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THE TAX LAWYER

TAXES 3/12/2015

Former NFL Player & 2 Others Get Jail & \$35M Restitution For Tax Break Scheme

A former Nevada casino owner, a former Las Vegas businessman, and a former NFL player have been sentenced to prison and ordered to pay more than [\\$35 million in restitution](#) for conspiracy and fraud related. They were found guilty of pitching a fraudulent tax product through something once called the National Audit Defense Network (NADN).

Alan Rodrigues, was NADN's former general manager and executive VP. He faces 72 months in prison, then three years of supervised release. He also was ordered to pay restitution of more than \$35 million to NADN customers who purchased the fraudulent tax product. Weston Coolidge, a businessman who was NADN's president, got 70 months in prison, then three years of supervised release. Coolidge was also ordered to pay restitution of more than \$35 million to victims of the fraud.



Alan Rodrigues, former general manager of National Audit Defense Network, arrives for opening statements in the tax fraud trial on April 16, 2014.

Finally, [Joseph Prokop](#) was the National Marketing Director for Oryan Management and Financial Services, a company affiliated with NADN. He was also a punter who played for the Green Bay Packers, San Diego Chargers, New York Jets, San Francisco 49ers, Miami Dolphins and New York Giants in seven seasons. Prokop was sentenced to serve 18 months in prison, followed by 30 months home confinement, and three years of supervised release. Prokop was also ordered to pay restitution to victims of more than \$35 million.

At sentencing, Judge Du found that the defendants were responsible for fraud losses of more than \$36 million and an intended tax loss of more than \$60 million. On May 27, 2014, after a six-week jury trial, the three defendants were [convicted](#) of one count of conspiracy to defraud the U.S., 13 counts of aiding and assisting in the preparation of false income tax returns and four counts of mail fraud. Rodrigues and Coolidge were each convicted of an additional two counts of aiding and assisting in the preparation of false income tax returns.

The evidence at trial established that through NADN, the defendants promoted and sold a product called Tax Break 2000. Tax Break 2000 purported to be an online shopping website. The defendants falsely and fraudulently told customers that buying the product would allow them to claim legitimate income tax credits and deductions under the Americans with Disabilities Act (ADA) by modifying the website each customer was provided to make it accessible to the disabled.

NADN charged \$10,475 for the product to maximize the fraudulent income tax credits and deductions that individuals would claim on their tax returns. Although the price of the product that was claimed on the tax returns was \$10,475, the customers only paid between \$2,000 and \$2,695 out-of-pocket. The remainder of the cost was covered by a promissory note that customers were not expected to repay.

The defendants knew that the websites provided to customers made little, if any, money from sales commissions. They also knew that it did not entitle the purchaser to tax credits or tax deductions. The defendants nonetheless taught and directed the tax return preparers working for NADN to prepare thousands of tax returns for customers that claimed the fraudulent tax credit and deductions.

When IRS special agents began to investigate Tax Break 2000 and NADN, the defendants tried to cover up the fraud. They created false IRS Forms 1099 reporting fictitious income to make it appear that the websites were earning money. NADN sold Tax Break 2000 to thousands of customers around the country from 2001 to 2004. And the customers didn't fare well, with thousands of NADN customers being audited by the IRS. The IRS went after them for an injunction, and NADN ceased operations in May 2004.

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