



Robert W. Wood
THE TAX LAWYER

Trump Pardons ‘Chrisley Knows Best’ Stars, Yet IRS Tax Lessons Remain

Robert W. Wood
Senior Contributor

Robert W. Wood is a tax lawyer focusing on taxes and litigation.
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Todd and Julie Chrisley were convicted of tax evasion and bank fraud, and have been in prison since January 2023. Todd was sentenced to twelve years, and Julie was sentenced to seven years. But their long sentences ended when they were [issued full pardons](#) by President Trump. The President said he thought they had been treated harshly, but that is not unusual for the kind of bank fraud and tax evasion charges of which they were convicted. The Chrisleys may no longer need to worry about the big mistakes that landed them in jail, but there are still some big lessons in their case that remain important for observers.

According to [The Department of Justice Press Release when they were sentenced:](#)

"Todd and Julie Chrisley conspired to defraud community banks in the Atlanta area to obtain more than \$36 million in personal loans. The Chrisleys, with the help of their former business partner, submitted false bank statements, audit reports, and personal financial statements to Georgia community banks to obtain the loans. The Chrisleys spent the money on luxury cars, designer clothes, real estate, and travel – and used new fraudulent loans to pay back old ones. After spending all the money, Todd Chrisley filed for bankruptcy and walked away from more than \$20 million of these fraudulently obtained loans."

Later, while earning millions from their TV show, Todd and Julie Chrisley, along with their accountant, Peter Tarantino, conspired to defraud the Internal Revenue Service...In addition, the Chrisleys failed to file tax returns or pay any taxes for the 2013, 2014, 2015, or 2016 tax years...The Chrisleys also attempted to obstruct justice before being charged as well as during the trial."

Be Careful How You Conduct Yourself in an Audit

Take Any Audit Seriously

False statements to auditors are a huge mistake. Conduct during the audit can be pivotal, and is one reason to hire professionals to handle it. Some people end up in criminal tax trouble because they mishandle a civil IRS audit.

Whether it is the FBI or the IRS asking questions, don't lie. And don't engage in evasive or obstructionist behavior during an IRS audit. You may think you can outsmart the IRS or manipulate the government to come out ahead, but above-board communications with the IRS are best.

Evasive or obstructive behavior *during a tax audit* can land you in very hot water. IRS criminal tax cases can start with an investigation, but sometimes, criminal tax cases come out of civil IRS audits. Sometimes even simple interactions with the IRS can go south. If an IRS auditor discovers something suspicious in a civil audit, the auditor can notify the IRS's Criminal Investigation Division. The IRS is not obligated to tell you that this criminal "referral" is occurring. The IRS auditor might suspend the audit without explanation, and you might think that the audit is over, or is stalled and might not ever resume. Meanwhile, the IRS can be quietly building a criminal case against you.

Be Consistent on Your Taxes and Other Documents

Saying different things to your bank and to the IRS was one of the Chrisleys problems. Prosecutors showed that the Chrisleys provided banks with personal financial statements containing false information, and that they fabricated bank statements to get millions of dollars in loans. You don't want

to lie on *either* a loan application or a tax return, and having two documents side by side can easily show that at least one of them is wrong.

Be Careful About Flaunting Your Money

The Chrisleys lost in the face of government claims that they lied to get \$30 million in bank loans, and then spent it on a lavish lifestyle that they could not afford. Although the Chrisleys were raking in the cash, they failed to pay federal income taxes for multiple years. The Chrisleys drew enormous attention to themselves over and over again. Avoid lavish spending, especially publicly. It's bad enough if you are skirting your tax obligations, but, if you are doing that and simultaneously living lavishly, it can look even worse.