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NEWS RELEASE

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ST. MARY'S, KANSAS, MAN CONVICTED OF WILLFULLY FAILING TO PAY FEDERAL EMPLOYMENT TAXES AND WILLFULLY FAILING TO FILE FEDERAL INDIVIDUAL INCOME TAX RETURNS

TOPEKA, Kan. – United States Attorney Eric Melgren announced that **David G. Pflum**, 58, St. Mary's, Kansas, was convicted on August 30, 2004, in U.S. District Court in Topeka, Kansas, following a four day jury trial. Pflum was convicted of eight counts of willfully failing to collect and pay federal employment taxes and three counts of willfully failing to file federal individual income tax returns.

Melgren stated that according to evidence presented at trial, Pflum, owner of Coil Springs Specialties, a business in St. Mary's, Kansas, paid approximately \$363,435 in wages from January 1, 1998, through December 31, 1999, and willfully failed to collect and pay to the Internal Revenue Service approximately \$138,853 in federal employment taxes. According to evidence presented at trial, Pflum received net income of \$264,000 for tax year 1997, net income of \$488,000 for tax year 1998, and net income of \$393,000 for tax year 1999 and willfully failed to file federal individual income tax returns for 1997, 1998, and 1999 with the Internal Revenue Service.

Pflum faces a maximum of five years in federal prison, without parole, on each count of willfully failing to pay federal employment taxes and a maximum of one year for each count of willfully failing to file federal individual income tax returns. Sentencing is set for December 7, 2004.

Melgren commended the excellent work of the Internal Revenue Service, Criminal Investigation, in this investigation.

“Employers are required by law to withhold, report and pay employment taxes for their employees or face criminal penalties,” said Al Patton, Special Agent in Charge of the St. Louis Field Office of IRS Criminal Investigation. “The IRS has a responsibility to aggressively investigate and pursue prosecution of individuals who intentionally violate the nation's tax laws and increase the tax burden for the majority of citizens that fully comply in meeting their tax obligations.”

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