Contractor pleads guilty to felony theft of sales tax, workers' comp fraud

Local News

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Everett, Wash., Oct. 29, 2009 — The owner of Master’s Touch Drywall pled guilty today to felony theft of sales tax and workers’ compensation fraud, and agreed to pay more than $2.1 million in restitution.

Snohomish County Superior Court Judge Ellen J. Fair gave Mark D. Standley, 53, until May 5, 2010, to make nearly $1.5 million in restitution to the Department of Revenue and nearly $650,000 to the Department of Labor & Industries (L&I). The restitution includes penalties and interest.

The judge indicated that the length of Standley’s sentence, which could be as much as nine and one-half years in prison, will depend on how much restitution he makes before his sentencing date.

The Marysville resident admitted reporting less than one-half of one percent of the sales tax he collected on drywall work between 2003 and 2008, and failing to pay workers’ compensation premiums on employees he hired to do those jobs.

As part of his plea agreement, Standley agreed that the egregious nature of his offenses would allow the sentencing judge to give him an exceptional sentence higher than the standard sentence imposed for theft.

Assistant Attorney General Scott Marlow said this may be the most egregious tax fraud he’s ever seen, but it won’t be the last he’ll prosecute.

“We won’t let dishonest businesses get away with lining their pockets with taxes intended to provide essential services or help injured workers,” Marlow said.

“It’s not fair to those who depend upon those services, and it’s not fair to honest businesses that play by the rules.”

The charges were brought in August by the Financial Crimes Unit of the Attorney General’s Office at the request of Revenue and L&I.