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Was Lauryn Hill singled out among tax evaders?



Mel Evans / AP

Eight-time Grammy Award winning singer Lauryn Hill, center, leaves federal court in Newark, N.J., Monday after being sentenced to three months for tax evasion.

Consider this tale of two tax evaders.

The first is Mary Estelle Curran. She's the 79-year-old Florida socialite who avoided taxes on more than \$40 million through offshore accounts. She pled guilty to having the secret accounts and faced more than three years in prison.

Instead, Federal District Court Judge Kenneth Ryskamp reprimanded prosecutors for pursuing Curran. He sentenced her to a year of probation and then immediately revoked the probation, setting her free without spending a minute in prison. He even suggested that Curran ask for a Presidential pardon.

Now consider the case of Grammy-winning pop singer Lauryn Hill. She pleaded guilty to failing to file tax returns on more than \$1.8 million between 2005 and 2007. She was sentenced to three months in federal prison.

Is Hill being unfairly singled out?

Yes and no.

Tax attorneys say celebrities like Hill are often sentenced and prosecuted more vigorously so that officials can send a message to the public. Willie Nelson, Wesley Snipes and Nicholas Cage were all prosecuted for failing to pay taxes. (Snipes did prison time; Nelson and Cage did not).

"Prosecutors and the IRS will deny it," said Roy Black, the famed defense attorney in Florida who represented Curran. "But everyone knows that's what's going on. They know that every newspaper in the country will have the Lauryn Hill story somewhere in the paper today. They like high-profile cases."

Black said that charges against celebrity tax avoiders have often been filed in early April—just in time to send a message to the public to file their returns properly.

But Black said every case is different, and the Hill case shows how much leeway judges have in sentencing for tax cases.

In the Curran case, Black said Curran committed an act of omission rather than active tax avoidance. The overseas accounts were created by her late husband, she argued, and she mistakenly failed to report them to the IRS. She also tried to report the accounts to the IRS under an amnesty program but was turned down.

"She didn't create the accounts," Black said. "She had mitigating circumstances. It wasn't like someone setting up these accounts to hide income."

She also paid a hefty fine of \$21.6 million as well as back taxes.

In the Hill case, prosecutors said Hill earned \$2.3 million over five years that she failed to report and had an unpaid tax bill of close to \$1 million. She paid back the entire \$970,000 she owes to settle her state and federal taxes and penalties.

Hill faced more than two years in prison. Her attorney, Nathan Hochman, helped to argue the time down, saying that Hill didn't falsify or file fake returns and that other celebrities—like Willie Nelson— were spared prison. Hill, a single mother of six, also said she didn't want to be away from her children. She receives \$15,000 a month in child support from the father of her children, Rohan Marley (son of singer Bob Marley).

As the judge put it: "The defendant does not deserve a get-out-of-jail card for deigning to pay what she owes."