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Virginia Business Owner Pleads Guilty to Failing to Pay Employment Taxes

RICHMOND, Va. – Richard A. Long, age 58, of Midlothian, Virginia, pleaded guilty to failing to truthfully account for and pay over employment taxes. He faces up to five years in prison and a \$250,000 fine when he is sentenced by United States District Judge John A. Gibney on January 7, 2015.

Dana J. Boente, United States Attorney for the Eastern District of Virginia; Ron Cimino, Deputy Assistant Attorney General for Criminal Matters, Tax Division; and Thomas J. Kelly, Special Agent in Charge, IRS Criminal Investigation, Washington D.C. Field Office, announced the plea.

According to a Statement of Facts filed with the plea agreement, Long acknowledged that he owned, operated, and was the president of Mercedes-Volvo Service Center, a Virginia-based automotive repair business specializing in high-end vehicles. He was the person responsible for collecting, truthfully accounting for, and paying federal income, Social Security, and Medicare taxes for his employees. Long admits that from 2007 through the first quarter of 2013 he paid employees of Mercedes-Volvo Service Center net wages subject to federal taxes totaling \$1,334,418.54. Instead of making the required \$328,952.21 in estimated tax payments to the IRS with the federal taxes that he had withheld from employees' paychecks, he kept the funds and failed to pay the IRS the taxes due. Even though Long never paid these federal taxes to the IRS, he annually issued himself and his employees IRS Forms W-2 that reflected the federal tax withholdings.

This case is being investigated by special agents of IRS – Criminal Investigation and is being prosecuted by Special Assistant United States Attorneys Rebecca Perlmutter and Todd Kostyshak, both of whom are trial attorneys with the DOJ Tax Division, and with the assistance of the U.S. Attorney's Office.

A copy of this press release may be found on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information may be found on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 3:14-cr-117. More information about the Tax Division and its enforcement efforts can be found at www.justice.gov/tax.

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