



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

Date: March 23, 2017

Contact: \*CI-HQ-COMMUNICATIONSEDCATION@ci.irs.gov  
IRS – Criminal Investigation

CI Release #: CI-2017-03-23-B

### **Florida Businessman Pleads Guilty To Conspiracy To Commit Tax And Bank Fraud**

*Concealed Approximately \$2.5 Million in Secret Belize Accounts*

A Florida businessman pleaded guilty today in the U.S. District Court for the Middle District of Florida to conspiracy to commit tax and bank fraud, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division.

According to documents filed with the court, Casey Padula, 48, of Port Charlotte, was the sole shareholder of Demandblox Inc. (Demandblox), a marketing and information technology business. Padula conspired with others to move funds from Demandblox to offshore accounts in Belize and disguised them as business expenses in Demandblox's corporate records. Padula created two offshore companies in Belize: Intellectual Property Partners Inc. (IPPI) and Latin American Labor Outsourcing Inc. (LALO). He opened and controlled bank accounts in the names of these entities at Heritage International Bank & Trust Limited (Heritage Bank), a financial institution located in Belize. From 2012 through 2013, Padula caused periodic payments to be sent from Demandblox to his accounts at Heritage Bank and deposited approximately \$2,490,688. Padula used the funds to pay for personal expenses and purchase significant personal assets. However, he falsely recorded these payments in Demandblox's corporate books as intellectual property rights or royalty fees and deducted them as business expenses on Demandblox's 2012 and 2013 corporate tax returns causing a tax loss of more than \$728,000.

Padula also conspired with investment advisors [Joshua VanDyk](#) and [Eric St-Cyr](#) at Clover Asset Management (CAM), a Cayman Islands investment firm, to open and fund an investment account that he would control, but that would not be in his name. Heritage Bank had an account at CAM in its name and its clients could get a subaccount through Heritage Bank at CAM, which would not be in the client's name but rather would be a numbered account. Padula transferred \$1,000,080 from the IPPI bank account at Heritage Bank in Belize to CAM to fund a numbered account.

In addition to the tax fraud, Padula also conspired with others to commit bank fraud. Padula had a mortgage on his Port Charlotte, Florida home of approximately \$1.5 million

with Bank of America (BoA). In 2012, he sent a letter to the bank stating that he could no longer repay his loan. At the same time, Padula provided Robert Robinson, III, 43, who acted as a nominee buyer, with more than \$625,000 from his IPPI bank account in Belize to fund a short sale of Padula's home. Padula and Robinson signed a contract, which falsely represented that the property was sold through an "arms-length transaction," and agreed that Padula would not be permitted to remain in the property after the sale. Padula in fact never moved from his home and less than two months after the closing, Robinson conveyed it back to Padula by transferring ownership to one of Padula's Belizean entities for \$1. Robinson also pleaded guilty today to signing a false Form HUD-1 in connection with his role in the scheme.

"Casey Padula employed secret offshore bank accounts and shell companies to hide millions and evade U.S. taxes," said Acting Deputy Assistant Attorney General Goldberg. "As his guilty plea today demonstrates, there are no safe havens any more, whether in Belize, Switzerland or elsewhere around the world, for U.S. taxpayers intent on not paying their fair share of taxes."

"Today's plea is the result of another exercise in following the money and it sends a clear message to those who believe they can avoid taxes by hiding their money offshore," said Chief Richard Weber of IRS Criminal Investigation (CI). "Together with our law enforcement partners, IRS-CI will continue to unravel complex financial transactions and hold those accountable who break the law. IRS-CI special agents will use their financial investigative expertise to ensure taxpayers who violate the law will be brought to justice which is necessary to foster voluntary compliance of our tax laws."

Padula faces a statutory maximum sentence of five years in prison, a term of supervised release and monetary penalties. As part of his plea agreement, Padula agreed to pay restitution in the amount of \$728,609 to the IRS and to BoA in the amount of \$728,609. Robinson faces a statutory maximum sentence of one year in prison, a term of supervised release, restitution and monetary penalties.

Acting Deputy Assistant Attorney General Goldberg thanked special agents of IRS-CI, who conducted the investigation, and Assistant Chiefs Todd Ellinwood and Caryn Finley of the Tax Division, who are prosecuting the case. Acting Deputy Assistant Attorney General Goldberg also thanked the U.S. Attorney's Office of the Middle District of Florida for its assistance.

###