

News Release

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Jordan man charged with multiple tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Scott County Attorney’s Office recently charged Ronald Allen Fry, of Jordan, with 13 tax-related felonies.

Mr. Fry was charged with five counts of willfully underreporting sales tax collected for each year from 2013 through 2017, four counts of making retail sales after revocation of his sales tax permit for each year from 2015 through 2018, and four counts of failing to file individual income tax returns for tax years 2013 through 2016. Mr. Fry allegedly owes more than \$218,000 in taxes, penalties, and interest.

After having his own sales tax permit revoked for failing to file sales tax returns and pay sales tax, Mr. Fry allegedly created multiple companies in the names of several family members and an employee in an attempt to evade his tax liability.

Belle Plaine Dairy Queen

According to the complaint, Mr. Fry owned and operated a Dairy Queen store in Belle Plaine after receiving a sales tax permit to operate the business in 2013. The department revoked his sales tax permit in October 2015 after he failed to file sales tax returns and pay sales tax to the state. Mr. Fry, according to the complaint, continued making taxable sales after his permit was revoked. The complaint alleges that Mr. Fry obtained two additional sales tax permits for the Dairy Queen after his was revoked - first by allegedly using a family member’s Social Security number and second by allegedly using an LLC created by an employee at Mr. Fry’s request. Both of these sales tax permits were subsequently canceled. As of May 2017, Mr. Fry no longer owned the Dairy Queen.

Bemidji Subway

Mr. Fry purchased a Bemidji Subway in July 2017 using the LLC of his Dairy Queen employee without the person’s knowledge. According to the complaint, the restaurant collected sales tax

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on purchases, but Mr. Fry did not remit any of the sales tax to the state. The sales tax permit for the company was canceled in November 2017.

Belle Plaine Borough Bowl

In August 2016, Mr. Fry began operating Borough Bowl in Belle Plaine using a sales tax permit that listed another family member as the business owner. This permit was canceled in May 2017. According to the complaint, another company had been created using a different family member's name to obtain a sales tax permit for the bowling alley.

Additionally, according to the complaint, Mr. Fry admitted to failing to file his individual income tax returns for tax years 2013 through 2016. The complaint further alleges that Mr. Fry withheld state and federal income tax from his employees' paychecks, but failed to file withholding tax returns or remit the tax withheld on behalf of those employees for at least two quarters.

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.

Many of the department's criminal case referrals come from public tips. The Minnesota Department of Revenue has 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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