Corporation Income Tax Return, Form 1120, on behalf of MMDI. DH signed the return as President. The tax return indicated that DH was a 60% direct shareholder of MMDI, while MMLDP and MMPP were each 20% direct shareholders. The tax return further indicated gross receipts of \$10,000.00, a total taxable income of -\$6,701.91, and a tax due of \$0.

6. Defendant BOHDAN SENYSZYN falsely stated in the MMDI tax return that shareholders had invested \$500,000.00 into the company. This fictitious capital contribution would enable shareholders to claim up to that amount in future losses to offset (and avoid the payment of taxes on) future income. In fact, neither DH nor any other MMDI shareholder contributed \$500,000.00 to the company in 2002.

2002 MMLDP and MMPP Tax Returns

7. On or about April 15, 2003, defendant BOHDAN SENYSZYN prepared and caused to be filed with the IRS two 2002 U.S. Returns of Partnership Income, Form 1065, one on behalf of

each partnership, MMLDP and MMPP. DH signed the tax returns as general partner. Both returns indicated that DH and MMT were equal partners in the two entities. The tax returns further indicated that the entities were inactive in 2002 and that no income was generated.

8. Defendant BOHDAN SENYSZYN falsely declared in the partnership returns capital contributions that would enable the partners to claim future losses to offset (and avoid the payment of taxes on) future income. Each return falsely declared that:

a. MMT had contributed \$267,000.00 of capital to the partnership, when in fact no such contributions were ever made; and

b. DH had contributed \$127,000.00 of capital to the partnership, when in fact no such contributions were ever made.

2002 MMT Tax Return

9. On or about August 15, 2003, defendant BOHDAN SENYSZYN prepared, signed and caused to be filed with the IRS a 2002 U.S. Income Tax Return for Estates and Trusts, Form 1041, on behalf of MMT. The tax return indicated a total income of \$0 with no tax due.

10. Defendant BOHDAN SENYSZYN falsely declared in the MMT tax return a total net capital loss of \$648,323.47 that would enable MMT to offset (and avoid payment of taxes on) up to that amount in future income. In fact, MMT had realized only approximately \$4,600.00 of net capital loss in 2002.

The Charges

11. On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

BOHDAN SENYSZYN,

while an employee of the United States Department of the Treasury, Internal Revenue Service, and acting in connection with the revenue laws of the United States, did knowingly and willfully make a fraudulent tax return.

COUNT	DATE	TAX RETURN
ONE	April 15, 2003	2002 MMDI Tax Return
TWO	April 15, 2003	2002 MMLDP Tax Return
THREE	April 15, 2003	2002 MMPP Tax Return
FOUR	August 15, 2003	2002 MMT Tax Return

In violation of Title 26, United States Code, Section 7214(a)(7) and Title 18, United States Code, Section 2.

COUNT FIVE
TAX EVASION

1. The allegations contained in paragraphs 1 through 10 of Counts One through Four are repeated, realleged and incorporated by reference as though fully set forth herein.

2. During the calendar year 2002, defendant BOHDAN SENYSZYN embezzled taxable income from the sale and refinancing of real estate owned by DH that was in addition to the income paid to him as salary and wages by the IRS. Specifically, defendant BOHDAN SENYSZYN embezzled a total of approximately \$83,037.38 from the following transactions involving DH-owned properties in Andover Township, New Jersey:

Closing Date	Lot Number	Transaction	Contract Amount
June 26, 2002	74	Sale	\$329,000.00
August 18, 2002	71	Sale	\$367,500.00
September 30, 2002	73	Sale	\$350,000.00
October 24, 2002	69	Refinancing	\$345,500.00

3. On or about February 19, 2003, defendant BOHDAN SENYSZYN prepared, co-signed, and filed a United States Individual Income Tax Return, Form 1040, for the calendar year 2002 for him and a family member, KS, who also signed the return. That joint return declared \$85,877.20 in wages and salaries as the only income for both him and KS, and that the amount of tax due and owing was \$0.

4. The return did not include about \$83,037.38 in additional taxable income that defendant BOHDAN SENYSZYN

embezzled in 2002 from the above-listed transactions. Upon this additional income, an additional tax of about \$16,212.00 was due and owing to the United States.

5. On or about February 19, 2003, in the District of New Jersey and elsewhere, defendant

BOHDAN SENYSZYN

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for the calendar year 2002 in that he signed, filed and caused to be filed a false and fraudulent United States Individual Income Tax Return, Form 1040, as described in paragraph 3, knowing it to be false and fraudulent as described in paragraph 4.

In violation of Title 26, United States Code, Section 7201.

COUNT SIX
TAX EVASION

1. The allegations contained in paragraphs 1 through 10 of Counts One through Four are repeated, realleged and incorporated by reference as though fully set forth herein.

2. During the calendar year 2003, defendant BOHDAN SENYSZYN embezzled taxable income from the sale of real estate owned by DH that was in addition to the income paid to him as salary and wages by the IRS. Specifically, defendant BOHDAN SENYSZYN embezzled approximately \$252,726.00 from the November 19, 2003 sale of DH-owned property in Andover Township identified as Lot 72, which was sold for \$351,000.00.

3. On or about January 29, 2004, defendant BOHDAN SENYSZYN prepared, co-signed, and filed a United States Individual Income Tax Return, Form 1040, for him and a family member, KS, who also signed the return. That joint return declared \$78,115.80 in wages and salaries as the only income for both him and KS, and that the amount of tax due and owing was \$0.

4. The return did not include about \$252,726.00 in additional taxable income that defendant BOHDAN SENYSZYN embezzled in 2003 from the sale of Lot 72. Upon this additional income, an additional tax of about \$85,016.27 was due and owing to the United States.

5. On or about January 29, 2004, in the District of New Jersey and elsewhere, defendant

BOHDAN SENYSZYN

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by him to the United States for the calendar year 2003 in that he signed, filed and caused to be filed a false and fraudulent United States Individual Income Tax Return, Form 1040, as described in paragraph 3, knowing it to be false and fraudulent as described in paragraph 4.

In violation of Title 26, United States Code, Section 7201.

COUNT SEVEN
STRUCTURING FINANCIAL TRANSACTIONS

1. The allegations contained in paragraphs 1 through 10 of Counts One through Four are repeated, realleged and incorporated by reference as though fully set forth herein.

2. On or about September 17, 2002, defendant BOHDAN SENYSZYN formed a corporation herein referred as "MML", making certain members of his family, including KS, directors of the corporation.

3. Defendant BOHDAN SENYSZYN maintained a bank account, in the MML name, at Fleet National Bank in Roxbury, New Jersey.

4. Defendant BOHDAN SENYSZYN maintained a joint bank account, in his and KS's names, at Fleet National Bank in Roxbury, New Jersey.

5. Defendant BOHDAN SENYSZYN maintained a bank account, in the MMDI name, at Lakeland Bank in Newton, New Jersey.

6. Fleet National Bank and Lakeland Bank were domestic financial institutions within the meaning of Title 31, United States Code, Section 5313(a), and Title 31, Code of Federal Regulations, Sections 103.11 and 103.22(a).

7. Title 31, United States Code, Section 5313(a) and Title 31, Code of Federal Regulations, Section 103.22(a), required that financial institutions file Currency Transaction Reports of each deposit, withdrawal, exchange of currency or other payment and transfer, by, through, or to such financial

institution that involved a transaction in currency of more than \$10,000.00.

8. From on or about July 9, 2003, to on or about July 10, 2003, in the District of New Jersey and elsewhere, the defendant

BOHDAN SENYSZYN,

for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a) with respect to such transactions, knowingly structured, assisted in structuring, and attempted to structure and assist in structuring, transactions with domestic financial institutions by causing United States currency to be deposited in amounts of less than \$10,000.00, including the following:

Financial Institution	Date	Amount
Fleet National Bank	July 9, 2003	\$5,000.00
Fleet National Bank	July 10, 2003	\$8,000.00
Lakeland Bank	July 10, 2003	\$7,000.00

In violation of Title 31, United States Code, Section 5324(a)(3); Title 31, Code of Federal Regulations, Sections

103.11, 103.22(a) and 103.53; and Title 18, United States Code,
Section 2

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
United States Attorney