

## **Local Official Sentenced for Tax Evasion and Structuring**

An elected official structured transactions in an attempt to disguise from the IRS his earnings from personal businesses. Investigators discovered the structuring after reviewing SARs filed by banks that detailed the illicit transactions.

The official operated a retail business and law firm. He failed to pay employment taxes based on his operation of the retail business, and then began to engage in more aggressive tax evasion, filing an income tax return disclosing an income tax liability of more than \$20,000 that he subsequently failed to pay. He also began a pattern of failing to pay employment taxes for his law firm as well.

The official began structuring the deposit and withdrawal of attorney's fees into and out of his law firm's escrow account and maintained only minimal amounts of money in the firm's operating account in an effort to prevent the IRS from determining his ability to pay the taxes he owed. In a 2-year period, the official structured almost \$300,000. When investigators reviewed the SARs, they were quickly able to outline numerous structuring transactions.

The official eventually pleaded guilty to tax evasion and structuring. A Federal judge sentenced the official to just over 1 year in prison, to be followed by a 3-year supervised release, and ordered payment of tens of thousands of dollars in taxes, interest, and fines.

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