

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

**IRS**

A federal judge on Friday sentenced Robert R. Sacco, the owner of a Dayton, Ohio-based payroll company, to 6 1/2 years in prison and ordered him to pay \$26.7 million to the Internal Revenue Service.

Jun. 23, 2013

A federal judge on Friday sentenced Robert R. Sacco, the owner of a Dayton, Ohio-based payroll company, to 6 1/2 years in prison and ordered him to pay \$26.7 million to the Internal Revenue Service.

Sacco, 62, the owner and chairman of Paysource was sentenced Friday in a Cincinnati federal court for withholding money to pay federal employment taxes from employees' paychecks and keeping the money instead of paying it to the IRS. Sacco was sentenced by U.S. District Judge Michael R. Barrett.

Sacco had pleaded guilty last October to one count each of conspiracy to defraud the United States by impeding the IRS, money laundering and tax evasion. Sacco lived in Huber Heights before moving to Orlando, Fla. in 2010. A sentencing memorandum said Sacco is "anxious to resolve the case and move forward with his life."

Sacco is the second Paysource executive sentenced in the scheme for the now-defunct company that had an office on Poe Avenue in Vandalia and employed about 40 people. Dayton's Charles C. Painter, formerly Paysource's CEO, pleaded guilty to tax fraud and was sentenced last December to 15 months in prison and ordered to pay \$12 million in restitution.

According to court documents, Sacco and others conspired to avoid IRS payments from 2007 through 2009 and concealed from the IRS the legitimate tax liabilities the company owed. Sacco directed co-conspirators to prepare fraudulent IRS forms

claiming that the wages paid by the company and the resulting tax liabilities were

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Investigation agents and Assistant U.S. Attorney Dwight Keller, who prosecuted the case.

The sentencing memo stated Sacco's counselor said "Mr. Sacco has abused alcohol for many years and it had significantly impaired his ability to work and sustain relationships with his work and children."

Sacco's attorneys also asked if Sacco could be held in a Coleman, Fla. facility so that his 7-year-old daughter could visit him.

Sacco was originally charged with 67 federal felony counts, including 39 counts of money laundering, 10 counts of wire fraud, six counts of tax evasion and one count each of conspiracy to defraud the United States by impeding the IRS and conspiracy to commit mail fraud, wire fraud and money laundering.

"Corporate executives have a significant responsibility to collect and turn over all IRS withholding taxes," said Cincinnati IRS Special Agent in Charge Darryl Williams said when Painter was sentenced. "Employment tax fraud can also impact employees, who may see future benefits such as Social Security, Medicare or Unemployment Compensation reduced or eliminated when their employers don't comply with the law."

IRS and customs agents arrested him in November 2010 at Orlando International Airport as he returned from a vacation in Costa Rica. At the time, a former IRS agent called the \$26,729,098.79 scam "staggering."

Howard L. Richshafer, an attorney and former IRS agent, said that the IRS often files civil proceedings — not criminal — with the goal of getting the money paid. But with allegations of false documents and a huge amount of money, Richshafer said it probably made the government go a different way. "This sounds like a pretty

egregious case,” he said when the indictment was unsealed. “That’s probably why

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved