


State of Minnesota
County of WashingtonDistrict Court
10th Judicial DistrictProsecutor File No.
Court File No.CR-2020-1116
82-CR-20-2813

State of Minnesota,

Plaintiff,

vs.

DEREK MICHAEL CHAUVIN DOB: 03/19/1976
Oakdale, MN 55128

Defendant.

COMPLAINT

Summons

The Complainant submits this complaint to the Court and states that there is probable cause to believe Defendant committed the following offense(s):

COUNT I**Charge: Aiding and Abetting Taxes-false or fraudulent returns-file with commissioner**

Minnesota Statute: 289A.63.2(a), with reference to: 289A.63.2(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 04/25/2016

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another by filing with the commissioner a return, report or other document, known by the person to be fraudulent or false concerning a material matter to wit: by filing a false or fraudulent statement or return for 2014

COUNT II**Charge: Aiding and Abetting Taxes-false or fraudulent returns-file with commissioner**

Minnesota Statute: 289A.63.2(a), with reference to: 289A.63.2(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 10/04/2016

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another by filing with the commissioner a return, report or other document, known by the person to be fraudulent or false concerning a material matter to wit: by filing a false or fraudulent statement or return for 2015

COUNT III**Charge: Aiding and Abetting Taxes-false or fraudulent returns-file with commissioner**

Minnesota Statute: 289A.63.2(a), with reference to: 289A.63.2(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 06/26/2020

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another by filing with the commissioner a return, report or other document, known by the person to be fraudulent or false concerning a material matter to wit: by filing a false or fraudulent statement or return for 2016

COUNT IV

Charge: Aiding and Abetting Taxes-false or fraudulent returns-file with commissioner

Minnesota Statute: 289A.63.2(a), with reference to: 289A.63.2(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 06/26/2020

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another by filing with the commissioner a return, report or other document, known by the person to be fraudulent or false concerning a material matter to wit: by filing a false or fraudulent statement or return for 2017

COUNT V

Charge: Aiding and Abetting Taxes-false or fraudulent returns-file with commissioner

Minnesota Statute: 289A.63.2(a), with reference to: 289A.63.2(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 06/26/2020

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another by filing with the commissioner a return, report or other document, known by the person to be fraudulent or false concerning a material matter to wit: by filing a false or fraudulent statement or return for 2018

COUNT VI

Charge: Aiding and Abetting Taxes-false or fraudulent returns-file with commissioner

Minnesota Statute: 289A.63.2(a), with reference to: 289A.63.2(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 06/26/2020

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another by filing with the commissioner a return, report or other document, known by the person to be fraudulent or false concerning a material matter to wit: by filing a false or fraudulent statement or return for 2019

COUNT VII

Charge: Aiding and Abetting Taxes-failure to file return,report, document-F

Minnesota Statute: 289A.63.1(a), with reference to: 289A.63.1(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 04/18/2017

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another willfully attempts in any manner to evade or defeat a tax law by failing to file a return when required to do so

COUNT VIII

Charge: Aiding and Abetting Taxes-failure to file return,report, document-F

Minnesota Statute: 289A.63.1(a), with reference to: 289A.63.1(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 04/17/2018

Control #(ICR#): 20200101

Charge Description: aiding and abetting and being aided and abetted by another willfully attempts in any manner to evade or defeat a tax law by failing to file a return when required to do so

COUNT IX

Charge: Aiding and Abetting Taxes-failure to file return,report, document-F

Minnesota Statute: 289A.63.1(a), with reference to: 289A.63.1(a), 609.05.1

Maximum Sentence: 5 years and \$10,000

Offense Level: Felony

Offense Date (on or about): 04/15/2019

Control #(ICR#): 20200101

Charge Description: willfully attempts in any manner to evade or defeat a tax law by failing to file a return when required to do so

STATEMENT OF PROBABLE CAUSE

The Complainant states that the following facts establish probable cause:

On June 12, 2020, investigators with the Minnesota Department of Revenue (MDOR) were assigned a case involving tax violations committed by DEREK MICHAEL CHAUVIN, dob 3/19/1976 (D. Chauvin) and KELLIE MAY CHAUVIN, dob 10/21/1974 (K. Chauvin). A review of internal MDOR records showed that The Chauvins filed a late tax return in 2014 and a timely tax return in 2015. The Chauvins did not file Minnesota income tax returns for the years 2016, 2017, or 2018.

A Minnesota resident must file income taxes with MDOR by April 15 of the following year. A person is considered a Minnesota resident, if the person spends at least 183 days in Minnesota during the year and the person or their spouse rent, own, maintain, or occupy an abode suitable for year round use and equipped with its own cooking and bathing facilities.

Additionally, individuals or married joint filers need to make more income than the minimum income threshold. The filing minimums between 2014 and 2019 were as follows:

Year	Single	Married – both under 65
2014	\$10,150	\$20,300
2015	\$10,300	\$20,600
2016	\$10,350	\$20,700
2017	\$10,400	\$20,800
2018	\$10,650	\$21,300
2019	\$12,000	\$24,400

Investigators determined that the Chauvin's income was significantly over the threshold requirements and that they were Minnesota residents as they lived, worked, and had significant connections to the State of Minnesota.

Between 2014 and 2017 the Chauvins owned and resided in two homes in Woodbury, Washington County, Minnesota. Between 2014 and 2015, the Chauvins classified their Woodbury home as residential homestead. Between 2015 and 2017, the Chauvins classified their Woodbury home as residential non-homestead. On August 2, 2017, D. Chauvin and K. Chauvin purchased and resided at 7515 17th Street N., Oakdale, Washington County, Minnesota. The Chauvins classified this home as residential non-homestead. The Chauvins have owned a home in Windermere, Florida since October 2011. There is no homestead exemption on the Florida property.

D. Chauvin was primarily employed as a Minneapolis Police Officer. Investigators obtained D. Chauvin's timesheets from the Minneapolis Police Department (MPD). The investigator calculated the total days on which D. Chauvin began or ended a shift as an MPD officer as follows, with 2020 being incomplete:

Year	Days Worked
2014	236
2015	228
2016	209
2017	226

2018	223
2019	246
2020	100
Total	1468

The City of Minneapolis issued a W-2 to D. Chauvin every year between 2014 and 2019. D. Chauvin's annual income from the City of Minneapolis between 2014 and 2019 is as follows:

	2014	2015	2016	2017	2018	2019
MPD Wages, tips, other compensation	\$52,475.95	\$52,516.89	\$54,118.53	\$64,339.61	\$66,746.34	\$72,029.71
Minnesota Withholding	\$2,020.11	\$1,879.78	\$1,972.19	\$2,619.40	\$2,777.08	\$3,143.91

With approval from MPD, officers are allowed to work off-duty security. The MPD policy manual requires officers to report and pay taxes on all off-duty income. Between 2014 and 2020, D. Chauvin requested and was given approval by MPD to work off-duty security for a restaurant named El Nuevo Rodeo, Cub Foods, Midtown Global Market, and EME Antro Bar.

Investigators spoke with Witness 1, owner of El Nuevo Rodeo. Witness 1 confirmed that D. Chauvin provided security as an off-duty police officer nearly every weekend between January 2014 and December 2019. Witness 1 stated D. Chauvin generally took a shift from 11:00 pm – 2:30 am and made \$220 a night. In a search warrant of D. Chauvin's Oakdale home, investigators located handwritten schedules for D. Chauvin's off-duty work between January 2014 and July 2016. During that period D. Chauvin worked 172 shifts, or six shifts per month, at El Nuevo Rodeo. Extrapolating that average to December 2019, D. Chauvin earned approximately \$95,920.00 between January 2014 and December 2019 from El Nuevo Rodeo that the the Chauvins did not report as income.

D. Chauvin also worked as a licensed realtor for RE/MAX Results in 2017. Investigators obtained D. Chauvin's 2017 1099's from RE/MAX showing that D. Chauvin earned \$9,477.50.

Cub Foods and Midtown Global Market both filed 1099's for income earned by D. Chauvin between 2014 and 2016. D. Chauvin accurately reported this income on his 2014 and 2015 tax returns. In 2016 D. Chauvin earned \$2,660 from Cub Foods and \$1,500 from Midtown Market.

Beginning June 7, 2019, D. Chauvin worked security for EME Antro Bar in Minneapolis. Investigators did not locate a W2 or 1099 for D. Chauvin. Investigators spoke with Witness 2, owner of EME Antro Bar. Witness 2 stated D. Chauvin worked traffic control from 11 p.m. to 2:30 a.m. on weekends after his MPD shift. Witness 2 stated D. Chauvin worked approximately 4 shifts per month and was paid \$250 in cash each night.

K. Chauvin is a licensed realtor in Minnesota and works for RE/MAX Results in Eden Prairie, Minnesota. The 1099's provided by RE/MAX show K. Chauvin earned \$22,398.61 in 2016, \$94,004.63 in 2017, and \$64,961.33 in 2018.

K. Chauvin also operates a photography business under the name KC Images. In reviewing bank records obtained by investigators, K. Chauvin received 340 checks paid to either KC Images or to K. Chauvin with the memo line stating "photos." The checks totaled \$66,472.75. The Chauvins did not report the checks as income in the 2014 and 2015 filed tax returns.

In July 2017, D. Chauvin and K. Chauvin sold their Woodbury rental home. In prior filed tax returns, the Chauvins took a deduction of the depreciation of the home to lower their income taxes. That same deduction

must be applied to the purchase price of the home when determining capital gains tax. Investigators calculated rental home depreciation \$32,734. D. Chauvin and K. Chauvin did not apply this number to the purchase price when subtracting from the sale price, resulting in less capital gains tax.

Investigators obtained and reviewed D. Chauvin and K. Chauvin's bank account and debit card transactions. The records showed D. Chauvin and K. Chauvin making transactions at Minnesota businesses corroborating Minnesota residence.

On June 25, 2020, investigators from MDOR along with the Oakdale Police Department executed a search warrant at the Oakdale address. The home was mainly empty. A box of financial and tax documents, work schedules and other correspondence was found in the garage. The records found corroborated Minnesota residence.

Investigators also executed a search warrant at the office of Witness 3, D. Chauvin's father, an accountant who prepared the Chauvin's 2014 and 2015 tax returns. Witness 3 stated he prepared the 2014 and 2015 tax returns based on information given to him by the Chauvins. While not reported in 2014 and 2015, witness 3 confirmed that D. Chauvin had additional income sources outside of MPD. Witness 3 stated that he filed an extension on behalf of the Chauvins for the 2016 income tax returns; however, the Chauvins never provided financial information for to Witness 3 to file returns.

On June 26, 2020, investigators interviewed K. Chauvin. K. Chauvin stated that both she and D. Chauvin jointly handled finances. K. Chauvin admitted that the Oakdale address was their primary residence. K. Chauvin confirmed she and D. Chauvin owned a property in Windermere, Florida. K. Chauvin said she spends December and January in Florida. The remaining months she lived in Minnesota. K. Chauvin stated that D. Chauvin was not always in Florida with her due to his work schedule. K. Chauvin stated she was aware she was required to file tax returns every year. K. Chauvin told investigators that she had not filed income tax returns because "it got away from her."

K. Chauvin was accompanied by an accountant. At the interview, K. Chauvin and the accountant provided income tax returns for 2016 – 2019. Much of the information provided in the returns was incomplete or was estimated. The income D. Chauvin received from Midtown Global Market and Cub Foods was overestimated. The accountant disclosed that the 1099 forms were not available to him and that he used 2015 officer income to estimate 2016 security guard income. However, the returns did not include D. Chauvin's income from El Nuevo Rodeo or K. Chauvin's income from KC Image. In the 2019 returns, K. Chauvin did not include any income from El Nuevo Rodeo or EME Antro Bar. The 2019 return also does not report K. Chauvin's income from KC Image.

D. Chauvin is currently in custody at the Minnesota Correctional Facility at Oak Park Heights. All inmate calls are recorded. Investigators reviewed D. Chauvin's jail calls. K. Chauvin called D. Chauvin on June 26, 2020, one day after investigators executed a search warrant on the Oakdale home. K. Chauvin told D. Chauvin that people were looking into their unfiled tax returns. In the call, K. Chauvin tells D. Chauvin that she is meeting with somebody about "16 to now." D. Chauvin suggests using "who we have used to handle for many years." K. Chauvin responds, "Yeah well we don't want to get your dad involved because he will just be mad at me I mean us for not doing them for years. . ."

In January 2018, the Chauvins purchased a 2018 BMW X5 for \$100,230.96 from BMW of Minnetonka. The contract for purchase shows the Chauvin's listed their home address as the Windermere, Florida property. D. Chauvin and K. Chauvin provided Florida driver's licenses for the application. The Chauvins registered the car in Florida and paid Florida sales tax of \$4,664.70. Investigators discovered that the car was serviced by BMW of Minnetonka on 11 dates after purchase. No service dates were found outside of Minnesota. K. Chauvin stated that she and D. Chauvin changed their residency to Florida because it was cheaper to register a car. Because the car was owned and operated in Minnesota, the Chauvins were required to pay Minnesota sales

tax and registration on the car. The required Minnesota sales tax was \$5,053.43.

The Chauvins did not file tax returns in 2016, 2017, and 2018. The filed tax returns for years 2014 and 2015 did not report income received from D. Chauvin's off-duty security work and K. Chauvin's photography income. Tax returns for years 2016, 2017, 2018, and 2019 filed on June 26, 2020, did not report D. Chauvin's off-duty security work and K. Chauvin's photography income. The total amount of individual income tax, including tax penalties and interest, during that period is as follows:

Tax Year	2014	2015	2016	2017	2018	2019	Total
Minnesota Income Under-reported	\$18,605.00	\$21,565.00	\$99,205.00	\$157,109.00	\$134,080.00	\$33,869.00	\$464,433.00
Tax Due	\$1,313.00	1,520.00	\$3,261.00	\$7,661.00	\$5,795.00	\$2,303.00	\$21,853.00
Late File/Payment Penalty	\$ -	\$ -	\$457.00	\$689.00	\$522.00	\$ -	\$1,668.00
Fraud Penalty (50%)	\$657.00	\$760.00	\$1,631.00	\$3,831.00	\$2,898.00	\$1,151.00	\$10,928.00
Interest	\$411.00	\$406.00	\$756.00	\$1,277.00	\$571.00	\$ -	\$3,421.00
Total Due	\$2,380.00	\$2,686.00	\$6,104.00	\$13,458.00	\$9,785.00	\$3,455.00	\$37,868.00

The Chauvins were aware of their obligation to pay Minnesota income taxes. In October 2019 a "request for missing return" letter was sent to D. Chauvin for the 2016 income tax return. A second letter was sent in January 2020. In September 2019 a "request for missing return" letter was sent to K. Chauvin for her missing 2016 income tax return. A second letter was sent in December 2019. All letters warned the Chauvins that they could be the subject of criminal penalties if no returns are filed. MDOR sent K. Chauvin a Commissioner Filed Return notifying her that an assessment of tax was issued after she did not respond to the request for missing return letters. This does not relieve the obligation to file a tax return. Again the letter warned K. Chauvin about criminal penalties for not filing a return.

D. Chauvin is in custody at the Minnesota Correctional Facility at Oak Park Heights. K. Chauvin is out of custody.

SIGNATURES AND APPROVALS

Complainant requests that Defendant, subject to bail or conditions of release, be:
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

Complainant declares under penalty of perjury that everything stated in this document is true and correct. Minn. Stat. § 358.116; Minn. R. Crim. P. 2.01, subds. 1, 2.

Complainant

Justin Humenik
Revenue Special Investigator
600 Robert Street N
St. Paul, MN 55146-6590
Badge: 13

Electronically Signed:
07/22/2020 12:41 PM
Ramsey County, Minnesota

Being authorized to prosecute the offenses charged, I approve this complaint.

Prosecuting Attorney

Scott E. Haldeman
PO Box 6
15015 62nd Street North
Stillwater, MN 55082
(651) 430-6115

Electronically Signed:
07/22/2020 12:36 PM

FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant's arrest or other lawful steps be taken to obtain Defendant's appearance in court, or Defendant's detention, if already in custody, pending further proceedings. Defendant is therefore charged with the above-stated offense(s).

☒ **SUMMONS**

THEREFORE YOU, THE DEFENDANT, ARE SUMMONED to appear on _____, _____ at _____ AM/PM before the above-named court at 14949 62nd Street N PO Box 3802, Stillwater, MN 55082-3802 to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

☐ **WARRANT**

To the Sheriff of the above-named county; or other person authorized to execute this warrant: I order, in the name of the State of Minnesota, that the Defendant be apprehended and arrested without delay and brought promptly before the court (if in session), and if not, before a Judge or Judicial Officer of such court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon as such Judge or Judicial Officer is available to be dealt with according to law.

☐ *Execute in MN Only*☐ *Execute Nationwide*☐ *Execute in Border States*☐ **ORDER OF DETENTION**

Since the Defendant is already in custody, I order, subject to bail or conditions of release, that the Defendant continue to be detained pending further proceedings.

Bail: \$

Conditions of Release:

This complaint, duly subscribed and sworn to or signed under penalty of perjury, is issued by the undersigned Judicial Officer as of the following date: July 22, 2020.

Judicial Officer

John C Hoffman
Judge of District Court

Electronically Signed: 07/22/2020 12:58 PM

Sworn testimony has been given before the Judicial Officer by the following witnesses:

**COUNTY OF WASHINGTON
STATE OF MINNESOTA**

State of Minnesota

Plaintiff

vs.

Derek Michael Chauvin

Defendant

LAW ENFORCEMENT OFFICER RETURN OF SERVICE
*I hereby Certify and Return that I have served a copy of this
Summons upon the Defendant herein named.*

Signature of Authorized Service Agent:

DEFENDANT FACT SHEET

Name: Derek Michael Chauvin
DOB: 03/19/1976
Address: [REDACTED]
Oakdale, MN 55128

Alias Names/DOB:

SID:

Height:

Weight:

Eye Color:

Hair Color:

Gender: MALE

Race:

Fingerprints Required per Statute: Yes

Fingerprint match to Criminal History Record: No

Driver's License #:

Alcohol Concentration:

STATUTE AND OFFENSE GRID

Cnt Nbr	Statute Type	Offense Date(s)	Statute Nbrs and Descriptions	Offense Level	MOC	GOC	Controlling Agencies	Case Numbers
1	Charge	4/25/2016	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
	Modifier	4/25/2016	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1060	N	MN062025Y	20200101
	Penalty	4/25/2016	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
2	Charge	10/4/2016	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
	Modifier	10/4/2016	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1060	N	MN062025Y	20200101
	Penalty	10/4/2016	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
3	Charge	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
	Modifier	6/26/2020	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1060	N	MN062025Y	20200101
	Penalty	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
4	Charge	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
	Modifier	6/26/2020	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1060	N	MN062025Y	20200101
	Penalty	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
5	Charge	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
	Modifier	6/26/2020	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1060	N	MN062025Y	20200101
	Penalty	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
6	Charge	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
	Modifier	6/26/2020	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1060	N	MN062025Y	20200101
	Penalty	6/26/2020	289A.63.2(a) Taxes-false or fraudulent returns-file with commissioner	Felony	Y1060	N	MN062025Y	20200101
7	Charge	4/18/2017	289A.63.1(a) Taxes-failure to file return,report, document-F	Felony	Y1120	N	MN062025Y	20200101
	Modifier	4/18/2017	609.05.1 Liability for Crimes of	No-Level	Y1120	N	MN062025Y	20200101

	Penalty	4/18/2017	Another-Intentional 289A.63.1(a) Taxes-failure to file return,report, document-F	Felony	Y1120	N	MN062025Y	20200101
8	Charge	4/17/2018	289A.63.1(a) Taxes-failure to file return,report, document-F	Felony	Y1120	N	MN062025Y	20200101
	Modifier	4/17/2018	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1120	N	MN062025Y	20200101
	Penalty	4/17/2018	289A.63.1(a) Taxes-failure to file return,report, document-F	Felony	Y1120	N	MN062025Y	20200101
9	Charge	4/15/2019	289A.63.1(a) Taxes-failure to file return,report, document-F	Felony	Y1120	N	MN062025Y	20200101
	Modifier	4/15/2019	609.05.1 Liability for Crimes of Another-Intentional	No-Level	Y1120	N	MN062025Y	20200101
	Penalty	4/15/2019	289A.63.1(a) Taxes-failure to file return,report, document-F	Felony	Y1120	N	MN062025Y	20200101