



NEWS RELEASE

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ARRESTS IN UNTAXED CIGARETTES SCHEME

PATERSON, NEW JERSEY:

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Passaic County Prosecutor Camelia M. Valdes announced that on Friday, May 14, 2010, members of the Passaic County Prosecutor's Office, Organized Crime Unit, New Jersey Department of the Treasury, Office of Criminal Investigation and Passaic Police Department, Special Investigations Division, with the assistance of the Bergen County Prosecutor's Office executed nine search and seizure warrants at locations throughout Passaic and Bergen Counties.

The execution of the search warrants concluded a ten month joint investigation by the abovementioned agencies into the alleged importation of large amounts of untaxed cigarettes into New Jersey by the target, Mirosław Sapinski, age 62, of Saddle Brook, New Jersey. The investigation revealed that Mirosław Sapinski employed Waclaw Jeziorski, age 56, of Wallington, New Jersey to travel to Virginia to purchase significant amounts of cigarettes and return them to New Jersey for sale without paying the applicable New Jersey cigarette tax. It should be noted that it is illegal to import out-of state cigarettes into New Jersey for retail sale without paying the cigarette tax. The investigation demonstrated that Mirosław Sapinski and his wife, Grazyna Sapinski, age 55, surreptitiously sold the imported cigarettes to customers at his butcher shop, Market Quality Market, located at 129 Market Street, Passaic, New Jersey. Neither Mirosław Sapinski nor his business was a New Jersey licensed retail cigarette dealer.

The various search and seizure warrants executed were directed at the targets of the investigation: Mirosław and Grazyna Sapinski and the "runner", Waclaw Jeziorski. In addition, search and seizure warrants were executed at the home of Mirosław and Grazyna Sapinski located at 28 Blanche Street, Saddle Brook, New Jersey and the business of Mirosław Sapinski located at 129 Market Street, Passaic, New Jersey. Also, search and seizure warrants were executed at the home of the "runner" located at 220 Hayword Place, Wallington, New Jersey and the three vehicles utilized by the targets to conduct their scheme. Lastly, seizure warrants were executed on the bank accounts maintained by the targets.

All of the targets of the investigation were arrested and charged with conspiracy to commit violations of the tax laws of the State of New Jersey, conspiracy to commit theft by

deception and theft by deception, all crimes of the third degree. The maximum punishment for third degree crimes is three to five years in state prison and a maximum fine of \$15,000.

The investigation revealed that the price difference between a carton of cigarettes in Virginia and the price of a legitimately taxed carton of cigarettes in New Jersey was the alleged motivation for the scheme. On average, the price of a carton of cigarettes in Virginia cost \$30.00 to \$35.00, whereas a similar legitimately taxed carton of cigarettes sold in New Jersey cost approximately \$80.00. The targets allegedly sold an untaxed carton of cigarettes for approximately \$58.00. The investigation demonstrated that the targets allegedly sold about 500 cartons of untaxed cigarettes per week, permitting the targets to realize a significant profit. However, the loss of tax revenue for the State of New Jersey was staggering. The alleged scheme operated by the targets cost the State of New Jersey approximately \$13,500 per week in lost cigarette tax revenue and approximately \$54,000 in lost cigarette tax revenue per month.

This is an on-going and active investigation. Any questions should be directed to Senior Assistant Prosecutor Paul A. Di Lella. He can be reached at 973-837-7683 or 862-849-6033 or Pdilella@passaiccountynj.org.

It should be noted that the charges against Mirosław Sapinski, Grazyna Sapinski and Waclaw Jeziorski are merely allegations and that they are presumed innocent of the charges until proven guilty beyond a reasonable doubt.