

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	Case No. 1:18-CR-13
)	
v.)	<u>Counts 1 - 13</u> : 26 U.S.C. § 7202
)	(Willful Failure to Account For
MICHAEL J. RAGSDALE,)	And Pay Over Tax)
)	
Defendant.)	

INDICTMENT

January 2018 Term - at Alexandria, Virginia

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

Unless otherwise noted, at all times relevant to this indictment:

1. Defendant MICHAEL J. RAGSDALE (“RAGSDALE”) resided in Ashburn, Virginia, within the Eastern District of Virginia.
2. The Internal Revenue Service (“IRS”) was an agency of the United States Department of the Treasury responsible for administering the federal tax laws of the United States, and collecting taxes owed to the United States.
3. The Internal Revenue Code, Title 26, United States Code, requires employers to withhold from employees’ gross pay Federal Insurance Contribution Act (“FICA”) taxes, which represent Social Security and Medicare taxes, and federal income taxes, and to account for and pay the withheld taxes to the IRS on a quarterly basis, but no later than the last day of the month following the end of the quarter.

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

5. In or around 2008, RAGSDALE incorporated BLLM, Inc. in the Commonwealth of Virginia. BLLM, Inc. did business under the trade name "Foreign Service Auto," and operated an automotive service business in McLean, Virginia, within the Eastern District of Virginia. BLLM Inc.'s registered office was the residence of RAGSDALE in Ashburn, Virginia.

6. RAGSDALE owned, operated, and served as the president and registered agent of BLLM, Inc. RAGSDALE also exercised decision-making authority over BLLM, Inc.'s business activities and significant, if not exclusive, control over BLLM, Inc.'s financial affairs. From no later than 2010 through at least 2014, RAGSDALE was a person responsible for collecting, accounting for, and paying over BLLM, Inc.'s employees' withheld FICA and federal income taxes to the IRS.

7. From on or about October 1, 2011 through on or about December 31, 2014, BLLM, Inc. withheld a total of approximately \$112,000 in FICA and federal income taxes from its employees' paychecks. Nevertheless, BLLM, Inc. neither filed Forms 941 nor paid over to the IRS the FICA and federal income taxes withheld from its employees for that time period.

COUNTS 1 – 13

(Willful Failure to Account For And Pay Over Tax)

8. Paragraphs 1 through 7 of this Indictment are realleged and incorporated by reference as though set forth in full herein.

9. On or about the dates listed below, in the Eastern District of Virginia,

MICHAEL L. RAGSDALE,

defendant herein, 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 on behalf of the employees of BLLM, Inc. for each quarter listed below, with each calendar quarter constituting a separate count of this Indictment:

<u>Count</u>	<u>Quarter Ending</u>	<u>Due Date of Form 941</u>	<u>Approx. Amount Required to be Accounted for and Paid Over</u>
1	12/31/2011	1/31/2012	\$8,759.08
2	3/31/2012	4/30/2012	\$6,335.55
3	6/30/2012	7/31/2012	\$6,993.18
4	9/30/2012	10/31/2012	\$9,276.05
5	12/31/2012	1/31/2013	\$12,336.38
6	3/31/2013	4/30/2013	\$6,814.67
7	6/30/2013	7/31/2013	\$10,643.96
8	9/30/2013	10/31/2013	\$10,591.28
9	12/31/2013	1/31/2014	\$9,189.90
10	3/31/2014	4/30/2014	\$7,642.62
11	6/30/2014	7/31/2014	\$9,859.44
12	9/30/2014	10/31/2014	\$8,385.52
13	12/31/2014	1/31/2015	\$5,197.46

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

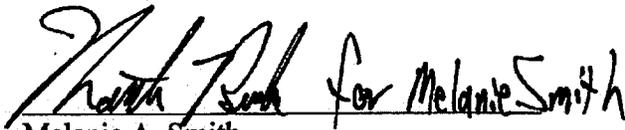
A TRUE BILL
Pursuant to the E-Government Act,
the original of this page has been filed
under seal in the Clerk's Office.

FOREPERSON OF THE GRAND JURY

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