

PRESS RELEASE

Former Newark Restaurant Owner Admits Failing to Collect and Pay Payroll Taxes

Thursday, July 20, 2023

For Immediate Release

U.S. Attorney's Office, District of New Jersey

CAMDEN, N.J. – An Essex County man admitted failing to withhold and pay over payroll taxes stemming from his ownership of two formerly prominent Newark restaurants, U.S. Attorney Philip R. Sellinger announced.

Jorge Fernandes, 76, of West Orange, New Jersey pleaded guilty before U.S. District Judge Christine P. O’Hearn to an information charging him with two counts of failing to collect payroll taxes for the tax period of 2016 through 2017.

According to documents filed in this case and statements made in court:

Fernandes was the 50-percent owner of two restaurants in the Ironbound section of Newark, Iberia Tavern and Iberia Peninsula. Fernandes was fully aware of his legal obligation to collect payroll taxes from the restaurants’ employees, but instead paid a number of the employees “off the books,” or “under the table,” failing to collect any payroll taxes from them. Fernandes’ conduct caused the government a total tax loss of \$715,780 for tax years 2016 through 2017.

The failing to collect payroll taxes charges to which Fernandes pleaded guilty each carry a maximum penalty of five years in prison and a \$10,000 fine. Sentencing is scheduled for Nov. 20, 2023.

U.S. Attorney Sellinger credited special agents of the IRS - Criminal Investigation under the direction of Special Agent in Charge Tammy Tomlins, and special agents with the U.S. Department of Labor, Office of the Inspector General, Northeast Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Shawn Barnes, Chief of the OCDETF/Narcotics Unit in Newark.

[fernandes.information.pdf](#) (138.75 KB)

Updated July 20, 2023

Topic

TAX

Component

[USAO - New Jersey](#)

Press Release Number: 23-210