



deposited with an authorized financial institution or Federal Reserve Bank, at intervals that depend upon the amounts withheld.

4. The Internal Revenue Code requires employers to report the quarterly amount of payroll taxes on an Employer's Quarterly Federal Tax Return, IRS Form 941. The IRS Form 941 is required to be filed quarterly, one month after the end of each calendar quarter.

5. The Internal Revenue Code requires employers to report the total payments to all employees in a calendar year on an Employer's Annual Federal Unemployment (FUTA) Tax Return, IRS Form 940. The IRS Form 940 is required to be filed annually, one month after the conclusion of the calendar year.

6. From in or around January 2005, through in or around July 2009, Jayton Stinson Connexx Staffing & Janitorial Service operated as a sole proprietorship ("the sole proprietorship") under the direction and control of **MARK STINSON** and **JAYTON STINSON**. From in or around July 2009 through in or around December 2011, Connexx Staffing Services, LLC operated as a limited liability company ("the LLC") under the direction and control of **MARK STINSON** and **JAYTON STINSON**. From in or around January 2012, through in or around March 2012, Complete Employment Agency, Inc. ("CEA") operated as a corporation under the direction and control of **MARK STINSON** and **JAYTON STINSON**. From in or around June 2013 through in or around September 2015, Conexx Staffing Services, Inc. ("the corporation"), operated as a corporation under the direction and control of **MARK STINSON** and **JAYTON STINSON**. The sole proprietorship, the LLC, CEA, and the corporation were in essence the same company,

with the same line of business, substantially the same customers, and the same individuals in control, namely **MARK STINSON** and **JAYTON STINSON**, and therefore the sole proprietorship, the LLC, CEA, and the corporation are collectively referred to in this indictment as "the staffing company" except where it is necessary to refer to each individually.

7. The staffing company provided temporary staffing services to businesses in Shelby County, Tennessee and elsewhere.

8. With respect to the staffing company, **MARK STINSON** and **JAYTON STINSON** each had a duty to collect, account for, and pay over to the IRS the withheld payroll taxes.

9. The staffing company's standard contract with its customers included provisions acknowledging the staffing company's responsibility to withhold and pay over payroll taxes for the employees of the staffing company.

10. Factoring is a form of commercial lending in which credit is extended to a borrower based on the amount due and payable to the borrower from the borrower's customers. In a factoring lending arrangement, the borrower's customers make payments for services directly to the factoring lender, rather than to the borrower.

**COUNT 1**  
**(CONSPIRACY TO DEFRAUD THE UNITED STATES)**

1. Paragraphs 1 through 10 of the Introduction of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. Between in or around January 2005 and in or around January 2015, in the Western District of Tennessee, and elsewhere, the defendants,

**MARK STINSON and JAYTON STINSON**

did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, and agree together and with other individuals both known and unknown to the Grand Jury to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of the revenue: to wit, payroll taxes.

**MANNER AND MEANS OF THE CONSPIRACY**

3. The manner and means of the conspiracy were in substance as follows:

A. In order to impede IRS collection efforts, It was part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did fail to timely file IRS Forms 941, as required by law, and file false IRS Forms 941.

B. In order to impede IRS collection efforts, it was further part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did fail to pay over \$2.8 million in payroll taxes due from the staffing company to the IRS, as required by law, despite withholding payroll taxes from the wages of the employees of the staffing company.

C. In order to impede IRS collection efforts, it was further part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did use funds that could have been used to pay the staffing company's payroll taxes to instead continue operating the staffing company and fund expenditures for the benefit of **MARK STINSON** and **JAYTON STINSON**.

D. In order to impede IRS collection efforts, it was further part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did make false statements to representatives of the IRS about **MARK STINSON** and **JAYTON STINSON**'s control of the staffing company and their knowledge of their responsibility to truthfully account for and pay over payroll taxes.

E. In order to impede IRS collection efforts, it was further part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did, after accumulating payroll tax liabilities under the name of one business entity, transfer operations to a new business entity.

F. In order to impede IRS collection efforts, it was further part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did place the staffing company's business operations in the names of nominees who in reality had no control over such operations.

G. In order to impede IRS collection efforts, it was further part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did, after the IRS placed a levy on customer payments to the staffing company, enter into a factoring agreement.

H. In order to impede IRS collection efforts, it was further part of the conspiracy that **MARK STINSON** and **JAYTON STINSON** would and did perform acts and make statements to hide and conceal, and cause to be hidden and concealed, the purpose of the conspiracy and the acts committed in furtherance thereof.

**Overt Acts**

4. In furtherance of the conspiracy and to effect the objects of the conspiracy, the following overt acts, among others, were committed in the Western District of Tennessee and elsewhere:

A. Between in or around January 2005 and in or around January 2015, **MARK STINSON** and **JAYTON STINSON** failed to truthfully account for and pay over payroll taxes due to the United States by failing to timely file IRS Forms 941, filing false IRS Forms 941, and failing to pay over withheld payroll taxes.

B. Between in or around January 2009 and in or around March 2011, **MARK STINSON** and **JAYTON STINSON** used funds of the staffing company to make monthly payments for multiple personal vehicles, including a Mercedes-Benz and a Cadillac Escalade.

C. Between in or around July 2009 and in or around April 2012, **MARK STINSON** and **JAYTON STINSON** used funds of the staffing company to make monthly payments for their personal mortgage.

D. Between in or around August 2009 and in or around February 2012, **MARK STINSON** and **JAYTON STINSON** used funds of the staffing company to make private school tuition payments for their children.

E. On or about November 17, 2009, **MARK STINSON** and **JAYTON STINSON** falsely stated to a Tax Compliance Officer that they did not know of their duty to pay over payroll taxes for the staffing company.

F. On or about November 17, 2010, **MARK STINSON** and **JAYTON**

**STINSON** filed IRS Forms 941 with the IRS for multiple quarters of 2008 and an IRS Form 940 for the 2008 tax year, all of which falsely understated the amounts of wages paid by the staffing company to employees and the amounts of payroll taxes due and owing.

G. On or about October 24, 2011, after being notified of the IRS's intent to levy a staffing company bank account due to unpaid payroll taxes, **MARK STINSON** and **JAYTON STINSON** opened and used a new staffing company bank account ending in x5299.

H. In or around December 2011, after the IRS began levying payments from customers of the staffing company in order to satisfy outstanding payroll tax liabilities, **MARK STINSON** and **JAYTON STINSON** arranged for future customer payments to be made through a factoring company, L.F.C., rather than to the staffing company directly.

I. In or around December 2011, **MARK STINSON** and **JAYTON STINSON** caused to be forged the signature of A.S. on the factoring agreement with L.F.C., falsely indicating that A.S. was the CEO of the staffing company and that A.S. had signed the factoring agreement on behalf of the staffing company.

J. In or around December 2011, **MARK STINSON** and **JAYTON STINSON** caused to be forged the signature of A.S. on an account gauranty letter addressed to L.F.C., falsely indicating that A.S. had signed the letter on behalf of the staffing company.

K. In or around January 2012, **MARK STINSON** and **JAYTON STINSON** transferred the staffing company's business operations from the LLC

to CEA.

L. On or about January 18, 2012, **JAYTON STINSON** directed C.H., to open a bank account and P.O. Box in the name of C.H.

M. On or about January 23, 2012, **MARK STINSON** and **JAYTON STINSON** caused to be removed the name of **MARK STINSON** as the registered agent for CEA and caused it to be replaced with the name of T.M., without the knowledge and/or consent of T.M.

N. On or about January 25, 2012, **MARK STINSON** and **JAYTON STINSON** falsely identified C.H. as the staffing company's president on a bank account signature card.

O. On or about April 2, 2012, **MARK STINSON** and **JAYTON STINSON** did cause to be filed an IRS Form 941, Employer's Quarterly Federal Tax Return, for the first quarter of 2012, that falsely identified A.S. as the signatory party and manager of the staffing company.

P. On or about June 6, 2012, **MARK STINSON** and **JAYTON STINSON** falsely stated to an IRS Revenue Officer that they did not control CEA.

Q. In or around June 2012, **MARK STINSON** and **JAYTON STINSON** submitted, under penalty of perjury, a false IRS Form 433-A that failed to disclose the existence of a bank account they controlled.

R. From on or about October 1, 2014 through on or about January 31, 2015, **MARK STINSON** and **JAYTON STINSON** withheld payroll taxes from the



staffing company's employees, but failed to truthfully account for and pay over said payroll taxes as required by law.

All in violation of Title 18, United States Code, Section 371.

**COUNTS 2 - 6**  
**(FAILURE TO COLLECT, TRUTHFULLY ACCOUNT FOR, AND PAY OVER**  
**PAYROLL TAXES – THE LLC)**

1. Paragraphs 1 through 10 of the Introduction of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about the offense dates listed below, in the Western District of Tennessee, and elsewhere, the defendants,

**MARK STINSON and JAYTON STINSON**

did willfully fail to truthfully account for and pay over to the IRS the FICA and federal income taxes due and owing to the United States of America from the total taxable wages of the LLC's employees for the amounts and for each quarter listed below in counts two through four, respectively.

<u>COUNT</u>	<u>OFFENSE DATE</u>	<u>ENTITY</u>	<u>QUARTER ENDING</u>	<u>TOTAL AMOUNT REQUIRED TO BE ACCOUNTED FOR AND PAID OVER</u>
2	July 31, 2011	LLC	June 30, 2011	\$58,202.62
3	October 31, 2011	LLC	September 30, 2011	\$28,420.09
4	January 31, 2012	LLC	December 31, 2011	\$27,564.29
5	April 30, 2012	CEA	March 31, 2012	\$9,236.10

6	January 31, 2015	Corporation	December 31, 2014	\$33,372.98
---	------------------	-------------	-------------------	-------------

All in violation of Title 26, United States Code, Section 7202.

**COUNTS 7 - 11**  
**(FALSE STATEMENTS ON A TAX DOCUMENT)**

1. Paragraphs 1 through 10 of the Introduction of this indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about the dates listed below, in the Western District of Tennessee, and elsewhere, the defendant,

**MARK STINSON**

did willfully make and subscribe a tax return that was false as to a material matter, in that it substantially underreported wages and payments to employees, as set out below. Each return was verified by a written declaration that it was made under penalties of perjury, and **MARK STINSON** did not then believe each return be true and correct as to every material matter.

<u>COUNT</u>	<u>OFFENSE DATE</u>	<u>TAX FORM</u>	<u>TIME PERIOD</u>	<u>FALSE ITEM</u>	<u>AMOUNT REPORTED</u>
7	November 17, 2010	IRS Form 941	1 <sup>st</sup> Quarter – 2008	Line 2: Wages, Tips and Other Compensation	\$256,317.15
8	November 17, 2010	IRS Form 941	2 <sup>nd</sup> Quarter – 2008	Line 2: Wages, Tips and Other Compensation	\$228,777.75
9	November 17, 2010	IRS Form 941	3 <sup>rd</sup> Quarter – 2008	Line 2: Wages, Tips and Other Compensation	\$302,700.85

10	November 17, 2010	IRS Form 941	4 <sup>th</sup> Quarter – 2008	Line 2: Wages, Tips and Other Compensation	\$344,753.24
Eleven	November 17, 2010	IRS Form 940	2008 Calendar Year	Line 3: Total Payments to All Employees	\$1,144,471.44

All in violation of Title 26, United States Code, Section 7206(1).

**COUNT 12**  
**(THEFT OF GOVERNMENT FUNDS)**

1. Paragraphs 1 through 10 of the Introduction of this indictment are realleged and incorporated by reference as if fully set forth herein.
2. On or about February 21, 2013, in the Western District of Tennessee and elsewhere, **MARK STINSON**, did steal, purloin, and knowingly convert to his own use and the use of another, money of the United States, that is, a federal personal income tax refund in excess of \$1,000 for A.S. for the 2012 tax year.

All in violation of Title 18, United States Code, Section 641.

**COUNT 13**  
**(AGGRAVATED IDENTITY THEFT)**

1. Paragraphs 1 through 10 of the Introduction of this indictment are realleged and incorporated by reference as if fully set forth herein.
2. Paragraph 2 of Count 12 of this indictment is realleged and incorporated by reference as if fully set forth herein.

3. On or about February 21, 2013, in the Western District of Tennessee and elsewhere, **MARK STINSON**, during and in relation to the offense described in Count 12 of this indictment, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, namely, the name and social security number of J.S., a minor, to commit theft of government funds in violation of Title 18, United States Code, Section 641.

All in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

**A TRUE BILL:**

  
**FOREPERSON**

DATE: November 10, 2016

  
**EDWARD L. STANTON III**  
**UNITED STATES ATTORNEY**