



PRESS RELEASE

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Date: December 16, 2016

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IRS – Criminal Investigation

CI Release #: CI-2016-12-16-B

North Carolina Man Sentenced to Prison for Tax Evasion and Possession of an Unregistered Firearm *Evaded Approximately \$678,000 in Income Taxes*

A Kings Mountain, North Carolina man, who set up straw companies to evade income taxes and used cash from his business to build an underground bunker, was sentenced today to 24 months in prison for tax evasion and possession of an unregistered firearm, announced Principal Deputy Assistant Attorney General Caroline D. Ciruolo, head of the Justice Department's Tax Division, and U.S. Attorney Jill Westmoreland Rose for the Western District of North Carolina.

According to documents filed with the court, Reuben T. DeHaan, 44, owned a holistic medicine business, which he operated out of his residence in Kings Mountain under the names Health Care Ministries International Inc. and Get Well Stay Well. DeHaan admitted that, with the help of others, including Richard H. Campbell Jr., he set up straw companies and opened bank accounts in the name of the straw companies to hide his income and assets from the Internal Revenue Service (IRS). DeHaan also admitted to dealing extensively in cash to evade the payment of income tax. During the years 2008 through 2014, DeHaan earned more than \$2.7 million in gross receipts from his holistic medicine business, but failed to file income tax returns for those years and evaded approximately \$678,000 in income taxes due and owing. DeHaan also admitted to possessing a short barrel rifle and two silencers that were not registered to him in the National Firearms Registration and Transfer Record. A court-ordered search of DeHaan's residence revealed an underground bunker with an arsenal of weapons, including a Bushmaster pistol that was illegally modified into a short barrel rifle and two unregistered silencers.

Evidence presented at DeHaan's detention hearing showed that he had been a supporter of the sovereign citizen's movement and had renounced his U.S citizenship, carried different passports issued by the "World Government of World Citizens"—an Internet site that provides passports for a fee—and an international driving permit in lieu of a North Carolina driver's license. He also claimed he was exempt from the payment of taxes because he was an ordained "medicine man" whose earnings were exempt from taxation.

"Schemes to conceal and insulate wealth in order to evade income tax, such as those utilized by DeHaan, are unfair to every taxpayer who obeys the law and pays their fair share," said Chief Richard Weber of IRS-Criminal Investigation (CI). "There are not different rules for different people in our society. The public should know that IRS CI will do everything we can to hold individuals accountable to the same tax laws that they are subject to, ensuring that our tax system is fair to everyone."

“With today’s prison sentence, Reuben DeHaan pays the price for his criminal conduct, including his multi-year efforts to evade tax through long-debunked sovereign citizen tactics,” said Principal Deputy Assistant Attorney General Ciraolo. “These claims and schemes, including the concealment of income and assets through straw companies, have been repeatedly rejected by the courts, waste government resources, and undermine the public’s confidence in the fairness of the tax system. Those who use such schemes to violate our nation’s tax laws will be held accountable and face the full force of all applicable federal criminal and civil penalties.”

“DeHaan denounced his American citizenship yet benefited greatly from our economy through his ‘natural healing’ business, which netted over \$2.7 million in gross receipts,” said U.S. Attorney Rose. “He also used his untaxed income to build an underground bunker containing an arsenal of assault weapons, including illegal weapons. But this self-described ‘medicine man’ was also a tax cheat, who used a number of tactics to avoid paying his fair share on those earnings. Tax fraudsters like DeHaan increase the tax burden on honest Americans.”

In August, DeHaan pleaded guilty to one count of tax evasion and one count of possession of an unregistered firearm. In addition to the prison term imposed, DeHaan was ordered to serve three years of supervised release and to pay \$567,665 in restitution to the IRS and \$110,449 to the state of North Carolina. Campbell pleaded guilty in August to conspiring to defraud the IRS and will be sentenced at a later date.

Principal Deputy Assistant Attorney General Ciraolo and U.S. Attorney Rose commended special agents of IRS-Criminal Investigation and the FBI, who conducted the investigation, and Assistant U.S. Attorney Michael Savage and Trial Attorney Mara Strier of the Tax Division, who prosecuted the case.

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