



## News Release

CONTACT Ryan Brown  
PHONE 651-556-6397  
EMAIL ryan.brown@state.mn.us

**FOR IMMEDIATE RELEASE:**

May 16, 2018

Contact: Ryan Brown

[ryan.brown@state.mn.us](mailto:ryan.brown@state.mn.us)

### **Otsego man charged with multiple tax crimes**

**ST. PAUL, Minn.** – The Minnesota Department of Revenue announced that the Wright County Attorney’s Office recently charged Michael Jay Sultany with nine tax-related felonies. Mr. Sultany, of Otsego, is charged with three counts of failing to file individual income tax returns, three counts of failing to pay individual income tax, and three counts of failing to file corporate income tax returns.

During the beginning stages of collection against his businesses for unpaid sales and withholding taxes, the complaint states that department investigators discovered that Mr. Sultany failed to file a Minnesota income tax return and failed to pay income tax each year from 2013 through 2015. A public records check indicated that Mr. Sultany registered his auto repair businesses, Elk River Tire and Auto and RPM Automotive, as S corporations, but department records allegedly showed that he failed to file the appropriate Minnesota S corporation business tax returns for those same years. Department investigators obtained bank records of the business that allegedly showed numerous and repeated transfers of money from the business accounts to Mr. Sultany’s personal bank accounts. Such transfers are considered “flow-through income” and must be reported on both the S corporation’s business tax returns and on the owner’s individual income tax returns.

When interviewed by department investigators, according to the complaint, Mr. Sultany admitted to not filing individual income tax returns between 2013 and 2015. The complaint indicates that Mr. Sultany owes more than \$50,000 in unpaid Minnesota income taxes, including penalties and interest.

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.

 News Release

CONTACT	Ryan Brown
PHONE	651-556-6397
EMAIL	ryan.brown@state.mn.us

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](mailto:tax.fraud@state.mn.us). Tipsters may choose to remain anonymous.

Get the latest news and updates from the Minnesota Department of Revenue by following the department on [Facebook](#) and [Twitter](#) or by signing up for our [email subscription list](#).

###