



## Staten Island Real-Time News

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### Staten Island bagel shop owners hit for tax evasion

By **Bernie Augustine**

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Bagel sales were their store's bread and butter, but a couple from the New Springville section of Staten Island skimmed on the taxes their business owed.

Paul and Susan Jackson were recently ordered to pay the Internal Revenue Service \$33,000 and sentenced, in Brooklyn federal court, to four years' probation for tax evasion.

Jackson, 57, and Mrs. Jackson, 54, owned J&S Not Just Bagels V, Inc. on Richmond Hill Road, also in New Springville, between 1998 and 2001, court papers said.

Authorities accused the Jacksons of diverting cash from the store for their own uses and under-reporting the business' gross income for the years 1991 through 2001. That resulted in lower tax payments. The Jacksons are no longer in business.

The couple was indicted in March 2006 after an investigation by the New York field office of the IRS criminal investigation unit. They pleaded each pleaded guilty in February of this year to conspiracy to defraud the United States.

In court papers, defense lawyer Joseph DiBenedetto of Manhattan, said the Jacksons were unsophisticated business people, who never previously owned a bagel store. He said they bought into the business which was owned by a friend who had several other successful bagel shops.

The friend told them how to run the store and pay the bills. He then essentially left them on their own, despite the Jacksons' belief he would be involved in the daily operation. The business ultimately failed.

-- Contributed by *Frank Donnelly*