



NEWS

State of Delaware
Department of Finance
Division of Revenue
www.revenue.delaware.gov

FOR IMMEDIATE RELEASE
Tuesday, July 12, 2011

FOR FURTHER INFORMATION
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FREDERICA CONTRACTOR GUILTY OF TAX EVASION

(Wilmington, DE) – Director of Revenue Patrick T. Carter announced today that a Frederica flooring contractor pleaded guilty in Superior Court to tax evasion for failing to pay taxes on more than \$300,000 in income, and for willfully failing to file a State of Delaware personal income tax return.

Michael K. Farnese, 44, a self-employed flooring installer, pled guilty before NCC Judge M. Jane Brady to one felony count of attempting to evade income tax.

Farnese was sentenced by Judge Brady to a five-year suspended prison term and he was placed on supervised probation for one year. He was also ordered to pay restitution to the Division of Revenue in the amount of \$8,082 to be paid within one year. The court also ordered that Farnese pay the costs of prosecution.

Farnese was originally charged in a four-count indictment in April 2011 with one felony count of tax evasion and three misdemeanor counts of failing to file a State of Delaware personal income tax return for the years 2007 through 2009.

An investigation conducted by the Delaware Division of Revenue's Criminal Investigation Unit revealed that Farnese incorporated his business, "A & D Flooring, Inc.," but did not register the corporation with the Division of Revenue, nor did he obtain a state business license.

During the years 2007 through 2010, Farnese received more than \$300,000 of taxable income from conducting business in Delaware, yet failed to report any of this income on a tax return. It was determined that Farnese diverted this income into a corporate bank account and used this account to pay for personal expenses. It was also revealed in court today that Farnese had not filed a state income tax return for the past twelve years.

This case was prosecuted by the Delaware Attorney General's Office.

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