



News Release

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Plymouth man charged with 38 tax felonies

ST. PAUL, Minn. – Restaurant owner Thomas Pham has been charged with 38 counts of filing false tax returns, Hennepin County Attorney Mike Freeman and Minnesota Department of Revenue Commissioner Cynthia Bauerly announced Wednesday.

Pham, 44, of Plymouth, was charged by summons and his first court appearance is scheduled for Sept. 13.

“This case is about fairness for Minnesotans. When someone collects sales tax from customers but does not send it to the state, it creates an unfair advantage over competing businesses who are doing the right thing under the law,” Bauerly said. “We believe that taxpayers should report, pay and receive the right amount: no more, no less. These charges demonstrate the thorough and detailed work of our investigators to ensure fairness in our tax laws.”

“It is the obligation of every person, whether an employee or a business owner, to pay taxes,” Freeman said. “Taxes are the responsibility of everyone who lives in a free society. The investigators at the revenue department did an excellent job in putting this case together and we will vigorously prosecute Mr. Pham.”

While Pham was owner and operator of numerous businesses, the criminal case only involves the sales and use taxes from his Thai food restaurant, Thanh Do in St. Louis Park. According to the complaint, Pham and his Thanh Do, Inc. business evaded \$118,138 in sales tax from November 2013 through December 2016.

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Pham was well-known in the Department of Revenue because of a history of not filing tax returns, audit issues and evading collection when this investigation began in July 2016, the complaint states.

In July 2017, Department of Revenue agents executed several search warrants at Pham's rented home in Plymouth, and recovered several bins of restaurant records. By creating a spread sheet and comparing daily reconciliations for Thanh Do restaurant with the monthly taxes collected, the auditors were able to determine how much Pham was underreporting, according to the complaint.

The total loss to the State of Minnesota, including penalties and interest is \$130,858.98, the complaint states.

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.

Although most taxpayers comply with tax laws voluntarily, the department takes enforcement action against noncompliant taxpayers to ensure that tax laws are administered fairly.

Many of the department's criminal case referrals come from public tips. There is 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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