



Department of Justice

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IOWA BUSINESSMAN PLEADS GUILTY TO FAILING TO PAY EMPLOYMENT TAXES

WASHINGTON—A Forest City, Iowa, businessman pleaded guilty today in federal court to failing to pay employment taxes, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department’s Tax Division and U.S. Attorney Kevin W. Techau of the Northern District of Iowa.

Darrell Smith, 60, was charged in an indictment in January 2016 with multiple counts of willfully failing to collect, truthfully account for and pay federal employment taxes that were withheld from the wages of employees of Permeate Refining Inc., an ethanol-production business in Hopkinton, Iowa.

“Today’s plea reaffirms our commitment to prosecuting employers who willfully fail to comply with their employment tax obligations,” said Acting Assistant Attorney General Ciralo. “Working with our law enforcement partners in the Internal Revenue Service (IRS), the Department of Justice will continue to vigorously investigate and prosecute those who seek to cheat the U.S. Treasury and gain an unfair advantage over their competitors.”

“Mr. Smith’s attempt to dodge his legal obligation to account for and pay employment taxes did not go unchecked, and he will now be held accountable for his criminal conduct,” said U.S. Attorney Techau.

At his guilty plea hearing, Smith admitted that he collected and willfully failed to account for and pay over to the IRS \$85,267 for the second quarter of 2012. A sentencing date has not yet been set. Smith faces a statutory maximum sentence of five years in prison as well as a term of supervised release and monetary penalties. Smith’s co-defendant [Randy Less](#) pleaded guilty on June 14 to failing to pay employment taxes and violating the Clean Water Act.

Acting Assistant Attorney General Ciralo and U.S. Attorney Techau thanked special agents of IRS-Criminal Investigation, the FBI, the U.S. Postal Inspection Service and the U.S. Environmental Protection Agency, who investigated the case and Assistant U.S. Attorney Tim Vavricek of the Northern District of Iowa and Trial Attorney Matthew Hoffman of the Tax Division, who are prosecuting the case.

Additional information about the Tax Division's Employment Tax Enforcement efforts may be found [here](#).

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