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Red Wing restaurant owner, husband charged with multiple tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Goodhue County Attorney’s Office recently charged Kelly Jean Anderson with 10 tax-related felonies and Ricky Duane Anderson with eight tax-related felonies.

Ms. Anderson, of Red Wing, is charged with:

- Five counts of filing false or fraudulent sales tax returns.
- Three counts of filing false or fraudulent income tax returns.
- One count of failing to file a state income tax return.
- One count of failing to pay state incomes tax.

Mr. Anderson, of Red Wing, is charged with:

- Three counts of aiding the filing of a false or fraudulent individual income tax return.
- Five counts of aiding in the filing of a false or fraudulent sales tax return.

According to the complaint, Ms. Anderson owns a Red Wing restaurant, Kelly’s Tap House Bar and Grill, and runs the business along with her husband, Mr. Anderson. Revenue investigators determined that, when compared to the revenue that was deposited into her business and individual bank accounts, Ms. Anderson appeared to be underreporting both the amount of income she received on her individual income tax returns and the amount of business sales on her monthly sales tax returns. The complaint indicates that the restaurant was not entering all of its sales into the Point of Sale system, but was accounting for them on handwritten sales sheets. The result, according to the complaint, was that the business reported much less in sales on its sales tax returns and, ultimately, on Ms. Anderson’s income tax returns.

The complaint alleges that Ms. Anderson filed fraudulent individual income tax returns from tax year 2012 through 2014, failed to file her 2015 return, and failed to pay income tax that year, as

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well. Ms. Anderson also allegedly filed false or fraudulent monthly sales tax returns for periods beginning September 2012 through December 2016.

According to the complaint, Mr. Anderson was in charge of the day-to-day operations of the bar. The complaint alleges that Mr. Anderson would make adjustments to Ms. Anderson's individual income tax returns as they were being prepared by their accountant and he adjusted the total yearly sales for the restaurant that were included as part of Ms. Anderson's income.

Ms. Anderson owes more than \$187,900 in individual income tax, penalties, and interest. Her restaurant owes more than \$183,800 in sales tax, 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.

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. Tipsters may choose to remain anonymous.

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