

THE US GOVERNMENT ACCUSES ROGER STONE OF RAT-FUCKING THE IRS

The US government is suing Roger Stone and his spouse, Nydia, for failure to pay their taxes. The suit gets awfully close to accusing the couple of fraud, which raises questions about why the government didn't charge them with fraud instead.

This may be an effort to seize their condo which – because they live in Florida – might otherwise be sheltered under Florida's Constitution.

But since it comes close but stops short of accusing the couple of fraud, I want to unpack precisely what it alleges.

The suit alleges that the Stones, filing jointly, underpaid their taxes from 2007 to 2011, currently owing almost \$1.6 million. It also alleges that Stone, filing individually, underpaid his taxes by \$400K in 2018. Then, the suit alleges, the Stones took efforts on 2018 and 2019 to shelter their income and, ultimately, their home from the IRS.

The Stones had been on a payment plan with the IRS for the jointly owed taxes (though it sounds like they had gone off and on payment plans in the past).

In 2018 and 2019, they used Drake Ventures, a limited liability corporation that the suit claims is just a legal alibi for the Stones, to pay personal expenses, including groceries, dentist bills, spas, salons, clothing, and restaurant expenses. Effectively, the suit claims, that allowed the Stones to dump funds into their lifestyle while shielding those funds from the IRS. Then, in the wake of Stone's indictment, the Stones paid a \$140K downpayment for a condo out of Drake Ventures, then created

a trust, the Bertran Trust, in Nydia's name to own the house. Literally the day after the Trust was recorded in Broward County, the Stones stopped paying their monthly tax payments to the IRS.

The government is effectively going after Drake Ventures and the house to cover the \$2 million in taxes they owe.

The timing of all this is the really interesting bit.

The suit doesn't say whether the Stones only *started* to pay their personal expenses out of Drake Ventures funds in 2018, or whether the government only discovered it in that year – when the investigation into Stone and those he paid to help with his rat-fucking really accelerated. The suit does mention that the Stones paid people out of Drake Ventures funds without filing 1099s for them, something that Mueller's team likely discovered as they tried to sort through what Stone was paying these people for.

The Stones used Drake Ventures to pay Roger Stone's associates, their relatives, and other entities without providing the required Forms 1099-MISC (Miscellaneous Income) or W-2s (Wage and Tax Statement).

But the suit makes the tie between the effort to shelter their home in the Bertran Trust and Stone's indictment explicit.

Roger Stone was indicted on January 24, 2019, and the indictment was unsealed on January 25, 2019.

After Roger Stone's indictment, the Stones created the Bertran Trust and used funds that they owned via their alter ego, Drake Ventures, to purchase the Stone Residence in the name of the Bertran Trust.

[snip]

On March 5, 2019, the Stones established the Bertran Trust.

On March 22, 2019, the Stones purchased the Stone Residence in the name of the Bertran Trust for \$525,000. The Stones used the \$140,000 they transferred from a Drake Ventures' Wells Fargo account as a down payment for this purchase. No assets of the Bertran Trust were used to purchase the Stone Residence.

The suit includes the tie between his indictment and their effort to shelter the money as one sign of intentional fraud.

The Stones faced the threat of litigation. Roger Stone had just been indicted;

And the moves to shield their money in advance of defaulting on their repayment plan with the IRS took place even as – per a dodgy claim from Roger Stone – Stone refused to cooperate against Trump, the claim Stone deployed to get first a commutation and then a pardon from Trump to avoid any prison time.

Mind you, the IRS was still working on collecting that money from the Stones. It's not like Trump made Stone's tax troubles go away like he did his other legal troubles.

But what's weird about the seeming tie between Stone's indictment and the efforts to shelter their funds is that there was never any risk of forfeiture based on the charges Stone actually faced. He was definitely *investigated* for things that might have included forfeiture (and Drake Ventures paid for Stone's phone service and some other telecommunications service he used in his 2016 rat-fuckery).

That said, it was a piss poor way to try to cheat the IRS, because the Stones did this at a time when the government was closely scrutinizing Drake Ventures.