

Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Thursday, June 9, 2022

Massachusetts Contractor Sentenced for \$1.8 Million Payroll Tax Scheme

BOSTON – An Ipswich man who owned and operated numerous Massachusetts businesses was sentenced yesterday for manipulating his payroll to evade over \$1.8 million in taxes.

George Vasiliades, 58, was sentenced by U.S. District Court Judge Allison D. Burroughs to one year of home confinement and three years of supervised release. Vasiliades was also ordered to pay more than \$1.8 million in restitution and a \$200,000 fine. The government recommended a sentence of 30 months in prison.

In December 2021, Vasiliades pleaded guilty to 17 counts of failure to collect, account for and pay over federal employment taxes; 17 counts of aiding and assisting the filing of false tax returns; and one count of making a false statement to the Social Security Administration.

Vasiliades operated several businesses, including Alpine Property Services, Boston Central Management, Delta Labor Company, Olympic Painting & Roofing and Turnpike General Contracting. Between 2008 and 2013, Vasiliades concealed the true size of his companies' payroll from the Internal Revenue Service (IRS) in order to reduce the cost of doing business and thereby increase his profits. Among other methods, Vasiliades directed certain employees to create shell corporations and then paid employees through these corporations as if they were independent contractors. Vasiliades also paid some employees from bank accounts that were not connected to his corporate payroll reporting software and, as a result, would not be reported as wages to the IRS. In addition, Vasiliades paid part of an employee's hourly wages or salary in nontaxable, and false, expense reimbursements, such as truck or fuel reimbursements. In total, Vasiliades' scheme resulted in more than \$1.8 million in tax losses.

United States Attorney Rachael S. Rollins; Joleen D. Simpson, Special Agent in Charge of the Internal Revenue Service's Criminal Investigations in Boston; Anthony DiPaolo, Chief of Investigations of the Insurance Fraud Bureau of Massachusetts; Jonathan Mellone, Special Agent in Charge of the New York Region of the U.S. Department of Labor's Office of Inspector General, Office of Criminal Investigations – Labor Racketeering and Fraud; and Carol S. Hamilton, Regional Director, U.S. Department of Labor, Employee Benefits Security Administration, Boston Regional Office, made the announcement today. Assistant U.S. Attorneys Christopher J. Markham and Ian J. Stearns of Rollins' Securities, Financial & Cyber Fraud Unit prosecuted the case.

Topic(s):

Tax

Component(s):

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