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THE TAX LAWYER

TAXES 11/06/2015

# Surgeon Hid Money In Divorce, Is Convicted Of Tax Evasion, Faces Up To 95 Years Prison

Tax evasion doesn't always come out of trying to cheat the government. Sometimes it is a by-product of trying to cheat someone else. A 67-year old Anchorage, Alaska plastic surgeon, Dr. Michael Brandner, was getting divorced. He didn't want to fork over money to his wife of 28 years, so he [hid his money](#).

But he didn't count on prosecutors catching him, and he tried to talk his way out of it when they did. After a seven day trial, he was convicted on four counts of wire fraud and three counts of tax evasion. That is hardly a rap on the knuckles. In fact, his prison sentence could be staggering: up to 95 years. Dr. Brandner's life unraveled in 2007, when his wife filed for divorce. Before she could move to take assets, he gathered up millions of dollars in marital assets.



He left the country without telling friends, family or his workplace, and secretly drove to Costa Rica He opened two bank accounts there, depositing more than \$350,000 in cash. He also hid a thousand ounces of gold in a

Costa Rican safe deposit box. Crossing into Panama, he opened another account there under the name of a sham corporation, Dakota Investments. By 2008, he had moved \$4.6 million into that account.

Dr. Brandner didn't reveal the foreign bank accounts, assets or income to the court in his divorce. He also did he not disclose any of it to the IRS. Dr. Brandner even hid details from his divorce attorney. He explained that he could not convert Dakota Investments into cash until 2013. He presented the divorce court with a fabricated promissory note to mislead the court into believing he had invested more than \$3 million in the foreign corporation.

Once his divorce became final in 2011, Dr. Brandner repatriated more than \$4.6 million. But his funds were seized by Homeland Security Investigations agents. His troubles didn't even end there. He lied to federal agents about his control of the funds. He still had never reported the money to the IRS. Because of undisclosed earnings on the accounts, Dr. Brandner owed the IRS \$600,000 in taxes for 2008, 2009 and 2010.

Sentencing is set for March 7, 2016. Dr. Brandner faces a maximum sentence of 95 years and a fine of up to \$1.75 million. How is it possible that there could be a 95 year jail sentence? Dr. Brandner faces a statutory maximum penalty of 20 years in prison for each count of wire fraud. Add to that up to five years in prison for each count of tax evasion. Then there is a potential fine of up to \$250,000, or twice the gain or loss caused by the offense, on each of the seven counts of conviction.

When you sign your tax return, it must be signed under penalties of perjury. You may never be audited, but you *might* be. The vast majority of tax audits are civil and have little risk of criminal liability. Still, a majority of criminal tax cases start with a civil audit. Taxes are complex, so you might assume just about *anything* can be called an innocent mistake. Actually, the tax law draws a line between non-willful and willful, and steep penalties or even prosecution can hang in the balance.

Ignorance of even complex tax laws isn't always a viable defense. It is one reason to get professional advice. If the opinion turns out to be wrong, relying on a professional can often get you out of penalties. The size of penalties varies, but often, it is 25%. Civil fraud is 75%. Criminal violations are asserted even less frequently. Still, even a smidgen of fraud or intentional misstatements can land you in jail.

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