



## News Release

**CONTACT** Ryan Brown  
**PHONE** 651-556-6750  
**E-MAIL** ryan.brown@state.mn.us

### FOR IMMEDIATE RELEASE

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Contact: Ryan Brown  
Phone: 651-556-6750  
[Ryan.brown@state.mn.us](mailto:ryan.brown@state.mn.us)

### Duluth Woman Facing Felony Tax Charges

**St. Paul, Minn.** – The Minnesota Department of Revenue announced today that the St. Louis County Attorney’s Office recently charged Patti Fralich-Peterson, 51, of Duluth, with eight felony tax charges. Fralich-Peterson is charged with four counts of failing to pay income taxes and four counts of filing false or fraudulent returns for tax years 2005 through 2008.

According to the complaint, Fralich-Peterson prepared tax returns for herself. The withholding shown on the W-2’s filed by Fralich-Peterson’s employer differed from the withholding shown on the tax returns she filed.

For tax year 2005, Fralich-Peterson claimed state withholding of \$640, but her W-2’s showed withholding of slightly more than \$64.

Fralich-Peterson reported state withholding of \$3,335 for tax year 2006. Her W-2’s showed that slightly more than \$35 had been withheld.

For tax year 2007, Fralich-Peterson claimed state withholding of \$2,113. Her W-2’s showed under \$37 was withheld.

Fralich-Peterson reported state withholding of \$559 in 2008, but her W-2’s showed that under \$60 had been withheld in state taxes.

The complaint also states Fralich-Peterson over-reported state tax withholding by a total of more than \$6,450, meaning she underpaid the state by the same amount.

Fralich-Peterson admitted that the discrepancies between the withholding shown on her returns and the withholding shown on her W-2’s were substantial and that she knows that it is both wrong and a crime to file false returns.

Each felony is punishable by up to five years in prison, up to a \$10,000 fine, or both.

The Minnesota Department of Revenue has a 24-hour tip line for anyone who suspects an individual or business is violating tax laws, at 651-297-5195 or 1-800-657-3500. Tipsters may

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remain anonymous and can also email the department at [tax.fraud@state.mn.us](mailto:tax.fraud@state.mn.us). Last year, citizen tips resulted in 89 percent of the department's criminal case referrals.

While most taxpayers comply with tax laws voluntarily, the Minnesota Department of Revenue takes progressive enforcement action against noncompliant taxpayers ensuring tax laws are fairly administered, collecting no more and no less than taxpayers owe.

Learn how the Minnesota Department of Revenue is working to stop tax evasion on recreational vehicles [here](#).

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