



News Release

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Rochester man charged with 54 tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Olmstead County Attorney’s Office recently charged Wayne Frahm, 59, of Rochester, with 43 tax-related felonies and 11 gross misdemeanors.

Frahm is charged with 42 counts of failing to file sales and income tax returns, one count of making sales after his permit was revoked, and 11 counts of failing to pay or collect income, sales and withholding taxes.

According to the criminal complaint, Frahm runs Frahm Auto Repair in Rochester. He was providing taxable services and collecting sales tax from customers but failed to submit the sales tax to the state. As a result, his sales tax permit was revoked in 2009. Receipts show he continued doing business without a permit.

The complaint also states Frahm collected withholding tax from his employees but did not submit the tax to the state. In addition, there are no records that Frahm has filed or paid income tax since 2004, filed or paid sales tax since 2009, and filed or paid withholding tax since 2012.

In an interview with an investigator, as reported in the complaint, Frahm stated that he:

- knew his permit was revoked and continued to stay in business;
- charged sales tax to his customers and did not submit it to the state;
- collected withholding tax from employees and did not submit it to the state; and
- has not filed an income tax return since 2004.

He owes the state an estimated \$36,000 in delinquent taxes.

Each felony charge carries a maximum penalty of up to five years in prison and up to a \$10,000 fine. Each gross misdemeanor charge carries a maximum penalty of one year in jail and up to a \$3,000 fine.

The Minnesota Department of Revenue has a 24-hour tip line for anyone who suspects a person or business is violating tax laws. That number is 651-297-5195, or 1-800-657-3500. Tipsters may remain anonymous and can also email the department at tax.fraud@state.mn.us. In 2013, 85 percent of the department's criminal case referrals came from citizen tips.

Although most taxpayers comply with tax laws voluntarily, the Minnesota Department of Revenue takes enforcement action against noncompliant taxpayers to ensure tax laws are fairly administered.

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