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News Release

FOR IMMEDIATE RELEASE
Friday, Oct. 10, 2008

Burnsville woman pleads guilty to failing to pay employment taxes

A 33-year-old Burnsville woman pleaded guilty yesterday in federal court to failing to pay to the Internal Revenue Service payroll taxes from employees of a construction business.

Kara Kristine Sommer pleaded guilty to one count of failure to pay over withheld taxes (for the third quarter of 2005). She entered her plea Oct. 9 in St. Paul before United States District Court Judge Patrick Schiltz. Sommer was indicted on July 21.

According to Sommer's plea agreement, she admitted to withholding or causing to be withheld amounts for federal income taxes and Federal Insurance Contributions Act (FICA) taxes from the wages of employees of Frontier Construction, Inc., located in Burnsville, from April 1, 2002, through Sept. 30, 2006.

Sommer was responsible for accounting, payroll management and income taxes for Frontier Construction. Her duties included withholding federal payroll taxes from employee paychecks and the paying over of withheld taxes to the IRS. From April 1, 2002, to Sept. 30, 2006, Sommer deducted and collected federal income taxes and FICA taxes from the taxable wages of Frontier employees. Sommer admitted that during the tax years of 2001 through 2005 she willfully failed truthfully to account for and to pay over to the IRS a total amount of taxes of nearly \$200,000.

According to IRS-Criminal Investigation St. Paul Field Office Special Agent in Charge Francine Evans, IRS-Criminal Investigation recognizes that the very real consequences of this type of crime are not only the loss of tax revenue to the U.S. government.

"We are working diligently to protect the employees of those businesses who may find at retirement that their social security benefits have been reduced because their income was not reported by their employers," Evans said.

Sommer faces a potential maximum penalty of five years in prison. Judge Schiltz will determine her sentence at a future date. This case is the result of an investigation by the IRS-

Criminal Investigation Division, and is being prosecuted by Assistant U.S. Attorney David M. Genrich.