

News Release

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Minneapolis business owner charged with tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Hennepin County Attorney’s Office recently charged Michael Whitelaw, 46, of Rosemount, with 68 tax-related felonies.

Whitelaw is charged with 34 counts of filing false sales tax returns and 34 counts of failing to pay the correct amount of sales tax.

According to the criminal complaint, Whitelaw has operated Food Group Holdings, LLC (also known as Social House, Zeno Café, and Fusion) since 2006. He allegedly filed fraudulent sales tax returns for the business each month of 2009 and 2010 and for 10 months in 2011. The complaint also claims he failed to pay the correct amount of sales tax he collected during these years.

According to the complaint, Whitelaw underreported sales in excess of \$1 million, owing the state \$170,000 in sales tax, penalty and interest.

Each felony charge carries a maximum penalty of up to five years in prison and up to a \$10,000 fine.

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.

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.

Defendants are presumed innocent unless and until proven guilty.

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