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THE TAX LAWYER

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### Jersey Shore's Mike 'The Situation' Sorrentino Indicted For \$8.9 Million Tax Evasion



Reporters gather around Mike "The Situation" Sorrentino as he leaves the MLK Jr. Federal Courthouse in Newark, N.J., after a court appearance, Wednesday, Sept. 24, 2014. (AP Photo/Julio Cortez)

Fans and foes of Jersey Shore may all be drawn to watch as former cast member Mike Sorrentino heads to New Jersey federal court. No, this isn't over assault charges or anything that might draw an [anger management program](#). Mr. Sorrentino and his brother Marc have been indicted for filing false tax returns for 2010, 2011 and 2012.

These are just charges, mind you, but the [Indictment](#) sounds serious, with an alleged \$8.9 million in income escaping taxes. Make no mistake, these are serious charges. Mike faces two counts of filing false returns, while his brother faces three. See [DOJ Press Release](#).

Plus, each also faces a count of conspiracy. Ironically, the most blatant mistake—filing to file a tax return—might be least serious. The charges allege that Mike Sorrentino failed to file a tax return in 2011, a year in which he pulled in more than \$1.95 million in income.

The brothers allegedly conspired to fail to pay federal taxes on income generated by two companies they controlled, MPS Entertainment, LLC and Situation Nation, Inc. U.S. Attorney Paul J. Fishman said. “The brothers allegedly also claimed costly clothes and cars as business expenses and funneled company money into personal accounts.”

You must file a tax return each year with the IRS if your income is over the requisite level. And you sign tax returns under penalties of perjury. That is one reason the failure to file charge the Situation faces is less serious than the others. [Wesley Snipes](#) famous tax case proved this too. As Snipes’ misdemeanor convictions show, failure to file is a misdemeanor, but filing falsely is a felony.

Mr. Sorrentino and his brother may have good defenses. If they do not, they may be looking at something more than probation if they are convicted. Recall that [Lauryn Hill](#) didn’t get probation as she had requested, but she drew only 3 months of incarceration, a good deal compared to the 24 to 36 months she faced.

Ms. Hill pleaded guilty to three counts of failing to file tax returns on more than \$1.8 million between 2005 and 2007. Just as with Wesley Snipes, it could have been far worse had she filed *false* returns. There are sentencing guidelines, but the judge also has discretion. And that can sometimes make similar missteps seem disparately treated. After all, there was [not even probation for Stephen Baldwin’s tax evasion, but jail for Wesley Snipes](#).

79 year-old Mary Estelle Curran of Palm Beach, was facing serious jail time for filing false 2006 and 2007 tax returns. That case generated national interest with a potential prison term up to six years. U.S. District Judge Kenneth Ryskamp gave Ms. Curran one year probation, then instantly revoked it altogether. The Judge even suggested to Ms. Curran’s lawyers that they seek a Presidential pardon. See [Widow Who Owed \\$21.6M to Feds Gets ‘Effectively 5 Seconds’ of Probation, as Judge Scolds Government](#).

Regardless of whether you sympathize with celebrities, they often get bum steers from advisers, as clearly happened with Wesley Snipes. His three-year stint seemed harsh. In some ways, tax returns are the great levelers. Some things, after all, you just can’t delegate.

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