



N.J. again plays shame game with tax evaders

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Leslie Kwoh/The Star-Ledger

After a two-year hiatus, New Jersey is reverting to its tactic of publicly naming and shaming the state's biggest delinquent taxpayers into coughing up the missing money.

On Friday, the state Treasury Department quietly posted an online list singling out nearly 100 individuals and 90 businesses for evading taxes. The goal of this last-ditch maneuver is to recover tens of millions of dollars, some owed from as early as 2006, state officials said yesterday. **The story was first reported in NJBIZ.**

"The object is not to simply embarrass someone," said Bill Quinn, a department spokesman. "The prospect of being named publicly, or the reality of having it happen, can prompt people to pay. That's why we do it."

As the list is limited only to cases for which the state has already obtained court judgments, the accused were all duly forewarned, Quinn added. Each person was mailed at least two notices of the judgments, followed by a "courtesy letter" alluding to the possibility of being named.

"They get plenty of notice," Quinn said.

It's a controversial ploy that other states, including New York, Pennsylvania and Wisconsin, have also used to recover tax payments. In fact, New Jersey routinely posted online lists until late 2008, when officials launched a temporary tax amnesty program that netted \$746 million, Quinn said.

According to the list, delinquent individual taxpayers owe the state anywhere from several hundred thousand dollars to \$1.43 million — due from a male resident of Colts Neck. The list also names people who reside in other states such as Nevada, Florida and Arizona.

Amounts are even higher for businesses, which run the gamut from auto shops to pizzerias to gas stations. One West Long Branch company called M X Wholesale Fuel Corp. owes the state \$4.3 million, while a business called Auto Plex in Seaside Heights owes \$3.5 million.

The corporate officers of these companies are also named on the list.

However, it's unclear whether the state will be able to recover all the money. Certified public accountant Ken Hydock, who has worked with a handful of clients who have appeared on the list before, said he questions the effectiveness of shaming individuals — especially if they simply don't have the assets.

"I don't think it makes a difference, personally," said Hydock, who works for Sobel and Co. in Livingston. "If people weren't paying before, they're not going to pay now. Chances are it's too much money."

Often, individuals usually have the option of settling on a lower amount with the state, he said. In some cases, if they believe the state has made an error, it can take years to appeal.

Companies, meanwhile, can declare bankruptcy to relieve themselves of corporate tax obligations, though they are still responsible for payroll and sales taxes, he said.

The list can be found on the Treasury Department's website at state.nj.us/treasury/taxation/jdgdiscl.shtml.

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