



PRESS RELEASE

Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

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ROSS COUNTY WOMAN PLEADS GUILTY TO \$1.6 MILLION EMPLOYMENT TAX SCHEME

COLUMBUS, OHIO -- Abigail S. Patches, 45, of Chillicothe, Ohio pleaded guilty to one count of failing to account for and pay over employment taxes to the Internal Revenue Service (IRS). Patches faces a maximum of five years in prison and a fine of up to \$250,000.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office announced the guilty plea entered before U.S. District Judge Algenon L. Marbley.

According to court documents, Abigail Patches established Preferred Staffing of Ohio (PSO) in 2004. PSO was a staffing company which paired employers, which were clients of PSO, with employees. The employees provided services to the client companies, but actually were employees of PSO. As such, PSO was responsible for all payroll matters for the employees, including FICA and federal income tax withholding and remitting those withheld funds to IRS.

From at least the last quarter of 2007 through and including the last quarter of 2010, Patches withheld the appropriate FICA and federal income taxes from paychecks of the employees. However, Patches failed to file appropriate IRS Forms 941 and failed to remit the withheld employment taxes to the IRS.

Additionally, Patches did not remit the employer matching share of FICA taxes for the last quarter of 2007 and all quarters of 2008, 2009 and 2010.

The total tax loss to the IRS as a result of the non-payment of employment taxes was \$1,697,892.07.

"Business owners have a responsibility to withhold income taxes for their employees and then remit those taxes to the IRS," said Kathy A. Enstrom, Special Agent in Charges, IRS Criminal Investigation, Cincinnati Field Office. "The failure to pay over withheld taxes is a serious offense. IRS Criminal Investigation vigorously pursues anyone who collects taxes and fails to timely remit those taxes."

Patches was released on bond pending sentencing. A date for sentencing has not been set.

This case is being prosecuted by Assistant United States Attorney Daniel A. Brown and was investigated by special agents of IRS-Criminal Investigation.

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