



# PRESS RELEASE

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IRS – Criminal Investigation

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### **Michigan Owner of Sixteen Adult Foster Care Homes Indicted on Additional Charges Including Obstructing the IRS and Failing to File Tax Returns**

A federal grand jury sitting in the Eastern District of Michigan returned a superseding indictment today, charging a Grand Blanc, Michigan owner of adult foster care homes with additional tax crimes including obstructing the internal revenue laws and failing to file tax returns, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division.

Jeremiah Cheff was indicted in October 2016 on 60 counts of failing to collect, account for and pay over employment taxes. According to the superseding indictment, Jeremiah Cheff controlled the financial and business operations of 16 foster care homes that cared for individuals with mental illnesses and developmental and physical disabilities, including Hunter's Home, Nico's Place, Harmony Manor, Hilltop Estates and Deerwood Manor. It is alleged that from September 2010 through September 2014, Cheff withheld payroll taxes from employees' paychecks, failed to timely file employment tax returns and failed to pay over the funds withheld to the Internal Revenue Service (IRS).

The new charges allege that Cheff corruptly endeavored to obstruct the internal revenue laws and failed to timely file his 2013 through 2015 individual returns. According to the indictment, after the IRS informed Cheff it intended to file a lien to collect unpaid employment taxes, Cheff sent an \$80,000 fake financial instrument to the IRS and falsely claimed to a revenue officer that he had paid the taxes due. Cheff also allegedly spent money from his businesses for personal benefit instead of paying it to the IRS, falsely classified his employees as independent contractors, provided false information to his return preparer and filed false 2013 through 2015 partnership returns for Hunter's Home.

An indictment merely alleges that crimes have been committed and all defendants are presumed innocent until proven guilty beyond a reasonable doubt.

If convicted, Cheff faces a statutory maximum sentence of five years in prison for each of the 60 employment tax counts, three years in prison for obstructing the IRS and one year in prison for each of the failure to file counts. He also faces a period of supervised release, restitution and monetary penalties.

Acting Deputy Assistant Attorney General Goldberg thanked special agents of IRS-Criminal Investigation, who conducted the investigation, and Trial Attorneys Jeffrey McLellan and Carl F. Brooker IV of the Tax Division, who are prosecuting the case. Acting Deputy Assistant Attorney General Goldberg also thanked the U.S. Attorney's Office for the Eastern District of Michigan for its substantial assistance.

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