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INDICTMENT SAYS KANSAS MAN DIDN'T PAY TAXES ON MONEY STOLEN FROM TOPEKA NON-PROFIT

Other indictments by federal grand jury: Environmental violations, drug trafficking, immigration violations

TOPEKA, KAN. – **Michael W. Slayton**, 48, Tecumseh, Kan., is charged with three counts of tax evasion, three counts of failure to account for and pay withholding and F.I.C.A taxes, and three counts of filing false federal tax returns. The crimes are alleged to have occurred at various times in 2002, 2003 and 2004 in Shawnee County, Kan.

According to the indictment:

From 1999 through 2004 Slayton embezzled \$238,097 from Designs 4 Life, a non-profit corporation in Topeka that was created to assist families requiring in-home care providers for special-needs individuals. The company acted as a Medicaid billing agent and a payroll agent for care providers. Slayton was the co-founder and director of operations, controlling all the company's financial matters.

Slayton and his company billed Medicaid for care providers' services, and then paid the money out to the providers, minus a percentage as administrative costs.

Slayton issued Form W-2 statements for himself that failed to include the amount he embezzled. He would have owed \$44,478.10 in taxes on the embezzled amount.

To conceal his embezzlement, Slayton provided false information on Form 941 Federal Quarterly Employment Tax Returns, which report the total wages and employment taxes to be withheld by an employer and paid to the Internal Revenue Service. He under-reported \$115,856 in employment taxes and failed to pay \$194,405 in employment taxes.

Upon conviction, the alleged crimes carry the following penalties:

- Tax evasion: A maximum penalty of 5 years in federal prison and a fine up to \$250,000 on each count.
- Failure to account for and pay withholding and FICA taxes: A maximum penalty of 5 years in federal prison and a fine up to \$250,000 on each count.
- False tax returns: A maximum penalty of 3 years in federal prison and a fine up to \$250,000 on each count.

The Internal Revenue Service investigated. Assistant U.S. Attorney Christine Kenney is prosecuting.

OTHER INDICTMENTS

A grand jury meeting in Topeka Wednesday also returned the following indictments: