

Massachusetts Businessman Sentenced to Prison for Tax Evasion and Conspiracy to Obstruct and Impede the IRS

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A federal judge in Boston **sentenced** Gary Alcock today to 14 months in prison for tax evasion, for conspiring to defraud the United States, and for willfully failing to file tax returns, the Justice Department and Internal Revenue Service (IRS) announced. U.S. District Judge F. Dennis Saylor also ordered Gary Alcock to pay restitution in the amount of \$515,518. Alcock pleaded guilty to the charges on Dec. 9, 2011, and provided substantial assistance to the government in prosecuting the case against the remaining defendants, which Judge Saylor cited, among other factors, as a basis for a reduced **sentence**.

Alcock, a resident of Westborough, **Mass.**, testified at a trial of three defendants which resulted in guilty verdicts rendered by a federal jury on April 2, 2012. The jury convicted Charles Adams of Norwood, **Mass.**, as well as Catherine Floyd and William Scott Dion, both of Sanbornville, N.H., for conspiracies to defraud the United States through the promotion and use of multiple tax fraud schemes. The jury convicted all three of conspiracy to defraud the IRS by promoting an "under the table" payroll scheme doing business as Contract America. Dion and Floyd were also convicted for conspiracy to defraud the IRS through the use of an "underground warehouse banking" scheme designed to conceal subscriber income and assets from the IRS.

Gary Alcock was a subscriber to the services of Dion, Floyd and Adams. According to the information presented in court, Alcock owned and operated a trash hauling business called GandK Trucking, as well as a landscaping business called Bark, Mulch and Loam in Shrewsbury, **Mass.** Between 2001 and 2004, Alcock employed the banking and nominee services of Dion and Floyd to set up a nominee company called "Alex Management" to divert and hide business receipts, to help his businesses fraudulently "disappear" on paper, and, thus, to evade IRS assessments and IRS collection activity. Alcock further used the services of Contract America, run by Adams, Dion and Floyd, in order to pay his employees "under the table" without withholding and paying over Social Security, Medicare and income taxes.

Judge Saylor previously **sentenced** Dion to seven years in prison, Floyd to five years in prison, and Adams to four years in prison for promoting these schemes.

In August 2009, Alcock, along with Dion, Floyd, Adams and three other individuals, were indicted for the promotion and use of these schemes. On Dec. 9, 2011, prior to trial, Gail and Myron Thorick of West Warwick, R.I., pleaded guilty to conspiring to defraud the United States by helping operate the "warehouse banking" scheme, and for filing false tax returns. On Jan. 24, 2012, Kenneth Scott Alcock, Gary Alcock's brother, pleaded guilty to conspiracy relating to the payroll scheme and to one count of tax evasion. The Thoricks and Kenneth Scott Alcock await **sentencing** in November.

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Kathryn Keneally, Assistant Attorney General for the Justice Department's Tax Division, and Carmen M. Ortiz, U.S. Attorney for the District of **Massachusetts**, commended the efforts of special agents of IRS - Criminal Investigation, who investigated the case. Tax Division Assistant Chief John N. Kane, former Tax Division Trial Attorney Jeffrey Shih, and Assistant U.S. Attorney Victor A. Wild prosecuted the case.

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Tax Division

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