



The United States Attorney's Office

Southern District of Texas

News Release

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OWNER OF EXCLUSIVE TEMPORARIES, INC. PLEADS GUILTY TO TAX EVASION

(HOUSTON, Texas) -- Priscilla Ann Clues, the owner of Exclusive Temporaries, Inc, has pleaded guilty to intentionally failing to pay more than \$1 million in employment taxes withheld from employee paychecks, United States Attorney Tim Johnson announced today.

At a hearing before United States District Court Judge Lynn N. Hughes today, Clues pleaded guilty to one count of tax evasion involving the employment taxes of Exclusive Temporaries, Inc., for the fourth quarter of 2000, in violation of Title 26, United States Code, Section 7201. The employment taxes, according to the indictment filed in the case, included the federal income taxes and the FICA and Medicare withholdings that Exclusive Temporaries, Inc., had withheld from the employees' paychecks, and the required employer's matching portion of the withheld FICA and Medicare taxes.

According to the factual basis in the plea agreement executed by Clues today in open court, Clues was the sole owner and operator of Exclusive Temporaries, Inc., for the years listed in the indictment. Clues did not file the required quarterly federal employment tax returns, IRS forms 941, for Exclusive Temporaries, Inc., for years 1999 through 2002 and for year 2004 and did not pay the required employment taxes for any quarters in those years except for a few partial payments during 1999 and owed the IRS \$1.4 million in employment taxes.

The plea agreement further states that Clues filed the required quarterly IRS tax returns for Exclusive Temporaries, Inc., for all quarters in 2003 while the corporation was under an employment tax audit by the IRS.

During the civil audit and the criminal investigation, Clues gave IRS agents copies of all of the quarterly IRS employment tax returns purportedly filed for all quarters in years 1999, 2000, 2001, 2002, and 2004 and untruthfully claimed all such returns had been timely filed. Clues also gave IRS agents copies of the front sides of several checks drawn on the corporation's bank account to the order of the IRS and again untruthfully claimed she had sent these checks to the IRS to pay the employment taxes owed for several of the quarters listed in the indictment. The checks in question were never received by the IRS and were never paid by the corporation's bank. Instead, during the IRS audit, Clues wire-transferred approximately \$1.3 million of the corporation's funds out of the United States in order to avoid paying the employment taxes owed.

"Employees have a right to expect their withheld employment taxes, which fund future benefits will be paid by their employer, " said Rodney E. Clarke, Special Agent in Charge of the Houston Field Office. "The IRS-Criminal Investigation Division takes this type of offense

seriously and will continue its efforts to protect employees by rooting out employers who violate the tax laws.”

Clues faces a maximum of five years of imprisonment and a \$250,000 fine for the tax evasion conviction. Additionally, per the terms of the plea agreement, Clues has also agreed to pay restitution in the amount of approximately \$1.4 million to the IRS. Sentencing has been set for May 3, 2010. Clues was permitted to continue on bond pending that proceeding.

The investigation leading to the charges against Clues was conducted by the IRS Criminal Investigation Division and is being prosecuted by Assistant U.S. Attorney Charles J. Escher.

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