



**CYRUS R. VANCE, JR.**  
DISTRICT ATTORNEY

DISTRICT ATTORNEY – NEW YORK COUNTY

FOR IMMEDIATE RELEASE  
September 22, 2010

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**DISTRICT ATTORNEY VANCE ANNOUNCES GUILTY PLEA IN TAX CASE**

*Waste Management Firm Owner Charged with Cheating City and State Owes \$500,000 in Revenues*

Manhattan District Attorney Cyrus R. Vance, Jr., today announced the guilty plea of JARRUTH D. DUNCAN, 44, the part-owner and vice-president of Chesterfield Carting Inc., a licensed Bronx waste carting business, to one count of Offering a False Instrument for Filing in the First Degree, and one of count of Criminal Tax Fraud in the Fifth Degree. DUNCAN filed false financial statements to evade business taxes that he owed to New York State.

“The defendant exploited our tax system and cheated the City and State for his personal enrichment,” said District Attorney Vance. “These crimes place an unfair burden on New York’s taxpayers, and on business owners who expect and deserve a level playing field. This case illustrates the strength of a shared investigation with multiple State and City agencies, which recovered \$500,000 for taxpayers.”

Commissioner Michael J. Mansfield of the Business Integrity Commission said: “This case demonstrates that intentionally filing false documents with government agencies will have serious consequences. The Commission’s audit initially found significant discrepancies in Chesterfield Carting Inc.’s regulatory filings. When examining these documents, evidence of this large theft of public money was uncovered. Working with the New York County District Attorney, we conducted a multiagency criminal investigation. I would like to thank District Attorney Cyrus R. Vance and his staff for their diligent efforts to bring this matter to a successful conclusion.”

State Labor Commissioner Colleen C. Gardner said: “I’d like to thank District Attorney Vance and his staff for their diligent prosecution of this case. The willful underpayment of unemployment insurance taxes and workers’ compensation insurance premiums is an unscrupulous business practice that will not be tolerated in New York State. This crime not only puts honest enterprises at a competitive disadvantage, it diminishes the integrity of benefit programs designed to help people in their time of need.”

New York State Department of Taxation and Finance Acting Commissioner Jamie Woodward said: “The resolution of this case again highlights how state and city enforcement agencies are working together to enforce the law and insuring that those who seek to avoid paying taxes are held accountable. I’d like to thank District Attorney Vance, Commissioner Mansfield and Commissioner Gardner for their cooperation in this case.”

DUNCAN admitted in court that in August 2009, he filed a false audited financial statement with the New York City Business Integrity Commission and filed a false 2008 New York City general corporation tax return with the New York City Department of Finance. On both documents, DUNCAN underreported, among other items, Chesterfield’s gross receipts and payroll. This in turn enabled the defendant to conceal the true amount of the State and City sales and withholding taxes that he owed to the New York State Department of Taxation and Finance. The underreporting of payroll also resulted in the underpayment of unemployment insurance tax owed to the New York

State Department of Labor and the underpayment of workers' compensation insurance premiums owed to the New York State Insurance Fund.

This case originated from a regular compliance audit conducted by the Business Integrity Commission, a New York City law enforcement and regulatory agency whose mission is to eliminate criminality from carting and other industries that it regulates.

As part of the today's disposition, DUNCAN has agreed to pay \$315,611 in New York City and New York State sales tax liability and \$29,480 in New York City and New York State withholding tax liability to the New York State Department of Taxation and Finance. In addition, he will pay \$12,055 in New York State unemployment insurance tax liability to the New York State Department of Labor and \$52,115 in unpaid workers' compensation insurance premiums owed to the New York State Insurance Fund. DUNCAN will also pay \$85,000 in civil fines to the Business Integrity Commission for violations including those pertaining to his failure to maintain the required business records. Finally, the defendant also faces the imposition of criminal fines when he is sentenced.

According to the New York City Department of Finance, this is the first application of the revised New York City Administrative Code tax crimes, put into effect last year.

District Attorney Vance thanked Commissioner Michael J. Mansfield of the Business Integrity Commission and his staff, including Senior Special Counsel Michael Mirabella, Director of Audit Sarah Nasir, Auditor Bonnie Chan, and Investigator Jeffrey Makhmalchi, who initiated the investigation; Commissioner David M. Frankel of the New York City Department of Finance and his staff in the Office of Tax Enforcement, including Director Maureen Kokeas, Audit Group Chief Michael Schenk and Auditor Virginia Chin; Acting Commissioner Jamie Woodward of the New York State Department of Taxation and Finance and her staff in the Criminal Investigations Division, including Attorney-in-Charge Robert Eisman and auditors Ronald Chan, Wilfred Amanfu, and Festus Anaemeje.

District Attorney Vance also thanked Commissioner Colleen C. Gardner of the New York State Department of Labor and her staff, including John W. Dormin, Executive Director, Office of Special Investigations, and Francine James, Chief Deputy Executive Director of the New York State Insurance Fund and her staff, including Alison Kent-Friedman, Supervising Attorney and Investigator Jacqueline Walters.

Assistant District Attorney Seth Blumenthal of the Money Laundering and Tax Crimes Unit handled the prosecution of this case under the supervision of Assistant District Attorney Gilda I. Mariani, Chief of the Money Laundering and Tax Crimes Unit. The District Attorney's Office (NYPD) Office Squad assisted in the investigation, including Detective Larry White under the supervision of Captain Ronald Haas.

Defendant Information:

JARRUTH DUNCAN, D.O.B. 5/24/66  
Bronx, New York

Charges:

- Offering a False Instrument for Filing in the First Degree, a class E felony, one count
- Criminal Tax Fraud in the Fifth Degree, a class A misdemeanor, one count

A class E felony is punishable by up to 4 years in prison. A class A misdemeanor is punishable by up to 1 year in prison.

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