



# Department of Justice

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Southern District of Iowa

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## **KALONA MAN SENTENCED FOR FAILURE TO FILE INCOME TAX RETURNS**

*Prosecution followed decade of non-compliance*

DAVENPORT, IA—On April 22, 2011, David Lawrence Larsen, age 62, of Kalona, Iowa, was sentenced to six months in the custody of the Bureau of Prisons for willfully failing to file a federal income tax return at the time required by law, announced United States Attorney Nicholas A. Klinefeldt. Larsen will be required to serve one year of supervised release following his release from custody. Sentence was imposed at the United States Courthouse in Davenport by Chief Judge Robert W. Pratt.

According to court documents, Larsen received business income for providing services to the sale and development of property for commercial use. He also received federal subsidies from the U.S. Department of Agriculture. Larsen, who pleaded guilty to the offense of failing to file his return for the calendar year 2006 on October 22, 2010, admitted that had not voluntarily filed a federal income tax return since 1996. He submitted delinquent income tax returns to the IRS after the IRS opened a criminal investigation.

Court records further indicate that Larsen had income of approximately \$859,262 during the years 2003-2007, and that his tax liability for those years (exclusive of interest and penalties) was approximately \$123,176. As part of the conditions of the one year of supervised release ordered by Chief Judge Pratt, Larsen will be required to cooperate with the IRS regarding the payment of his tax liabilities.

“This was fundamentally a crime of greed,” remarked United States Attorney Klinefeldt. “This prosecution vindicates the interests of the vast majority of Iowans who honestly pay their taxes and file their income tax returns as required under the law.”

“The law is clear on the issue of taxable income and who is required to file and pay taxes: there is no gray area on the subject,” said C. Steve Howard, Acting Special Agent in Charge of IRS Criminal Investigation, St. Louis Field Office. “We should not forget that the ultimate victims in tax fraud cases are the people of the United States – those honest taxpayers who diligently file tax returns each year.”

This case was investigated by the Internal Revenue Service--Criminal Investigation and prosecuted by the United States Attorney’s Office for the Southern District of Iowa.

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