



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
Special Agent in Charge Jose A. Gonzalez

Date: August 26, 2013

Contact: Linda Lowery
IRS – Criminal Investigation
300 N. Los Angeles St.
Room 5016
Los Angeles, CA 90012
Email: linda.lowery@ci.irs.gov
CI Release #: LAFO-2013-37

Ventura County Business Owner Sentenced to 18 Months in Federal Prison for Tax Fraud

LOS ANGELES – The owner of a Ventura County residential and commercial paint business was sentenced this morning to 18 months in federal prison for failing to report to the Internal Revenue Service wages paid to employees totaling over \$1.5 million.

Scott G. Titus, 53, of Ojai--owner and operator of Scott Titus Painting--was sentenced by United States District Judge Stephen V. Wilson, who also ordered Titus to pay restitution in the amount of \$666,748.40 to the IRS.

In April of this year, Titus pleaded guilty to count one of the Information charging him with subscribing to a false quarterly employment tax return for 2008.

According to the plea agreement, during the years 2008 through 2010, Titus owned and operated Scott Titus Painting. Titus painted residential and commercial properties and was paid by his clients in both cash and checks. Titus used the cash payments received from clients, along with cash derived from cashing checks and cash withdrawals from his business bank account, to pay his employees their wages in 2008, 2009 and 2010.

For the years in question, Titus failed to report \$1,594,971 in wages paid to the employees of Scott Titus Painting on the quarterly and annual employment tax returns filed with the IRS resulting in a tax loss to the government of at least \$666,748.

The count to which Titus pleaded guilty relates to the employment tax return for the 2nd quarter of 2008. Specifically, Titus reported paying wages to employees of \$22,195, when in fact he paid wages of \$215,774, falsely underreporting the wages paid by \$193,579.

The investigation of Titus was conducted by IRS Criminal Investigation in Los Angeles in conjunction with the United States Attorney's Office Tax Division.

###

United States Attorney's Office contact:

Assistant United States Attorney
Valerie L. Makarewicz
(213) 894-2729