

FILED  
CHARLOTTE, NC

APR 20 2016

US District Court  
Western District of NC

## UNITED STATES DISTRICT COURT

for the

Western District of North Carolina

United States of America )

v. )

Reuben DeHaan )

Case No. 3:16-mj-137

Defendant(s)

## CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of April 15,2009 through April 15,2015 in the county of Mecklenburg and Cleveland in the  
Western District of North Carolina, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
Title 26, U.S.C., Section 7212(a)	Endeavoring to obstruct and impede the due administration of the Internal Revenue Code (IRC)
Title 26, U.S.C., Section 7201	Willfully attempting to evade and defeat any tax imposed by the IRC

This criminal complaint is based on these facts:

As stated in the probable cause affidavit of Special Agent Robert F. Key, attached hereto and incorporated by reference herein.

☐ Continued on the attached sheet.

Complainant's signature

Special Agent Robert F. Key

Printed name and title

Sworn to before me and signed in my presence.

Date: April 20, 2016

Judge's signature

City and state: Charlotte, North Carolina

U.S. Magistrate Judge Dennis L. Howell

Printed name and title

Western District of North Carolina



**AFFIDAVIT IN SUPPORT OF A  
COMPLAINT AND WARRANT FOR ARREST**

I, Robert F. Key, being first duly sworn, hereby depose and state as follows:

**I.  
INTRODUCTION**

1. I am a Special Agent with the Internal Revenue Service, Criminal Investigation and have served in this capacity since December of 2011. I received training in accounting and financial investigative techniques at the Federal Law Enforcement Training Center in Glynco, Georgia. I have a Bachelor of Science degree in Accounting, which I obtained in 2006 from Appalachian State University. As a Special Agent, I investigate potential criminal violations including tax, money laundering, and bank secrecy act violations. Prior to being a Special Agent, I was a Senior Associate with PricewaterhouseCoopers, LLP ("PwC") for five years. As a Senior Associate, my duties included providing accounting related services to privately held middle-market companies and advisory services to the federal government. These advisory services included an assessment of the Federal Bureau of Investigation's internal controls and program management for the Department of Defense – Task Force for Business Stability and Operations ("TFBSO") program areas, which focused on efforts to stabilize the post-invasion Iraq and Afghanistan economies by reducing unemployment and attracting foreign investors.

**II.  
PURPOSE**

2. This affidavit is made in support of a criminal complaint charging REUBEN DEHAAN ("DEHAAN") with violating Title 26, United States Code, Section 7212(a) (Attempt to Interfere with Administration of Internal Revenue Laws) and Title 26, United States Code, Section 7201 (Tax Evasion).
3. The information contained in this affidavit is based on my personal knowledge and information that I received from sources specifically discussed herein. Since this affidavit is being submitted for the limited purpose of establishing probable cause for the criminal complaint referenced above, I have not included each and

every fact known to me concerning this investigation. I have set forth only the facts that I believe are necessary to establish the requisite foundation for a probable cause finding to support the criminal complaint.

### III.

#### **APPLICABLE CRIMINAL STATUTES**

4. Title 26, United States Code, Section 7212(a) prohibits, in pertinent part, a person from "endeavor[ing] to obstruct or impede the due administration of [the Internal Revenue Code]."
5. Title 26, United States Code, Section 7201 prohibits, in pertinent part, a person from "willfully attempt[ing] in any manner to evade or defeat any tax imposed by [the Internal Revenue Code]."

### IV.

#### **FACTS SUPPORTING PROBABLE CAUSE**

##### **A. BACKGROUND OF THE INVESTIGATION**

6. DEHAAN claims to be a "Medicine Man" and provides natural healing services and products to customers for a fee. DEHAAN does business as Get Well Stay Well ("GWSW") and Health Care Ministries International ("HCMI"). DEHAAN provides his services and products at his residence located at 103 Police Club Drive, Kings Mountain, NC. DEHAAN also claims to be a minister of the Native American Church of Nemenhah ("NACNEM"). DEHAAN's position on income tax is that all of his earnings from his natural healing business are donations because he is a minister of the NACNEM, and his income from his business, therefore, is non-taxable.
7. DEHAAN's income tax beliefs are evidenced by the multiple frivolous letters mailed to the Internal Revenue Service (IRS) stating he is not subject to federal income tax because of his association with the NACNEM religious order. However, the NACNEM is not recognized by the Bureau of Indian Affairs as a Native American tribe. Additionally, the NACNEM is not a "church" or "religious

order" recognized by the IRS as it has not applied for or received a tax identification number or not-for-profit status from the IRS.

8. DEHAAN has a multi-year pattern of failing to file Federal income tax returns. IRS records show that DEHAAN has not voluntarily filed a Federal income tax return for himself or his business since 1997, except for frivolous returns for years 2005 and 2006.

**B. ATTEMPT TO INTERFERE WITH TAX ADMINISTRATION AND EVADE THE ASSESSMENT OF TAX**

9. From 2005 to 2014, DEHAAN operated his holistic medicine business under various entity names. In November 2005, DEHAAN incorporated or caused to be incorporated GWSW in Nevada; however, the corporate status was revoked in November 2006. In October 2007, DEHAAN incorporated or caused to be incorporated Precept Management, Inc. and HCMI in Nevada; however, both corporate statuses were revoked in October 2008. In September 2011, DEHAAN formed or caused to be formed Meadow Falls, LLC in New Mexico.
10. Although DEHAAN owned and operated the holistic medicine business, he was not listed in the formation or organizational documents of GWSW, Precept Management, Inc., HCMI, or Meadow Falls, LLC. A review of the Nevada organizational documents for GWSW showed Pamela Elliot as the Managing Officer. A review of the Nevada organizational documents for Precept Management, Inc. and HCMI showed Aaron Shoaf as the President. A review of the New Mexico organizational documents for Meadow Falls, LLC shows A. Gower as the Officer. Based upon my training and experience, I know that Nevada and New Mexico are commonly used to establish shell companies because the states provide business owners greater anonymity and impunity by not requiring the identity of owners on articles of incorporation.
11. DEHAAN used many different bank accounts while operating the same holistic medicine business. In November 2007, DEHAAN opened one account at Wells Fargo (ending in 4427) in the name of Precept Management, Inc. and three accounts at Fifth Third Bank (ending in 5521, 5547, and 5554) in the name of HCMI. In February 2012, DEHAAN opened or caused to be opened three

accounts at Branch Banking & Trust (ending in 6189, 6197, and 6286) in the name of Meadow Falls, LLC. In April 2014, DEHAAN opened or caused to be opened two accounts at Bank of America (ending in 8213 and 8226) in the name of Meadow Falls, LLC. A review of the 2008 through 2014 deposit and withdrawal activity showed the accounts were all used for the purpose of operating DEHAAN's holistic medicine business. A review of the bank account signature cards at Wells Fargo and Fifth Third Bank indicated DEHAAN was the sole signatory on the accounts. A review of the bank account signature cards at Branch, Banking, & Trust and Bank of America show the sole signatory was an individual with the initials R.C., who signed as the authorized representative.

12. DEHAAN used various entity names to conceal his ownership of assets.

- a. In January 2008, DEHAAN incorporated Sailwind Properties in Alaska. In July 2008, DEHAAN transferred the deed for parcel no. 12886 from the REUBEN DEHAAN Family Trust (REUBEN T. and Cynthia L. DEHAAN Trustee) to Sailwind Properties. According to the Cleveland County, NC Register of Deeds, parcel no. 12886 is located at 103 Police Club Drive, Kings Mountain, NC, which is DEHAAN's primary residence.
- b. In May 2008, DEHAAN incorporated Dynamix, LLC in Alaska. A review of the registration and sales documents for six vehicles currently registered to Dynamix, LLC showed DEHAAN as the owner and/or buyer. A review of the Alaska organizational documents for Sailwind Properties and Dynamix, LLC shows Aaron Shoaf as the Organizer. In July 2011, Dynamix, LLC's corporate status was revoked. In June 2013, Sailwind Properties' corporate status was revoked.
- c. Although DEHAAN owned the property in the name of Sailwind Properties and Dynamix, LLC, he was not listed in the formation or organizational documents. However, a document signed by DEHAAN was provided to the North Carolina Division of Motor Vehicles regarding the sale of a 2007 Leonard Trailer listing DEHAAN as the Managing Member, Chief Executive Officer, Secretary, and Treasurer of Dynamix, LLC.

13. In February 2014, DEHAAN made false statements to an IRS Revenue Agent as part of an audit of DEHAAN's 2008, 2009, 2010, 2011, and 2012 personal

income taxes. Among his false statements, DEHAAN claimed no knowledge of Precept Management, Inc. even though he was listed as the sole signatory on the bank account for the entity in years 2008 and 2009. DEHAAN also informed the Revenue Agent that monies received from consulting and medicine sales is not taxable because they are "donations" for his NACNEM minister services. Contrary to this claim, DEHAAN noted his business as "For Profit" on the HCMI and Meadow Falls, LLC bank account signature cards. Furthermore, the HCMI website includes a product pricing page containing "Pricelists". The IRS Revenue Agent made it clear to DEHAAN that he was required to file U.S. Individual Income Taxes.

14. On Wednesday, March 18, 2015, an Undercover Agent ("UCA") contacted the HCMI phone number at (704) 730-9115 to schedule an appointment with DEHAAN. During that conversation, the UCA solely spoke to a female named Sarah. Sarah informed the UCA that the first consultation with DEHAAN is \$145 and follow-ups are \$95. At no time during the call did Sarah refer to these fees for DEHAAN's services as gifts or donations. Nor were the fees discretionary. Sarah described the consultation as being "like" a regular doctor's visit where clients meet individually with DEHAAN and an assistant is present for the consultation. Sarah stated DEHAAN accepts check, credit card, and cash as payment. Sarah confirmed that DEHAAN sees clients at 103 Police Club Drive, Kings Mountain, NC.

15. On Thursday, January 14, 2016, a UCA contacted the HCMI phone number at (704)730-9115 to schedule an appointment with DEHAAN. During the conversation, the UCA solely spoke to a female named Ginger. Ginger claimed to be DEHAAN's wife. Ginger informed the UCA that the first consultation is \$145 and follow-ups are \$95. Ginger stated that several supplement, essential oil, and cleansing products are available for purchase on-site of the consultation ranging from \$5 to \$40. At no time during the call did Ginger refer to the service fees or pricing of products as gifts or donations. Nor were these fees discretionary. Ginger stated DEHAAN accepts check, credit card, and cash as payment. Ginger also stated that DEHAAN sees clients from 1:00 PM to 5:00 PM on Mondays and 10:00 AM to 5:00 PM on Wednesdays. Ginger confirmed that DEHAAN sees clients at 103 Police Club Drive, Kings Mountain, NC.

16. On Wednesday, March 16, 2016, a UCA met with DEHAAN at 103 Police Club Drive, Kings Mountain, NC for a scheduled health consultation. DEHAAN conducted a "Total Body Analysis" evaluation of the UCA and provided instruction on how to improve his/her overall health. At the conclusion of the consultation, DEHAAN provided the UCA with an evaluation report titled "TBA Evaluation Results", a book titled "The Foundation", and a vial containing unknown ingredients to mitigate the health issues identified by DEHAAN.

Afterward, the UCA completed a checkout process with Shannon. Shannon stated, "So the initial consultation which includes the book and your remedy, \$145 today." At no time during the UCAs meeting with DEHAAN or Shannon were the service fees or pricing of products deemed a donation or gift. The UCA was never afforded the opportunity to pay less than \$145 for the services and products received. The UCA split the \$145 payment using a handwritten check and credit card. Shannon generated an invoice from a computer and provided a hardcopy to the UCA. The invoice showed the UCA received a "TBA Initial Consultation (In-Office)" accompanied with an order number, order date, and order status of "Completed".

17. According to UCA discussions with Ginger, DEHAAN sells various natural healing products. These products include super-nutrient powder (i.e. greens), intestinal cleanse products, therapeutic grade essential oils, Vitamin D3, bowel stimulants, immune boosters, and other various products. DEHAAN's underground construction project, power usage, and mail received at 103 Police Club Drive, Kings Mountain, NC indicate he is growing products at his residence, which are then sold and shipped as part of his natural healing business. This is supported by DEHAAN's 2014 bank records that show payments totaling over \$12,000 to the United States Postal Service and \$1,000 to Industrial Containers. DEHAAN also made over \$15,000 in payments to Natura-Genics in 2014, which is a company that produces all natural vitamins and supplements.

18. DeHaan appears to be using hydroponic methods to grow some sort of indoor crop, which could include herbs and other herbal products that he sells to clients. In February 2014, DEHAAN began construction on an underground root cellar at his residence. Surveillance confirmed the underground project commenced and has been completed. From 2013 to early 2015, DEHAAN's power usage at 103 Police Club Drive, Kings Mountain, NC, which is registered to Vanderbilt



Holdings, is considered high when compared to similar properties. For example, in May 2015 a comparable house used 1200 Kilo Watts Hour (KWH) compared to the 4,700 KWH used by DEHAAN's property. DEHAAN's power usage is also consistently high during months of milder weather when heat and cooling systems are used less frequently. In June 2015, DEHAAN received mail from FarmTek, which sells hydroponic fodder systems, greenhouses, and high tunnels. DEHAAN also received mail from Solutions From Science, which sells food, seeds, fertilizers, and solar energy equipment and Victory Packing, which markets full-service packing solutions for businesses. Following the UCA meet on Wednesday, March 16, 2016, DEHAAN sent an email to the UCA and stated "If the group ends up being a fun crowd, I might show an interesting aquaponics project I have :)".

19. DEHAAN structured cash transactions to evade the filing of Bank Secrecy Act reports. In October 2008, DEHAAN structured two cash withdrawals totaling \$19,900 from his HCMI account (ending in 5521) at Fifth Third Bank. Specifically, DEHAAN wrote two checks payable to cash on the same day, October 3, 2008, each in the amount of \$9,950. Federal law requires banks to report cash deposits and withdrawals in excess of \$10,000. In December 2010, DEHAAN structured three cash deposits into his HCMI account (ending in 5554) at Fifth Third Bank totaling \$27,300 over a three business-day period.
20. DEHAAN dealt extensively in cash with the intent to evade income taxes and obstruct and impede the IRS. From 2008 through 2014, DEHAAN withdrew over \$565,000 in cash from the corporate bank accounts.
21. In March 2010, DEHAAN filed a no trespassing document with the Cleveland County, NC Register of Deeds. The document provides a notice to agents of the government that "Violations of the rights of the Owner, his property, or those under His protection, may be assessed a civil penalty of One Million Dollars in silver coin for each violation." In May 2010, DEHAAN filed a declaration with the Cleveland County, NC Register of Deeds renouncing his United States citizenship, liability for the national debt of the United States, and him being a person claiming income that is effectively connected with the conduct of a trade or business in the United States. In February 2014, DEHAAN wrote a letter to the City of Kings Mountain stating he was beginning a project to construct an

underground root cellar at his residence. The letter went on to inform the City of Kings Mountain that a permit is not required for such a project and reminded the city they were notified approximately one year prior that this parcel of property had been deeded over to the Native American Church of Nemenhah, Order of Lehb. Included with the letter was the aforementioned no trespassing document and a notice to government agencies or enforcement officers regarding his land being used for religious purposes. The notice states, "You are officially and legally placed ON LEGAL NOTICE. You understand that his NOTICE affects your authority to act and your legal immunity. You should return to your SUPERVISOR, or to the Attorney General of your State, or the U.S. Attorney General, for further instruction before you proceed."

22. In March, 2008, DEHAAN filed false and fraudulent federal income tax returns for tax years 2005 and 2006. On the Forms 1040, U.S. Individual Income Tax Returns, DEHAAN reported no income or tax but attached false Forms 1099-OID, Original Issue Discount, and false Forms 709, United States Estate (and Generation-Skipping Transfer) Tax Return. DEHAAN also included Forms 56, Notice Concerning Fiduciary Relationship, for Health Care Ministry International. Along with the false tax returns and attached forms, DEHAAN sent letters to the IRS asserting frivolous positions as to why he was exempt from the payment of income tax.

23. On or about August 13, 2013, in response to a letter from the IRS inquiring about DEHAAN's failure to file tax returns, DEHAAN sent a frivolous letter to the IRS proposing fees against the IRS. In the letter DEHAAN stated that he recorded a Fee Schedule with Cleveland County North Carolina stating his fees for helping the IRS solve its tax problems, which assistance requires settlement in advance.

**C. CRIMINAL TAX DUE & OWING**

24. Based on a review of DEHANN'S and his businesses bank accounts, DEHAAN has earned over \$2.7 million dollars in gross receipts from his natural healing business between 2008 and 2014:

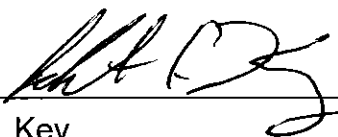
Year	Approximate Unreported Gross Receipts
2008	\$474,635
2009	\$450,630
2010	\$393,385
2011	\$410,043
2012	\$320,938
2013	\$360,161
2014	\$364,699

25. DEHAAN owes substantial personal income taxes related to these earnings and he has not filed any personal income tax returns for these years with the IRS.

**D. CONCLUSION**


25. Based on my training and experience, and the facts as set forth in this affidavit, there is probable cause to believe that REUBEN T. DEHAAN violated Title 26, United States Code, Section 7212(a) (Attempt to Interfere with Administration of Internal Revenue Laws) and Title 26, United States Code, Section 7201 (Tax Evasion) for personal income taxes for years 2009 through 2011, in the Western District of North Carolina.

Respectfully Submitted



Robert F. Key  
Special Agent, Internal Revenue Service

Subscribed and sworn to before me, this 30<sup>th</sup> day, of April, 2016



The Honorable Dennis L. Howell  
United States Magistrate Judge