



Orange County News

For Immediate Release
March 9, 2017

Contact: Christopher Borek
845.291.3276, 845.238.4245c

District Attorney Hoovler Announces Charges in Tax Cases

Three Owners of Two concrete Companies Charged with Tax Crimes

Two Charged with Stealing \$366,895 in Sales Tax

*District Attorney's Office, New York State Police and New York State Tax Department
Executed Five Search Warrants in Orange and Rockland Counties*

Orange County District Attorney David M. Hoovler announced today that on March 9, 2017, Orange County District Attorney's Office criminal investigators arrested and charged David Gross, 45, of Kiryas Joel; Shloma Kaller, 44, of Suffern; and David Friedman, 42, of Kiryas Joel, with felonies related to the evasion of taxes in connection with two concrete companies owned by the defendants.

Gross and Kaller were each charged with Grand Larceny in the Second Degree, Criminal Tax Fraud in the Second Degree and Conspiracy in the Fourth Degree. Felony complaints filed in the Town of Monroe Court allege that between December 2009 and March 2012, Gross and Kaller conspired with each other to steal \$366,895 in New York State sales tax that had been collected from the customers of Concrete on Demand, Inc., a concrete company which jointly owned. The complaints allege that the thefts took place through the filing of tax returns from an office in the Town of Monroe. Gross and Kaller were each 50% shareholders of Concrete on Demand, Inc. at the time the thefts and criminal tax fraud acts took place. Concrete on Demand, Inc. was also charged with Grand Larceny in the Second Degree and Criminal Tax Fraud in the Second Degree.

Friedman, the sole owner of Copour, Inc., another concrete company, was charged with Offering a False Instrument for Filing in the First Degree for having filed a false New York State Withholding Tax Return which under-reported the wages his company paid its employees. A

felony complaint alleges that Friedman had reported on a New York State Withholding tax return that only \$11,623 in wages were paid to Copour, Inc.'s employees in 2014, but on a Corporate Tax Return for the same time period reported paying \$431,816 in wages for the same time period.

Orange County District Attorney Office investigators, members of the New York State Police, police officers of the Town of Blooming Grove Police Department, and criminal investigators from the New York State Department of Taxation and Finance's Criminal Investigation Division executed search warrants at three locations in Orange County and two locations in Rockland County.

All three defendants were arraigned in the Town of Monroe Court. The defendants all posted bail and are scheduled to appear in court on March 27, 2017.

The matter had been referred to the Orange County District Attorney's Office from the New York State Department of Taxation and Finance, which had commenced the investigation into the companies and the theft of tax monies.

The cases are being prosecuted by Chief Assistant District Attorney Christopher Borek and Assistant District Attorney Kerry Kolek.

District Attorney Hoovler thanked the New York State Department of Taxation and Finance for their initial investigation and referral of the case, and the New York State Police and Town of Blooming Grove Police Department for aiding in the search warrant executions.

"The theft of taxpayer money is something that simply cannot be tolerated," said District Attorney Hoovler. "This case is only one example of the close working relationship which my office has developed with the Criminal Investigations Division of the New York State Tax Department and the New York State Police. I am grateful that the close coordination of law enforcement resources has resulted in Orange County having been the second in the State, only behind Manhattan, in collections under the Crimes Against Revenue Program during the last quarter of 2016."

"Business owners who operate outside the law by failing to remit sales and withholding tax to the state will be held accountable," said Acting Commissioner of Taxation and Finance Nonie Manion. "We'll continue to work directly with all levels of law enforcement, including Orange County District Attorney David Hoovler, to bring those who seek an unfair competitive advantage to justice and ensure a level playing field for all New Yorkers."

A criminal charge is merely an allegation that a defendant has committed a violation of the criminal law, and it is not evidence of guilt. All defendants are presumed innocent and entitled to a fair trial, during which it will be the State's burden to prove guilt beyond a reasonable doubt.



DAVID GROSS



SHLOMA KALLER



DAVID FRIEDMAN