

FILED
09-16-2020
CIRCUIT COURT
DANE COUNTY, WI
2020CF002319

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

STATE OF WISCONSIN,

Plaintiff,

v.

Case No. 20CF_____

THOMAS PAUL DONARSKI,
420 Grandview Drive
Waunakee, WI 53597
DOB: 04/27/1967
Sex/Race: M/W
Hair: BRWN Eyes: BRWN

Defendant.

CRIMINAL COMPLAINT

The State of Wisconsin by Christopher A. Liegel, Assistant Attorney General, upon request of the Secretary of Wisconsin Department Revenue pursuant to Wis. Stat. § 71.80(6), alleges that the defendant committed the following criminal violations of the laws of the State of Wisconsin and charges him as follows:

**COUNT 1: FILING A FALSE OR FRAUDULENT INCOME TAX RETURN—
WIS. STAT. § 71.83(2)(b)1. (2018 RETURN)**

The defendant on or about April 15, 2019, in Dane County, State of Wisconsin, rendered a false or fraudulent income tax return with the intent to evade payment of income taxes contrary to Section 71.83(2)(b)1. of the Wisconsin Statutes.

Upon conviction for this offense, a Class H felony, the defendant may be fined not more than ten thousand dollars (\$10,000) or imprisoned not more than six (6) years, or both. Wis. Stat. § 939.50(3)(h). The maximum term of initial confinement in prison may not exceed three years.

Wis. Stat. § 973.01(2)(b)8. The term of extended supervision may not exceed three years.

Wis. Stat. § 973.01(2)(d)5. In addition, the defendant may be assessed the cost of prosecution.

Wis. Stat. § 71.83(2)(b)1.

**COUNT 2: FILING A FALSE OR FRAUDULENT INCOME TAX RETURN—
WIS. STAT. § 71.83(2)(b)1. (2017 RETURN)**

The defendant on or about April 5, 2018, in Dane County, State of Wisconsin, rendered a false or fraudulent income tax return with the intent to evade payment of income taxes contrary to Section 71.83(2)(b)1. of the Wisconsin Statutes.

Upon conviction for this offense, a Class H felony, the defendant may be fined not more than ten thousand dollars (\$10,000) or imprisoned not more than six (6) years, or both. Wis. Stat. § 939.50(3)(h). The maximum term of initial confinement in prison may not exceed three years. Wis. Stat. § 973.01(2)(b)8. The term of extended supervision may not exceed three years. Wis. Stat. § 973.01(2)(d)5. In addition, the defendant may be assessed the cost of prosecution. Wis. Stat. § 71.83(2)(b)1.

**COUNT 3: FILING A FALSE OR FRAUDULENT INCOME TAX RETURN—
WIS. STAT. § 71.83(2)(b)1. (2016 RETURN)**

The defendant on or about April 6, 2017, in Dane County, State of Wisconsin, rendered a false or fraudulent income tax return with the intent to evade payment of income taxes contrary to Section 71.83(2)(b)1. of the Wisconsin Statutes.

Upon conviction for this offense, a Class H felony, the defendant may be fined not more than ten thousand dollars (\$10,000) or imprisoned not more than six (6) years, or both. Wis. Stat. § 939.50(3)(h). The maximum term of initial confinement in prison may not exceed three years. Wis. Stat. § 973.01(2)(b)8. The term of extended supervision may not exceed three years.

Wis. Stat. § 973.01(2)(d)5. In addition, the defendant may be assessed the cost of prosecution.

Wis. Stat. § 71.83(2)(b)1.

**COUNT 4: FILING A FALSE OR FRAUDULENT INCOME TAX RETURN—
WIS. STAT. § 71.83(2)(b)1. (2015 RETURN)**

The defendant on or about April 4, 2016, in Dane County, State of Wisconsin, rendered a false or fraudulent income tax return with the intent to evade payment of income taxes contrary to Section 71.83(2)(b)1. of the Wisconsin Statutes.

Upon conviction for this offense, a Class H felony, the defendant may be fined not more than ten thousand dollars (\$10,000) or imprisoned not more than six (6) years, or both. Wis. Stat. § 939.50(3)(h). The maximum term of initial confinement in prison may not exceed three years. Wis. Stat. § 973.01(2)(b)8. The term of extended supervision may not exceed three years. Wis. Stat. § 973.01(2)(d)5. In addition, the defendant may be assessed the cost of prosecution. Wis. Stat. § 71.83(2)(b)1.

FACTUAL BASIS

Complainant is a Special Agent with the Wisconsin Department of Revenue (DOR), Office of Criminal Investigation, and bases this complaint upon information and belief.

Information in this report includes but is not limited to complainant's own investigation, the investigations conducted by other agents, and employees of the Wisconsin Department of Revenue and by the Wisconsin Department of Justice; documents and records both public and private, electronic and paper, including business records, bank records, and tax documents; statements of sworn law enforcement officers, the statement of witnesses to complainant and law enforcement officers, and the statements of the defendant. For the purpose of establishing probable cause in a criminal complaint, statements from civilian witnesses are presumed to be truthful and reliable when there is no evidence the witness is involved in the charged criminal conduct. The

statements of the defendant included in this complaint inculcate him in criminal activity and were against his penal interest and therefore presumed to be truthful and reliable.

Upon information and belief, complainant states as follows:

On or about April 15, 2019, DOR received a 2018 Form 1 Wisconsin income tax return for Thomas P. Donarski and Holly A. Donarski, 420 Grandview Drive, Waunakee, WI, 53597. The return claimed that Holly Donarski had earned wages and a corresponding Form W-2 was attached to the return. The Donarskis' Wisconsin income tax return included a completed married couple credit schedule claiming a credit of \$429. On the married couple credit schedule, it was claimed that Thomas Donarski had earned \$14,304 in net earnings from self-employment. The 2018 Wisconsin income tax return filed by the Donarskis bears the signatures of Thomas Donarski and Holly Donarski and the signature date of April 8, 2019. The filing status is marked, "married filing joint return."

Included with the Donarskis' 2018 Form 1 Wisconsin income tax return was their Form 1040 Federal income tax return. Schedule C of the Donarskis' Form 1040 Federal income tax return is entitled "Profit or Loss From Business (Sole Proprietorship)." On the Form 1040, "Thomas P Donarski" is listed as the name of the proprietor and the name of the business is "Sparkling Clean." A business address is listed as "420 Grandview Drive, Waunakee, WI 53597." Gross receipts or sales are recorded as \$70,621 and net profit is listed as \$14,304.

On or about April 5, 2018, the DOR received a 2017 Form 1 Wisconsin income tax return for Thomas P. Donarski and Holly A. Donarski, 3029 Linnerud Drive, Stoughton, WI, 53589. The return claimed that Holly Donarski had earned wages and a corresponding Form W-2 was attached to the return. The Donarskis' Wisconsin income tax return included a completed married couple credit schedule claiming a credit of \$480. On the married couple credit schedule, it was claimed

that Thomas Donarski had earned \$22,022 in net earnings from self-employment. The 2017 Wisconsin income tax return filed by the Donarskis bears the signatures of Thomas Donarski and Holly Donarski and the signature date of March 25, 2018. The filing status is marked, “married filing joint return.”

Included with the Donarkis’ 2017 Form 1 Wisconsin income tax return was their Form 1040 Federal income tax return. Schedule C of the Donarskis’ Form 1040 Federal income tax return is entitled “Profit or Loss From Business (Sole Proprietorship).” On the Form 1040, “Thomas P Donarski” is listed as the name of the proprietor and the name of the business is “Sparkling Clean.” A business address is listed as “3029 Linnerud Drive, Stoughton, WI 53589.” Gross receipts or sales are recorded as \$63,208 and net profit is listed as \$22,022.

On or about April 6, 2017, the DOR received a 2016 Form 1 Wisconsin income tax return for Thomas P. Donarski and Holly A. Donarski, 3029 Linnerud Drive, Stoughton, WI, 53589. The return claimed that Holly Donarski had earned wages and a corresponding Form W-2 was attached to the return. The Donarskis’ Wisconsin income tax return included a completed married couple credit schedule claiming a credit of \$480. On the married couple credit schedule, it was claimed that Thomas Donarski had \$19,465 in net earnings from self-employment. The 2016 Wisconsin income tax return filed by the Donarskis bears the signatures of Thomas Donarski and Holly Donarski and the signature date of April 3, 2017. The filing status is marked, “married filing joint return.”

Included with the Donarkis’ 2016 Form 1 Wisconsin income tax return was their Form 1040 Federal income tax return. Schedule C of the Donarskis’ Form 1040 Federal income tax return is entitled “Profit or Loss From Business (Sole Proprietorship).” On the Form 1040, “Thomas P Donarski” is listed as the name of the proprietor and the name of the business is

“Sparkling Clean/Almost Anything.” A business address is listed as “3029 Linnerud Drive, Stoughton, WI 53589.” Gross receipts or sales are recorded as \$56,975 and net profit is listed as \$19,465.

On or about April 4, 2016, DOR received a 2015 Form 1 Wisconsin income tax return for Thomas P. Donarski and Holly A. Donarski, 3029 Linnerud Drive, Stoughton, WI, 53589. The return claimed that Holly Donarski had earned wages and a corresponding W-2 form was attached to the return. The Donarskis’ Wisconsin income tax return included a completed married couple credit schedule claiming a credit of \$480. On the married couple credit schedule, it was claimed that Thomas Donarski had earned \$23,089 in net earnings from self-employment. The 2015 Wisconsin income tax return filed by the Donarskis bears the signatures of Thomas Donarski and Holly Donarski and the signature date of March 28, 2016. The filing status is marked “married filing joint return.”

Included with the Donarkis’ 2015 Form 1 Wisconsin income tax return was their Form 1040 Federal income tax return. Schedule C of the Donarskis’ Form 1040 Federal income tax return is entitled “Profit or Loss From Business (Sole Proprietorship).” On the Form 1040, “Thomas P Donarski” is listed as the name of the proprietor and the name of the business is “Sparkling Clean/Almost Anything.” A business address is listed as “3029 Linnerud Drive, Stoughton, WI 53589.” Gross receipts or sales are recorded as \$75,500 and net profit is listed as \$23,089.

On July 2, 2019, complainant participated in a search of the defendant’s home located at 420 Grandview Drive in Waunakee, Dane County, Wisconsin. During the search, complainant observed a number of three-ring binders on the dining room table. The outside of each binder was labeled with the name of the defendant’s company and the year. Complainant examined the binders

labeled 2018, 2017, 2016 and 2015 for “Sparkling Clean.” Immediately inside each binder was a ledger corresponding to the year on that binder’s label. Each ledger began with the heading, “Sparkling Clean Air Duct Cleaning.” Below that heading was a subheading, “Total Sales 20[],” recording the year of the work described in that ledger. The body of the document listed the name, address and phone number of the customer; the service date; lines to handwrite charges for the preprinted services: “duct cleaning,” “dryer vent,” “chimney,” or “other,” and a line for “total charge.”

Also contained in the three-ring binders were invoices and statements. Complainant noticed that invoices and statements contained in the binder corresponded with the work recorded on the ledger in the same binder. Complainant states that some of the information contained on the invoices/statements included: Prominently at the top of the invoice/statement, the pre-printed name and slogan of the business, “Sparkling Clean Air Duct Cleaning – I’ll Bust Your Dust;” the address of the business, either: “3029 Linnerud Drive, Stoughton, WI 53589” or “420 Grandview Drive, Waunakee, WI 53597;” and the business’s telephone number, “(608) 239-7393 - Business; (608) 873-8815 – Fax.” On preprinted lines below the heading, “Client Information,” were lines to handwrite the date, name, address, and phone number of the customer. On the right side of the form under the heading of “Work Completed” were preprinted lines for services: “Duct Cleaning,” “Dryer Vent Cleaning,” “Chimney Sweep,” and “Other.” Next to each of these services was a line to handwrite the price to be charged for that service.

Complainant states that he obtained the defendant’s bank records for the years 2015, 2016, 2017 and 2018. In each of those years, the defendant maintained an account with the same financial institution in Dane County with the account in the name of “THOMAS P DONARSKI D/B/A ALMOST ANYTHING D/B/A SPARKLING CLEAN AIR DUCT CLEAN.” In reviewing these

records, complainant was able to identify the name of the “payer,” meaning the person or entity whose check is being deposited, and the “payee,” meaning who received the money—either “Sparkling Clean,” “Almost Anything,” or Thomas Donarski. The bank account documents also recorded the amount of the payment and the date the payment was deposited.

Complainant examined the financial records for the Sparkling Clean business conducting a reconciliation of the ledgers, the invoices/statements, and the bank records. Complainant’s findings are recorded in the table below:

	2015	2016	2017	2018	2015–18 Total
Ledger Total	122,735	110,125	100,295	116,710	449,865
Invoice Total	121,935	109,710	101,080	116,710	449,435
Deposits Total	120,470	105,025	97,130	110,250	432,875
Lowest	120,470	105,025	97,130	110,250	432,875

Complainant states that during the July 2, 2019 search of the defendant’s residence he discovered documents and records related to the defendant’s business called, “Almost Anything.” There were no ledgers recovered related to “Almost Anything,” but there were file folders containing documents for “Almost Anything.”

Complainant further states that during the July 2, 2019 search, agents seized a personal desktop computer from a room that appeared to be the defendant’s home office. This computer was secured and transported to the Wisconsin Department of Justice, Division of Criminal Investigation, Digital Forensics Unit, where Senior Digital Forensics Examiner Kimberly Bizub made an exact copy of the electronic data stored on the hard drive of the computer. Complainant states that when he examined the secure files from the copy of the hard drive provided by Bizub, he observed documents saved in Microsoft Word that corresponded with work done by the

“Almost Anything” business. Some of the documents included: bids, estimates, statements, change orders, receipts and invoices.

Complainant states that he matched the Word documents recovered from the defendant’s personal computer to bank deposits at the defendant’s financial institution in which “Almost Anything” was the payee. When complainant completed this reconciliation, he observed the following:

	2015	2016	2017	2018	Total 2015–18
Documents totals	181,930	101,269	20,546	15,967	319,712
Matched Deposits	181,178	101,474	51,247	15,967	349,866
Lowest	181,178	101,269	20,546	15,967	318,960

In using the lowest numbers from the defendant’s records and bank deposits the following table depicts the minimum amount by which the defendant understated his gross income from Sparkling Clean and Almost Anything on his tax returns for 2015, 2016, 2017 and 2018:

	2015	2016	2017	2018	Total
Lowest Sparkling Clean	120,470	105,025	97,130	110,250	432,875
Lowest Almost Anything	181,178	101,269	20,546	15,967	318,960
Total	301,648	206,294	117,676	126,217	751,835

Complainant states that he compared the gross receipts or sales that the defendant reported on his Federal and Wisconsin income tax returns to the minimum amount of gross receipts or sales

that the defendant's businesses actually earned in those years. What complainant observed is reflected in the below table:

	2015	2016	2017	2018	Total
Reported Gross	75,500	56,975	63,208	70,621	266,304
Actual Gross	301,648	206,294	117,676	126,217	751,835
Unreported	226,148	149,319	54,468	55,596	485,531

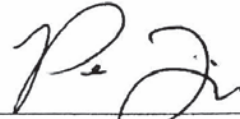
Complainant states that the defendant's gross receipts or sales are a component of his taxable income. Complainant states that when he recalculated the defendant's taxable income using the minimum gross receipts or sales the defendant could have actually earned, the following underpayment of taxes was revealed:

	2015	2016	2017	2018	Total
Taxes Unpaid	13,049	8,501	3,037	3,100	27,687

Complainant states that when he includes interest and penalties, the defendant's total liability to the Department of Revenue for underpayment of taxes is \$52,928 for 2015–2018.

Complainant states that the search of Thomas Donarski's computer revealed that after his initial conversation with law enforcement on June 19, 2019, he conducted internet research related to tax fraud before his computer was seized on July 2, 2019. Some of the internet searches discovered on his computer were: "how much tax do you pay on underreported income of \$500,000," "how far back does the irs go back for fraud," "what can the irs seize," "do banks record the checks deposited," and "tax fraud penalties."

I, the complainant in this case, being duly sworn, state that the above factual basis is true to the best of my knowledge and belief.



Paul Libecki, Special Agent
Complainant

Telephonically subscribed and sworn to before me
and approved for filing dated this 15th day of September, 2020.

s/Christopher A. Liegel
Electronically signed by,
CHRISTOPHER A. LIEGEL
Assistant Attorney General
State Bar #1019608

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