



State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK ROAD • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX (608) 266-5718
<http://www.revenue.wi.gov>

Scott Walker
Governor

Richard G. Chandler
Secretary of Revenue

For Immediate Release

October 21, 2016

CONTACT: DORCommunications@wisconsin.gov

Two Dentists Charged with State Tax Fraud

Michael Lafratta, 64, East Troy, and James Murphy, 58, Pewaukee, who operated a dental practice partnership in Waukesha County, have been criminally charged with filing fraudulent Wisconsin income tax returns.

Lafratta made his initial appearance yesterday in Dane County Circuit Court. Murphy is scheduled to make his initial appearance on October 31st.

An investigation by the Wisconsin Department of Revenue's Office of Criminal Investigation (OCI) revealed that their accountant had been preparing their partnership returns from Lafratta's handwritten documents for many years. The OCI analyzed printouts from the electronic records of the old partnership, as well as their bank records, for the years 2009-2011 and determined that they had underreported their partnership income by \$227,656 in 2009, \$247,428 in 2010 and \$219,663 in 2011. By underreporting these amounts Lafratta evaded \$31,390 in state income taxes and Murphy \$22,288 in this same time frame.

If convicted, Lafratta and Murphy could each face up to twelve years in prison.

Criminal charges were brought by the Wisconsin Department of Justice, State Attorney General's Office, after the Department of Revenue's OCI investigation.

- END -