



***United States Attorney
District of New Jersey***

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**FORMER OWNER OF PAYROLL SERVICES COMPANY ARRAIGNED ON
INDICTMENT CHARGING FOUR WITH \$3 MILLION TAX FRAUD**

TRENTON, N.J. – A certified public accountant and former partner and part-owner of payroll services company Total Time Solutions, LLC (“TTS”) was arraigned today on a three-count Indictment charging him with wire fraud for allegedly defrauding the company’s clients out of millions of dollars of payroll tax payments that were never turned over to the IRS, U.S. Attorney Paul J. Fishman announced.

Mark Holzwanger, 50, of Forest Hills, N.Y., is charged along with two other former owners of TTS: Andrew Muhlstock, 57, of Teaneck, N.J. and Stephen Guthartz, 45, of New York, N.Y. Russell Speranza, 55, of Bellmore, N.Y., is also charged.

Holzwanger appeared before United States District Judge Joel A. Pisano in Trenton federal court and was released on a \$100,000 bond. The other three defendants are scheduled to be arraigned on the charges on a date to be determined.

According to the Indictment:

The four defendants engaged in a scheme to defraud TTS clients from January 2002 through November 2005. Holzwanger and Muhlstock – both certified public accountants – and Guthartz were principals in TTS; Speranza was an employee of an accounting firm owned by Holzwanger and Muhlstock and was involved in TTS operations.

TTS was a payroll company that handled payroll and tax withholding services for its clients, including numerous private entities located in New Jersey. In that capacity, TTS received money from those entities and was responsible for issuing payments to the IRS and making payments to the employees of those entities on behalf of their clients.

Instead of using money withdrawn from TTS clients’ bank accounts for the payment of payroll taxes, the defendants used it to fund the operating expenses of TTS. To conceal this fact from the clients, the defendants used payroll tax money withdrawn from TTS clients’ accounts to pay the payroll taxes of other TTS clients, and caused false tax returns to be sent to clients stating that the payroll taxes had been paid. By November 2005, TTS had failed to turn over more than \$3 million to the IRS.

The defendants are charged with three counts of wire fraud. If convicted, each defendant faces a maximum potential penalty per count of 20 years in prison and a fine of \$250,000, or

twice the gross gain or loss from the offense.

U.S. Attorney Fishman credited the Office of the Treasury Inspector General for Tax Administration, under the direction of Inspector General J. Russell George, and Internal Revenue Service – Criminal Investigation, under the direction of Special Agent in Charge Victor W. Lessoff, with the investigation leading to the Indictment.

The government is represented by Assistant U.S. Attorneys Harvey Bartle and Eric Schweiker of the U.S. Attorney’s Office Criminal Division in Trenton.

The charges and allegations contained in the Indictment are merely accusations, and the defendants are considered innocent unless and until proven guilty.

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Defense counsel:

Holzwanger: Julian Schreiber, Esq., New York, N.Y.

Muhlstock: Edward V. Sapone, Esq., New York, N.Y.

Guthartz: David Smith, Esq., Uniondale, N.Y.

Speranza: Mark J. Heller, Esq., New York, N.Y.