

**UNITED STATES ATTORNEY'S OFFICE  
Western District of Washington**



May 5, 2008

**SNOHOMISH WOMAN INDICTED FOR FAILING TO  
PAY WITHHELD EMPLOYEE EMPLOYMENT AND  
INCOME TAXES  
Indictment Alleges Flooring Company Owner Failed  
to Pay more than \$300,000 to IRS**

LYNDA J. MEAD, 50, of Snohomish, Washington, made her initial appearance this afternoon in U.S. District Court in Seattle on an indictment charging her with eight counts of Willful Failure to Pay Over Tax. MEAD, the owner and operator of CM Flooring, Inc. and Carl Mead Flooring Design, is alleged to have failed to pay to the IRS some \$357,000 that had been withheld from employee paychecks. The money was for the trust fund portion (Social Security and Medicare) of the federal employment tax and for federal income taxes. MEAD entered a plea of "not guilty" in front of Magistrate Judge James Donohue. Trial is scheduled in front of U.S. District Judge Ricardo S. Martinez on July 14, 2008. MEAD is being held at the Federal Detention Center at SeaTac pending a detention hearing on Wednesday May 7, 2008.

According to the indictment filed in the case, MEAD operated the flooring company under the name CM Flooring, Inc or Carl Mead Flooring Design from July 1998, to December 2006. Over that time period MEAD withheld \$357,000 from employee pay, but never paid the funds to the Internal Revenue Service. At one point in 2005, after being contacted by the IRS, MEAD filed some of the forms related to the withheld funds, but never made payment to the IRS.

"Willfully failing to pay over employee withholding taxes to the Internal Revenue Service by employers is not only criminal, it is detrimental to their employees," said Kenneth J. Hines, the IRS Special Agent in Charge of the Pacific Northwest. Not doing so prevents employees from being rightfully credited with the tax payments, which could steal their future financial benefits such as Social Security and Medicare."

Willful Failure to Pay Over Tax is punishable by up to five years in prison and a \$10,000 fine.

The charges contained in the indictment are only allegations. A person is presumed innocent unless and until he or she is proven guilty beyond a reasonable doubt in a court of law.

The case is being investigated by Internal Revenue Service Criminal Investigation (IRS-CI).

The case is being prosecuted by Assistant United States Attorney Tessa Gorman.

For additional information please contact Emily Langlie, Public Affairs Officer for the United States Attorney's Office, at (206) 553-4110.