



# Department of Justice

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## MONROE BUSINESSMAN PLEADS GUILTY TO TAX AND EMBEZZLEMENT CHARGES

Madison, Wis. - John W. Vaudreuil, United States Attorney for the Western District of Wisconsin, announced that Donald Penniston, 47, Brodhead, Wis., pleaded guilty today in U.S. District Court in Madison to failing to pay employment taxes and theft of funds from an employee retirement plan. U.S. District Judge Barbara B. Crabb scheduled sentencing for June 14, 2011. Penniston faces a maximum penalty of five years in prison for each charge, plus fines and restitution.

Penniston was the President of Canton Promotions, LTD, a graphic design and screen printing business in Monroe, Wis. As an employer, Penniston had a duty to withhold employment taxes from the wages of his employees and then pay those over to the Internal Revenue Service. Those employment taxes included federal income taxes and FICA taxes, which are social security and medicare taxes. At the plea hearing, Penniston admitted that after withholding employment taxes from his employees' payroll checks, he willfully failed to pay over those taxes to the IRS.

Penniston also admitted that he stole approximately \$12,000 in funds belonging to Canton Promotion's employee retirement plan, which was a simple IRA fund. Penniston admitted that after withholding employee contributions for the IRA fund from his employees' payroll checks, he willfully failed to pay that money over to the fund.

The money withheld from Penniston's employees that was not paid over to the IRS or to the IRA fund remained in the company's bank accounts, where it was used by Penniston to pay, among other things, his own personal living expenses.

The charges against Penniston were the result of an investigation conducted by the Internal Revenue Service and U.S. Department of Labor. The prosecution of the case has been handled by Assistant U.S. Attorney Meredith P. Duchemin.

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