

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
402 East State Street, Room 430
Trenton, New Jersey 08608



Paul J. Fishman, U.S. Attorney

More Information? Contact the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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Assistant U.S. Attorney
PETER N. KATZ
609-989-0565

sche0312.rel
FOR IMMEDIATE RELEASE
March 12, 2010

Owner of Defunct Payroll Services Company Sentenced to
30 Months in Prison for Embezzlement of \$2.65 Million in
FICA Taxes

(More)

Public Affairs Office
<http://www.njusao.org>

973-645-2888

Breaking News (NJ) <http://www.usdoj.gov/usao/nj/press/index.html>

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Schechter, along with Stockton and others, intentionally filed and cause to be filed numerous false IRS Form 941s which indicated that the victim clients were responsible for paying only a fraction of the tax actually due, the pair admitted. Both admitted that he and other employees and principals did not forward to the IRS the actual amount of payroll tax for each victim as contractually required and instead kept the money in OBS accounts to be used for illegal purposes.

Stockton agreed that the total amount of money improperly withheld by him from payment to the IRS was \$1.8 million.

In determining the actual sentences, Judge Wolfson consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents of the IRS Criminal Investigation, under the direction of Acting Special Agent in Charge William Offord, and Treasury Inspector General for Tax Administration, Washington, DC Field Division, under the direction of Special Agent in Charge Martin Kenney, with investigation of the case.

The Government is represented by Assistant U.S. Attorney Peter N. Katz, of the U.S. Attorney's Criminal Division in Trenton.

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