



PRESS RELEASE

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Date: January 26, 2017

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IRS – Criminal Investigation

CI Release #: CI-2017-01-26-A

West Virginia Business Owners Sentenced to Prison for Failing to Pay Employment Taxes

Two Wayne County, West Virginia business owners were sentenced to prison today for failing to pay over employment taxes, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and U.S. Attorney Carol Casto for the Southern District of West Virginia.

Michael Taylor, 48, and his wife, Jeanette Taylor, 44, were sentenced to serve 21 months and 27 months in prison, respectively, by Chief U.S. District Judge Robert C. Chambers of the Southern District of West Virginia.

According to documents filed with the court, from 2000 through 2010, the Taylors owned and operated a construction business in Wayne, West Virginia, that transported steel and sold gravel and concrete throughout West Virginia and Kentucky. The Taylors changed the name of the business several times, though the operations of the business remained the same. From 1999 to 2004, the business was operated as Taylor Contracting & Taylor Ready-Mix LLC. In 2004, the name changed to Taylor Contracting/Taylor Ready-Mix LLC. In 2010, the name changed a third time to Bluegrass Aggregates.

Both Michael Taylor and Jeanette Taylor were responsible for collecting, accounting for, and paying over to the Internal Revenue Service (IRS) federal income taxes and social security and Medicare taxes that were withheld from the wages of their employees. From July 2007 through 2010, the Taylors withheld over \$850,000 from their employees' paychecks. Instead of paying over the withheld taxes to the IRS, the Taylors used the funds to purchase property and finance their horse farm. The Taylors also failed to pay over \$490,000 in employment taxes for their prior business. The total tax loss for the Taylors' conduct is \$1.4 million.

On Oct. 18, 2016, Michael Taylor pleaded guilty to one count of conspiracy to defraud the United States for failing to fully pay over payroll taxes from mid-2007 through 2010, and Jeanette Taylor pleaded guilty to one count of failing to pay over payroll taxes for the last quarter of 2009.

In addition to the term of prison imposed, Michael Taylor was ordered to serve three years of supervised release and to pay \$1,440,130 in restitution to the IRS. Jeanette Taylor was ordered

to serve three years of supervised release and to pay \$766,273 jointly and severally with Michael Taylor to the IRS.

Acting Deputy Assistant Attorney General Goldberg and U.S. Attorney Casto commended special agents of IRS-Criminal Investigation, who conducted the investigation, and Trial Attorneys Mara Strier and Alexander Effendi of the Tax Division, who are prosecuting the case.

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