

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	Criminal No. 23cr10106
	)	
v.	)	Violations:
	)	
MIGUEL CRUZ-RUBIO,	)	<u>Counts One—Four:</u>
	)	Tax Evasion
Defendant.	)	(26 U.S.C. § 7201)
	)	
	)	
	)	

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At times material to this Indictment:

Introduction

1. Defendant MIGUEL CRUZ-RUBIO resided in New Bedford, Massachusetts and Elizabethtown, North Carolina.
2. Defendant CRUZ-RUBIO worked as a commercial fisherman and deckhand for various companies operating primarily out of Massachusetts, for which he received substantial compensation.
3. The Internal Revenue Service (“IRS”) was an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States, and collecting taxes owed to the United States.
4. To accomplish its mission, the IRS used, among other means, various forms, returns, and return information that taxpayers and employers were required to file pursuant to the

tax laws of the United States.

5. In the commercial fishing industry, companies paid compensation to deckhands like defendant CRUZ-RUBIO as non-employee independent contractors, and were required by law to file directly with the IRS at year end Forms 1099-MISC documenting, on Line 5, as “Fishing boat proceeds,” any compensation they paid to fishermen in excess of \$600.

6. To file Forms 1099-MISC with the IRS, fishing companies were required to obtain from their workers certain information, including a Social Security number or other taxpayer identification number. Form W-9, Request for Taxpayer Identification Number and Certification, was a form, provided by companies to their workers, upon which fishermen and deckhands had to disclose, among other things, their name, taxpayer identification number, and address.

7. A copy of the filed Form 1099-MISC was typically also provided by the fishing companies directly to recipients such as CRUZ-RUBIO for preparation and filing of their own individual tax returns, on Forms 1040, U.S. Individual Income Tax Return. If their gross income was in excess of the minimum filing requirement set by law for each year, fishermen were required to file and report their total income, any allowable deductions, and their tax liability.

8. Despite receiving substantial income well in excess of the minimum tax return filing requirements, as well as Forms 1099-MISC documenting that income from the fishing companies who paid him, defendant CRUZ-RUBIO failed to file individual tax returns for 2010 through 2015, and 2017 through 2020, and failed to pay any tax on this income.

Defendant's Tax Evasion

9. From in or about 2015 to in or about July 2020, defendant CRUZ-RUBIO attempted to evade income taxes due and owing on approximately \$1 million in income he received as a commercial fisherman between 2010 and 2019.

10. It was part of his tax evasion that defendant CRUZ-RUBIO fraudulently used the personally identifiable information of another individual to conduct business, providing to the commercial fishing companies for whom he worked the name and taxpayer identification number of "Individual-1" rather than his own information, including on Forms W-9. To fraudulently support his identification as "Individual-1," defendant CRUZ-RUBIO obtained and provided to fishing companies a Massachusetts State Identification Card, and a Social Security Card, both of which were in the name of "Individual-1." In this fashion, CRUZ-RUBIO fraudulently caused commercial fishing companies to report on Forms 1099-MISC filed with the IRS the compensation CRUZ-RUBIO received as income paid to "Individual-1" rather than to CRUZ-RUBIO.

11. It was further part of his tax evasion that defendant CRUZ-RUBIO, rather than deposit into a bank account the paychecks he received from the fishing companies, cashed his paychecks in order to conceal the source and disposition of income he earned as a fisherman. Defendant CRUZ-RUBIO used the cash to fund personal expenditures, including, but not limited to, his rent.

12. It was further part of his tax evasion that when his wife received compensation from a third party during the 2016 tax year that caused the third party to file a Form 1099-MISC

with the IRS in her name, defendant CRUZ-RUBIO caused a tax return preparer to prepare a 2016 joint Individual Income Tax Return, Form 1040, to report her income. During the preparation process, defendant fraudulently provided to the return preparer incomplete information concerning his own income. Specifically, defendant CRUZ-RUBIO failed to provide any information concerning the approximately \$72,000 in gross income he received as a commercial fisherman in 2016, or the \$15,162 in unemployment insurance income he received from the Commonwealth of Massachusetts in 2016. As a result, defendant CRUZ-RUBIO caused the preparation and filing of a false and fraudulent joint 2016 individual tax return with the IRS, which he signed under penalty of perjury. For the calendar years 2017 through 2019, CRUZ-RUBIO failed to file any individual tax returns with the IRS.

COUNT ONE  
Tax Evasion  
(26 U.S.C. § 7201)

The Grand Jury further charges:

13. Paragraphs 1 through 12 of this Indictment are realleged and incorporated herein as if set out in full.

14. From in or about January 2016 through in or about December 2017, in the District of Massachusetts and elsewhere, the defendant,

MIGUEL CRUZ-RUBIO,

a resident of Massachusetts and North Carolina, willfully attempted to evade and defeat substantial income tax due and owing by him to the United States of America, for the calendar year 2016, by committing the following affirmative acts, among others: (1) preparing and causing to be prepared, and signing and causing to be signed, a false and fraudulent 2016 U.S. joint Individual Income Tax Return, Form 1040, which was submitted to the Internal Revenue Service; (2) fraudulently providing to fishing companies that paid him the name and Social Security number belonging to “Individual-1” in order to conceal reportable income that he earned; (3) cashing income checks to conceal the nature, source, and disposition of the payments he received; and (4) using cash to fund his personal lifestyle.

All in violation of Title 26, United States Code, Section 7201.

COUNTS TWO THROUGH FOUR

Tax Evasion  
(26 U.S.C. § 7201)

The Grand Jury further charges:

15. Paragraphs 1 through 12 of this Indictment are realleged and incorporated herein as if set out in full.

16. During the calendar years set forth in the table below, the defendant,

MIGUEL CRUZ-RUBIO,

received taxable income, upon which there was a substantial tax due and owing to the United States of America. Knowing the forgoing facts and failing to make an income tax return on or before the dates set forth below, as required by law, to any proper officer of the Internal Revenue Service, and to pay the income tax to the Internal Revenue Service, defendant CRUZ-RUBIO, from in or about January of each calendar year to on or about the tax return due dates for each calendar year as set forth in the table below, in the District of Massachusetts and elsewhere, willfully attempted to evade and defeat income tax due and owing by him to the United States of America by committing the following affirmative acts of evasion, among others: (1) fraudulently providing to fishing companies that paid him taxable income the name and Social Security number belonging to "Individual-1" in order to conceal reportable income the defendant earned; (2) cashing income checks to conceal the nature, source, and disposition of the reportable income he received; and (3) using cash to fund his personal lifestyle:

Count	Tax Year	Tax Liability	Date Return Due
2	2017	Form 1040	4/17/2018
3	2018	Form 1040	4/15/2019
4	2019	Form 1040	7/15/2020

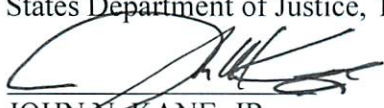
All in violation of Title 26, United States Code, Section 7201.

A TRUE BILL

  
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FOREPERSON OF THE GRAND JURY

DAVID A. HUBBERT  
Deputy Assistant Attorney General  
United States Department of Justice, Tax Division

By:



JOHN N. KANE, JR.  
Assistant Chief, Northern Criminal Enforcement Section

DISTRICT OF MASSACHUSETTS: April 13<sup>th</sup>, 2023

Returned into the District Court by the Grand Jurors and filed.

  
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DEPUTY CLERK