



# Department of Justice

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Western District of North Carolina**

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**FORMER CHAIRMAN OF THE BOARD OF PAYROLL SERVICES COMPANY  
SENTENCED TO 30 MONTHS FOR CONSPIRACY**

STATESVILLE, N.C. – Frank Alton Moody, II, 57, of Arden, N.C., the former Chairman of the Board of a payroll services company, was sentenced today to 30 months in prison for conspiring to steal over \$2 million from client companies, announced Jill Westmoreland Rose, U.S. Attorney for the Western District of North Carolina. In addition to the prison term imposed, Moody was ordered to spend two years under court supervision after he is released from prison and to pay \$2,146,380.97 as restitution.

Two of Moody's conspirators, Jerry Wayne Overcash and John Bernard Thigpen, were previously sentenced to 46 and 21 months, respectively, for their roles in the conspiracy.

U.S. Attorney Rose is joined in making today's announcement by David M. McGinnis, Inspector in Charge of the Charlotte Division of the U.S. Postal Inspection Service (USPIS) and Thomas J. Holloman III, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation Division (IRS-CI).

According to filed court documents and today's sentencing hearing, Moody was the Chairman of the Board of CenterCede Services Inc. (CenterCede), a payroll services company with clients in Charlotte and elsewhere. CenterCede was established in August 2010 by Overcash and Moody, to assume business operations of The Resource Solutions Group (TRSG). Court documents in related cases indicate that, similar to CenterCede, TRSG had been a payroll services company until it was shut down by IRS in August 2010, for failing to pay more than \$9 million in federal payroll taxes TRSG collected from its clients. Moody served as Chairman of the Board at TRSG.

According to court documents, from November 2010 to November 2011, CenterCede purportedly provided payroll preparation and processing services to its clients. As such, CenterCede collected funds from its clients to pay the client companies' federal tax obligations, gross payroll for the clients' employees, worker's compensation, and unemployment insurance, among others, as well as fees due to CenterCede. Contrary to their representations to clients, the conspirators did not pay the clients' federal taxes in appropriate amounts and by the applicable deadlines.

According to court records, Moody and his conspirators did not remit to the IRS the full tax liabilities of CenterCede's clients. Instead, the conspirators diverted client funds, which were used to pay the exorbitant salaries of Moody, Overcash and others, and to cover CenterCede's growing liabilities.

To keep the scheme afloat, the conspirators paid only those obligations necessary to keep their ongoing cash flow crisis a secret from clients. As reflected in court documents, the conspirators favored what they called "priority" clients, attempted to keep those priority clients from learning about monthly cash shortfalls and frequently paid those clients' obligations ahead of other non-priority clients. "Priority" clients generally had large payrolls with deposits necessary to fund CenterCede's short-term cash needs and keep the scheme afloat.

Court records show that when clients inquired about failures to pay obligations, the conspirators took steps to conceal the fraud by providing false excuses and misleading explanations. Moody pleaded guilty to one count of conspiracy in October 2016.

Moody will be ordered to the Federal Bureau of Prisons to begin serving his sentence upon designation of a federal facility. All federal sentences are served without the possibility of parole.

The investigation was led by USPIS and IRS-CI. Assistant U.S. Attorneys Corey F. Ellis and Taylor J. Phillips, of the U.S. Attorney's Office in Charlotte, prosecuted the case.

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