

The United States Attorney's Office

Southern District of Florida

Press Release

PALM BEACH COUNTY LANDSCAPER SENTENCED ON TAX FRAUD CHARGES

April 18, 2007

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Michael Yasofsky Jr., Special Agent in Charge, Internal Revenue Service, Criminal Investigation, Miami Field Office, announced today's sentencing of defendant **Warren Kowalsky**, of Delray Beach, to two years' and one day imprisonment. Kowalsky had previously pled guilty in December 2006 to one count of payroll tax evasion, in violation of Title 26 U.S.C. Section 7202.

As charged in the Information, and as the Court found at sentencing, defendant Kowalsky was the sole shareholder and owner of Custom Property Services, Inc. ("Custom"), a corporation that was engaged in the landscaping and lawn maintenance business and specialized in large commercial and municipal contracts. Between January, 2000 through December, 2002, Custom employed at least 20 employees per quarter. Corporations which have employees are required to file Employer Quarterly Tax Returns (Form 941) with the IRS reporting the taxes withheld from each employee's paycheck based on each employee's income, as well as taxes owed on that income pursuant to the Federal Insurance Contributions Act ("FICA"), and to make deposits to the IRS of all such taxes. FICA taxes are used to fund federal programs for retirees, the disabled, and children of deceased workers, and support Social Security and Medicare.

As the sole shareholder and owner of Custom, defendant Kowalsky was required to collect and truthfully account for and pay over to the IRS all income taxes withheld as well as all FICA taxes owed on each employee's income. On or about April 30, 2002, defendant Kowalsky failed to collect and truthfully account for and pay over FICA taxes owed on the wages of Custom employees due and owing to the United States of America for the quarter ending March 30, 2002.

In addition to a term of imprisonment, Kowalsky was ordered to pay \$140,852.19 in restitution to the IRS and to a term of three years of supervised release. As conditions of supervised release, Kowalsky was also ordered, among other things, to cooperate fully with the Internal Revenue Service. Prior to the sentencing, Kowalsky paid his restitution in full to the IRS.

Mr. Acosta commended the investigative efforts of the Internal Revenue Service. The case was prosecuted by Assistant United States Attorney Carolyn Bell.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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