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Kansas Business Owner Pleads Guilty to \$2.2 Million Employment Tax Scheme

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Isaac M. O'Bannon • Sep. 12, 2023



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According to court documents and statements made in court, Sheryl Clanton of Bucyrus, Kansas, owned and operated McCorkendale Construction Inc., a business specializing in the construction and maintenance of underground infrastructure. Clanton was President of McCorkendale from 2006 through 2011 and was responsible for filing quarterly employment tax returns and collecting and paying federal income and Social Security and Medicare taxes withheld from employees' wages to the IRS. For the first quarter of 2010 through the last quarter of 2011, however, Clanton did not pay approximately \$980,536 in employment taxes owed to the IRS.

In 2011, Clanton abandoned McCorkendale due to its outstanding tax obligations and a bank mortgage foreclosure, and started McClan Construction LLC. From the second quarter of 2012 through the fourth quarter of 2017, Clanton did not pay approximately \$1.1 million in employment taxes or file quarterly payroll tax returns as required by law.

Clanton also operated a third underground construction business, NJ Trenching LLC, organized in late 2011. Between 2012 and 2015, Clanton did not report or pay nearly \$100,000 of employment taxes owed to the IRS on behalf of NJ Trenching.

In total, Clanton caused a tax loss to the IRS exceeding \$2.2 million.

Clanton is scheduled to be sentenced on Dec. 14, and faces a maximum penalty of five years in prison. She also faces a period of supervised release, restitution and monetary penalties. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

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