

The 12 Most Notorious Tax Evaders of All-Time

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Everyone is familiar with the saying “there are only two guarantees in life: death and taxes.” However, not all of us accept the latter as a given. As long as there have been taxes, there have been devious, far-fetched, and occasionally brilliant maneuvers to evade paying those taxes. The chosen maneuver varies, ranging from convoluted offshore accounts to filing false returns to brazenly hiding income. And while tax evasion is quite common (some experts speculate that US prisons would fill up if even one percent of deadbeats were prosecuted) some take their IRS dodging to truly newsworthy heights. Today, Billshrink looks back on the 12 most notorious tax evaders of all time – how much they earned, how they cheated, and what ultimately happened.

Walter Anderson



[Image Source](#)

Walter Anderson, a telecom entrepreneur, holds the dubious “honor” of being at the center of the largest tax evasion bust in U.S. history. Anderson “strung together an elaborate network of offshore companies and aliases to hide money”, according to [Time Magazine’s](#) account of the 2005 probe that revealed some \$200 million in back taxes owed the Uncle Sam. After unpersuasively pleading that his tax dodge “was part of a legitimate and long-standing plan” to further such lofty goals as fighting against arms control and promoting human rights (according to the [Washington Post](#)), Anderson ultimately pleaded guilty and was ordered to pay nearly \$400 million, not including penalties and fees. How Anderson thought a judge would believe he was hoarding hundreds of millions

of dollars to selflessly donate to social causes (“sometime next year”, no less) is beyond us.

Sinbad



[Image Source](#)

As will be seen, some of the biggest tax evaders we know about are celebrities or public figures with the kind of incomes that trigger gigantic tax bills. Sinbad is one example, with tax professional [Roni Deutch](#) reporting that the famed comedian “filed federal income tax returns for years 1998 through 2006 but failed to pay the reported taxes.” All told, the former star is up against an \$8.5 million tax bill, which has been delinquent for so long that “the U.S. Attorney General’s office wants his house sold to help satisfy the debt”, according to court documents pertinent to the case. It’s tough to

imagine Sinbad's financial picture being any bleaker than it is right now, as his 2009 bankruptcy filing cites between \$10MM-\$50MM in liabilities and less than \$50,000 in assets with which to satisfy them.

Dionne Warwick



[Image Source](#)

Dionne Warwick evidently does not have nearly as many fans at the IRS as she does at her performances. The 69 year old pop singer and actress was named as being “among the worst tax debtors in California” by the California Franchise Tax Board, according to [VOA News](#). The tax board concluded that the top 250 tax deadbeats collectively owed California over \$249 million, of which Warwick personally owed \$2.67 million. While she was apparently not prosecuted, the Tax Board did approve the establishment of a website that “names tax debtors as a form of public shaming”, and

Warwick's publicist has assured the media that she is diligently paying what she owes.

O.J. Simpson



[Image Source](#)

Ex-football star O.J. Simpson (right) will be forever linked to transgressions more serious than tax evasion, but he too was named by the California Franchise Tax Board alongside Warwick as a prolific tax dodger. All told, the disgraced athlete was accused of owing the state \$1.44 million in unpaid taxes, which he cleverly attempted to avoid paying by moving to Florida (where state law prohibits creditors from seizing a debtor's home) – **after** the debt was incurred. Of course, now that Simpson is doing time on robbery and kidnapping charges, it's unlikely he'll ever be punished separately for ripping off

California's taxpayers.

Marc Anthony



[Image Source](#)

Singing sensation Marc Anthony's run-in with the IRS exemplifies the feeling among many of us that celebrities simply do not play by the same rules. After not paying his taxes from 2000 to 2004 (encompassing \$2.5 million in taxes on \$15.5 million in income), Anthony skated on the half-hearted explanation that "he'd hired a business management company to handle his taxes and was unaware he owed any money" according to [Fox News](#). True, Anthony's tax advisers **were** punished after pleading guilty to tax felonies, but Anthony himself "got off scott-free" simply by paying the debt after getting caught. Indeed, Anthony was evidently not even

charged with a crime at all. How a world-famous entertainer pulling down more in a year than some Third World countries sincerely believed he owed no taxes was not addressed.

Leona Helmsley



[Image Source](#)

Best remembered for her famous remark “only the little people pay taxes”, the billionaire New York City hotel operator was busted in 1989 on “one count of conspiracy to defraud the United States, three counts of tax evasion, three counts of filing false personal tax returns, sixteen counts of assisting in the filing of false corporate and partnership tax returns, and ten counts of mail fraud”, according to [Wikipedia](#). However, the “queen of mean” was no ordinary tax dodger. Her reign of illegality included defrauding and refusing to pay suppliers, creating phony invoices, and attempting to write off such distinctly **non**-business expenses as “a million-dollar dance floor, a silver clock and a mahogany card table.” Despite being sentenced to sixteen years in prison (and being ordered to report on tax day),

Helmsley only served 19 months, and another two on house arrest. She was released in 1994 and remained in Connecticut until her death in 2007.

Richard Hatch



[Image Source](#)

First year *Survivor* winner Richard Hatch may have “outwitted, outlasted, and outplayed his fellow tribe members”, [Fox News](#) writes, but he failed to fool Uncle Sam. The winner of a \$1 million prize for besting his competitors on the island reality TV show, Hatch was obligated, like everyone else, to report his income to the IRS. He didn’t, claiming instead that CBS had promised to take care of it. CBS, of course, reported that it no such arrangements had been

made, and Hatch was subsequently handed a 51 month prison sentence in August 2006. Hatch got out in May 2009 on parole, but was quickly re-arrested for conducting TV interviews in **violation** of his parole. He was finally set free for good in October 2009, and will be under supervised release until 2013.

Willie Nelson



[Image Source](#)

If only every tax dodger had it as easy as Willie Nelson (called “the poster boy of tax evasion by [CNN](#)) did. After receiving a \$16 million bill for back taxes in 1990, Willie didn’t call his lawyer. He didn’t hold a teary TV interview. And he certainly didn’t panic. Instead, he went into the studio and recorded *The IRS Tapes: Who’ll Buy My Memories?*, an album created and sold for no other purpose than

paying off the embattled country singer's tax debt. With most of the debt repaid by album sales, Willie went on the offensive, suing his accountant and settling for enough money to square away all his problems with the IRS within three years. Of course, it probably sped up Willie's recording time to know that the feds were auctioning off his belongings while the album was in progress!

Pete Rose



[Image Source](#)

Like O.J. Simpson, Pete Rose will never be looked back on primarily as a tax dodger. Baseball's all-time hits leader, shunned from the Hall of Fame for betting on games while managing the Cincinnati Reds, was stuck with a \$1 million federal tax lien in 2004, according to [The Smoking Gun](#)'s article "For Pete Rose, Tax Hits Keep on Coming." It

was more of the same for Rose, who had already “spent five months in federal prison in 1990 following a guilty plea to a felony tax evasion charge” stemming from his failure to file two tax returns. A scanned-in copy of the lien filed against Rose can be seen [here](#). To date, Rose has yet to satisfy either his detractors at the IRS or within Major League Baseball.

Wesley Snipes



[Image Source](#)

Wesley Snipes was apparently not as swift at fighting off the feds as he was at slicing and dicing vampires in the *Blade* trilogy. And unlike Willie Nelson, Snipes wasn't able to wriggle out of legal trouble by quickly cutting a movie to pay his debts. In 2008, the [New York Times](#) reported that the shamed actor had been handed “three years in

prison for willfully failing to file tax returns” by a federal judge. The Times saw Snipes’ conviction as the biggest tax-related bust since Leone Helmsley was booked in 1989, citing Snipes’ eye-popping \$17 million back taxes bill (not including interest and penalties.) While Snipes tried to buy his way out of trouble by offering a \$5 million “down payment” on his debt prior to the conviction, both the judge and prosecutors refused to accept the checks. For what it’s worth, Snipes (through his attorney) has vowed to appeal his conviction.

Nicolas Cage



[Image Source](#)

A workhorse if nothing else, Hollywood icon Nicolas Cage incurred the wrath of the IRS for allegedly failing to report \$24 million received for his participation in the 2007 films *Ghost Rider* and *Grindhouse*,

according to [AccountingWeb](#). It all came to a head on July 14, 2009, when the feds “filed a tax lien against him in the Orleans District Court in Louisiana, for \$6,257,005.” Cage responded by rushing to sell real estate in New Orleans and Hollywood to keep the IRS at bay, reportedly dropping the asking price on his California residence “from \$35 million to a mere \$17.5 million.” This was not the first time Cage got into tax trouble. Just a year ago, Cage came under fire for allegedly earning \$18.5 million to star in *National Treasure*, but only reporting \$17 million. Beyond that, Cage was also accused of “inappropriately writing off \$3.3 million in personal expenses as business deductions”, including such questionably business-related items as “travel, gifts, limos and his Gulfstream 1159a Turbo Jet.”

Al Capone



[Image Source](#)

Finally, what list of notorious tax evaders would be complete without Al Capone? The legendary Chicago gangster was ultimately done in not by any of his high-profile crimes (allegedly rigging mayoral elections, gambling and prostitution, among others), but by simple tax evasion. Even once he was caught, Capone was reluctant to diminish the “buy ‘em off” mentality and tactics that had served him so well in organized crime. Reportedly, Capone attempted to bribe and intimidate potential jurors leading up to his trial, but this too was eventually discovered by Bureau of Prohibition agent Eliot Ness, who played a significant role in shutting down Capone’s breweries and speakeasies. By 1939, Capone had finished his 11 year prison sentence, but had greatly declined physically as his long-time affliction of syphilis worsened with age. In 1947, Capone succumbed to fatal cardiac arrest after years of deteriorated physical and mental health.