

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO.: 15-</b>
<b>v.</b>	<b>:</b>	<b>DATE FILED: _____</b>
<b>MICHAEL SULLIVAN</b>	<b>:</b>	<b>VIOLATION:</b>
	<b>:</b>	<b>26 U.S.C. § 7203 (failure to report and</b>
	<b>:</b>	<b>pay payroll taxes – 1 count)</b>

**INFORMATION**

**COUNT ONE**

**FAILURE TO REPORT AND PAY PAYROLL TAXES  
26 U.S.C. § 7203**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all times material to this information:

1. The Fireside Tavern ("Fireside"), a bar located at 2701 South Marshall Street, Philadelphia, PA., operated under the corporate name 2701 Oregon, Inc. (Fireside Tavern). Defendant MICHAEL SULLIVAN was a co-owner/operator of the bar.
2. As an employer, defendant MICHAEL SULLIVAN was required by federal law to collect, report, and pay over to the United States, certain payroll taxes, including his employees' withheld federal income taxes ("FIT") and Federal Insurance Contribution Act taxes ("FICA"), that is, Social Security and Medicare taxes. Defendant SULLIVAN also was required by federal law to pay over to the United States from business funds a matching amount of the FICA taxes for each employee.
3. Federal law also required defendant MICHAEL SULLIVAN to report the FIT and FICA withholdings for his employees, and the matching employer-paid FICA

withholdings, on his corporate entities' required employer's quarterly tax return, Internal Revenue Service Form 941.

4. In its yearly federal income tax returns, IRS Forms 1120S, the Fireside reported that it had one employee, for whom the Fireside deducted and paid over to the Internal Revenue Service ("IRS") the FIT and FICA taxes for the employee and the corporate match of the employee's FICA taxes.

5. However, defendant MICHAEL SULLIVAN employed other persons at the Fireside who were paid "under the table" in cash. Defendant SULLIVAN did not file employer's quarterly tax returns, IRS Forms 941, and thus did not report to the IRS the FIT and FICA withholdings which should have been made for these employees, and did not report the employer match of the FICA withholdings. Defendant SULLIVAN did not pay to the IRS the employee FIT and FICA withholdings which he should have paid, and did not pay to the IRS the employer match of the FICA withholdings.

6. During 2006 through 2013, in the Eastern District of Pennsylvania, defendant

**MICHAEL SULLIVAN,**

knowing that he was an owner/operator of 2701 Oregon, Inc., doing business in Philadelphia as the Fireside Tavern, a corporation not expressly exempt from tax, and a person required under Title 26 of the United States Code to collect, report, and pay over taxes due and owing, willfully failed to file on behalf of the corporation with the IRS employer's quarterly tax returns, IRS Forms 941, stating specifically his "under the table" employees' wages and federal income tax withholdings and Social Security and Medicare tax withholdings ("FICA"), and his employer's

matching share of the Social Security and Medicare taxes, during each business quarter, as required by law.

In violation of Title 26, United States Code, Section 7203.

  
**ZANE DAVID MEMEGER**  
**United States Attorney**