



FOR IMMEDIATE RELEASE  
FRIDAY, JULY 23, 2007  
WWW.USDOJ.GOV/USAO/MA

CONTACT: CHRISTINA DI IORIO-STERLING  
PHONE: (617)748-3356  
E-MAIL: USAMA.MEDIA@USDOJ.GOV

PAYROLL TAX PREPARER PLEADS GUILTY TO STEALING CLIENTS' FUNDS, LYING TO IRS

BOSTON, MA - A Groton man who ran a payroll preparations service was convicted late Friday in federal court of stealing his clients' funds that he was supposed to pay to the IRS.

United States Attorney Michael J. Sullivan and Douglas A. Bricker, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation - Boston Field Office, announced today that MICHAEL R. THORPE, age 60, of 452 Longley Road, Groton, pleaded guilty to an 8-count information with wire fraud, filing false tax returns, and aiding in the preparation of false tax returns.

At the plea hearing, the prosecutor told the Court that had the case proceeded to trial the Government's evidence would have proven that THORPE skimmed over \$1 million from various clients of Payroll Express, a payroll service company that he ran in Chelmsford, Massachusetts. According to the prosecutor, clients had given Payroll Express funds to pay their quarterly employment taxes to the IRS. THORPE would then divert the skimmed funds to finance another business that he operated, and then file documents with the IRS falsely indicating that the clients' quarterly employment taxes had been paid in full. Finally, according to the prosecutor, THORPE failed to disclose the skimmed funds on his own individual tax returns.

Sentencing is scheduled for November 7, 2007. THORPE faces up to 20 years imprisonment, to be followed by 3 years of supervised release, and a \$250,000 fine.

The case was investigated by the Internal Revenue Service, Criminal Investigations - Boston Field Office. It is being prosecuted by Assistant U.S. Attorney S. Waqar Hasib of Sullivan's Economic Crimes Unit.

###