

Department of Justice
U.S. Attorney's Office
Northern District of Ohio

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**Rocky River executive charged with embezzling from
employee retirement plan and failing to pay over taxes
collected from employees**

An eight-count indictment was filed charging a Rocky River business executive with collecting nearly \$860,000 from his employees but not paying the money to the IRS, as well as embezzling more than \$130,000 from an employee retirement plan, law enforcement officials said.

C. David Snyder, 65, served as chairman, president and chief executive officer of Attevo, Inc., a technology consulting company headquartered in Cleveland. He also served as chairman and primary shareholder at Ruralogic, Inc., headquartered in Bryan, Ohio.

Attevo employees prepared financial records and schedules, quarterly and annual returns and reports for Attevo, at Snyder's direction. Snyder ranked Attevo's payables in order of importance, according to the indictment.

Snyder, on behalf of Attevo, and the IRS in 2011 agreed to a monthly payment plan of \$48,350 per month to repay the company's outstanding payroll tax liabilities. Attevo made 10 payments totaling \$483,500 then made no further payments, according to the indictment.

Snyder withheld payroll tax from employees but failed to pay it to the IRS. Snyder failed to pay over approximately \$328,355 of employee's portion of payroll taxes in 2010 and approximately \$530,778 in 2012, according to the indictment.

Snyder created a 401(k) and profit-sharing plan for Attevo employees in 2009. Ruralogic was added to the plan in 2010. The plan was funded through employee payroll deferrals. Between 2010 and 2012, Snyder failed to pay into the plan approximately \$130,415 in contributions and loan repayments withheld from Attevo and Ruralogic employee wages, according to the indictment.

During the time of his alleged criminal conduct, Snyder paid approximately \$510,000 for the rental of his personal residence in Lakewood and his vacation home in Chautauqua County, New York. He took cash advances from Attevo's credit card and then caused approximately \$82,237 in cash to be deposited into his bank account and \$182,988 to be deposited into his wife's bank account. His wife did not work for Attevo, according to the indictment.

Snyder earned income from Attevo totaling approximately \$850,132 between 2009 and 2011, according to the indictment.

"This defendant embezzled money from an employee retirement account and did not pay to the IRS money he withheld from his employees' paychecks, all while living a lavish lifestyle," U.S. Attorney Justin E. Herdman said.

"Business owners have a responsibility to withhold income taxes for their employees and then remit those taxes to the Internal Revenue Service," said IRS Special Agent in Charge Ryan Korner. "The failure to pay over withheld taxes results in the loss of tax revenue to the United States government and the loss of future Social Security or Medicare benefits for employees."

"An important mission of the Office of Inspector General is to investigate allegations relating to labor racketeering and theft of pension funds covered by ERISA. We will continue to work with our law

enforcement partners to investigate these types of allegations,” stated James Vanderberg, Special Agent-in-Charge of the Chicago Regional Office of the United States Department of Labor, Office of Inspector General.

This case was investigated by the Internal Revenue Service – Criminal Investigations and the U.S. Department of Labor – Office of Inspector General. It is being prosecuted by Assistant U.S. Attorneys Michael L. Collyer and Megan R. Miller.

If convicted, the sentence in this case will be determined by the Court after consideration of the Federal Sentencing Guidelines, which depend upon a number of factors unique to each case, including the defendant’s prior criminal record, if any, the defendant’s role in the offense and the unique characteristics of the violation. In all cases the sentence will not exceed the statutory maximum and in most cases it will be less than the maximum.

An indictment is a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government’s burden to prove guilt beyond a reasonable doubt.