

News Release

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FOR IMMEDIATE RELEASE:

August 7, 2018

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Stillwater man charged with multiple tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Washington County Attorney’s Office recently charged Steven Thomas Clagherty, of Stillwater, with 13 tax-related felonies.

Mr. Clagherty was charged with five counts of making retail sales after revocation of his sales tax permit, four counts of willfully failing to file sales tax returns, and four counts of knowingly failing to collect and remit sales tax.

According to the complaint, the department revoked Mr. Clagherty’s sales tax permit in 2008, but he continued to make retail sales through his vending machine business, Victory Vending, from 2014 through 2018. The sale of vending machines, and the transactions that take place through those machines, are taxable sales in Minnesota. Mr. Clagherty allegedly failed to remit the sales tax he collected from 2014 through 2017, and failed to file sales tax returns when they were due the following year. In an interview, Mr. Clagherty reportedly admitted to making retail sales of vending machines after his sales tax permit was revoked, and admitted that he did not collect sales tax on those sales.

Each tax-related felony charge carries a maximum penalty of five years in prison, a \$10,000 fine, or both. Defendants are presumed innocent unless and until proven guilty.

Many of the department’s criminal case referrals come from public tips. The Minnesota Department of Revenue has a 24-hour tip line for anyone who suspects that a person or business is violating Minnesota tax laws. Local callers may dial 651-297-5195 or call toll-free by dialing 1-800-657-3500. Tips can also be submitted to the department by email at tax.fraud@state.mn.us. Tipsters may choose to remain anonymous.

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