



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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Iowa Businessman Pleads Guilty for Failing to Pay Employment Taxes and Violating Clean Water Act

An Iowa businessman pleaded guilty yesterday in federal court to failing to pay employment taxes and violating the Clean Water Act, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division and U.S. Attorney Kevin W. Techau of the Northern District of Iowa.

Randy Less, 49, of Hopkinton, Iowa, was charged in an indictment in January 2016 with multiple counts of willfully failing to collect, truthfully account for and pay federal income, social security and Medicare taxes that were withheld from the wages of employees of Permeate Refining Inc., an ethanol production business in Hopkinton.

"Mr. Less made the choice to ignore his employment tax obligations, and will now pay a price for his criminal conduct," said Acting Assistant Attorney General Ciralo. "We are committed to holding accountable those employers who take advantage of their employees, their competitors and the U.S. Treasury."

"The United States takes very seriously its obligation to ensure that employers collect, account for and pay taxes withheld from the wages of their employees," said U.S. Attorney Techau. "Environmental crimes that involve polluting Iowa's waterways are serious matters. Violations of our environmental laws impact our communities both now and in years to come."

"Business owners have a responsibility to withhold income taxes for their employees and then remit those taxes to the Internal Revenue Service (IRS)," said Special Agent in Charge Karl Stiften of IRS Criminal Investigation. "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."

"Iowa's waterways are not dumping grounds," said Assistant Special Agent in Charge Justin Oesterreich of the U.S. Environmental Protection Agency's (EPA) criminal enforcement program in Iowa. "Mr. Less admitted that he knowingly discharged or caused to be discharged production wastewater into a tributary of the Maquoketa River without a permit to do so, putting public health, wildlife and the environment at risk. This case demonstrates that EPA takes

seriously its commitment to protect our natural resources and the communities that rely upon them.”

At his guilty plea proceeding, Less admitted that as the majority owner, general partner and general manager of Permeate Refining, he had the responsibility to collect, truthfully account for and pay over to the IRS the taxes withheld from his employees’ wages.

Less also pleaded guilty yesterday to an information, which the government filed the same day, charging him with violations of the Clean Water Act. Less admitted that in July 2013, he knowingly discharged or caused to be discharged ethanol, a pollutant, from Permeate Refining Inc. into an unnamed tributary of the Maquoketa River without a permit to do so.

A sentencing date has not yet been set. Less faces a statutory maximum sentence of five years in prison and a fine of up to \$250,000 for the tax charge and a statutory maximum sentence of three years in prison and a fine of up to \$250,000 on the Clean Water Act charge.

Acting Assistant Attorney General Ciralo and U.S. Attorney Techau thanked special agents of the IRS-Criminal Investigation, FBI, U.S. Postal Inspection Service and EPA, who investigated the case, and Assistant U.S. Attorney Tim Vavricek of the Northern District of Iowa and Trial Attorney Matthew Hoffman of the Tax Division, who are prosecuting the case.

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