



NEWS

State of Delaware
Department of Finance
Division of Revenue
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FOR IMMEDIATE RELEASE
Monday, April 9, 2012

FOR FURTHER INFORMATION
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GEORGETOWN BUSINESS OWNER PLEADS GUILTY TO TAX CHARGES

(Wilmington, DE) – Director of Revenue, Patrick T. Carter, announced today that a Georgetown business owner entered a guilty plea in NCC Superior Court to tax charges filed by the State of Delaware.

George W. Donald, 46, entered a guilty plea before NCC Judge William C. Carpenter, Jr. to one felony count of willfully failing to pay rental tax, as well as one felony count of failing to pay state withholding tax. In January 2012, he was charged in a seven-count indictment with failing to collect and pay over more than \$30,000 of rental and payroll taxes to the Division of Revenue.

As a result of the plea, Donald was sentenced to two years in prison, suspended for supervised probation. He also was ordered to pay \$33,291 in restitution to the Division of Revenue. This represents both his rental and payroll tax liabilities for the years at issue.

Donald managed and owned Delaware Rental, a construction equipment rental business, during the years 2005 through 2010. During that time, it was determined by the Division of Revenue's Audit Bureau that his business had collected a 2% rental use tax from its customers and had also withheld state income taxes from employees' paychecks, but did not file quarterly returns or pay over these taxes to the state.

A subsequent investigation conducted by the Division's Criminal Investigation Unit revealed that Donald transferred a significant amount of corporate funds into a separate business he controlled, rather than paying the rental and withholding taxes he knew that he was required to pay.

Investigators say that both taxes withheld from an employee's wages and rental taxes collected from a customer renting tangible property in the State of Delaware are required by law to be reported and paid to the Division of Revenue on either a monthly or quarterly basis. Delaware law holds criminally liable those individuals who intentionally fail to report and pay over these taxes to the state.

This case was prosecuted by the Delaware Attorney General's Office.

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