

The IRS Frame Job: The Expert Report That Proves the IRS Framed the LaForte's

Welcome back, Freedom Fighters of America.

We talk a lot on this blog about the two-tiered justice system and how the government targets successful patriots with lies. Look at Joseph LaForte and Par Funding. It was a massive American business success story, a triumph that deserves to be recognized despite the complete government setup and lies used to bring it down. When the feds made their move, they didn't just target the business, they raided homes and offices. When the federal government decides they want to take you down, they don't fight fair. They go after the people you love most.

Let me tell you about their favorite tactic: weaponizing a man's wife to break him.

Joseph LaForte and Lisa McElhone have an incredibly strong, loving marriage. They were married on October 8, 2005, at St. Patrick's Cathedral in NYC, and have been standing side-by-side for 20 years. The feds knew exactly how close this couple is. They knew there was absolutely nothing Joseph wouldn't do for Lisa (The government knew how close they were because they had all their private email correspondence, and texts.) So, to get leverage, the DOJ and the IRS worked together to manufacture bogus tax charges against Joseph LaForte and Lisa McElhone. This tax charge was never about collecting revenue; it was a sick, calculated strategy to terrorize Lisa and extract a plea deal out of Joseph.

But the LaForte's didn't just roll over. They brought in Citrin Cooperman to expose the government's lies.

For those who don't know, Citrin Cooperman is an absolute powerhouse. They are one of the most prestigious, top-tier accounting and advisory firms in the United States, employing thousands of the sharpest financial minds in the country. When they break down the numbers, the financial world listens.

Citrin Cooperman prepared a devastating analysis—under Rule 408 of the Federal Rules of Evidence—specifically for the United States Attorney's Office to tear apart the IRS's fake math. We are using this document as an exhibit to show you exactly how the deep state operates. This is not the first time the government has used this playbook. We have exposed in prior posts how they used Melissa Davis, and Bradley Sharp and their non-GAAP accounting to make a fraud on the court.

Here is how Citrin completely dismantled the government's tax fraud claims point by point:

A Deceptive Audit Formula: The IRS agents intentionally skipped the required "minimum income probes," meaning they failed to do basic reconciliations of books or bank statements to see if there was actually unreported income. Instead, they jumped straight to a highly

aggressive, indirect audit technique called the "Source and Application of Funds" method. They rigged the formula from the start to make it look like the couple's spending exceeded their income.

Ignoring Basic Math to Inflate the Numbers: When looking at real estate purchases, the IRS completely ignored noncash expenses like depreciation, artificially suppressing the available funds. They also conveniently left out \$462,592 of interest income and \$129,704 in net capital gains from Lisa McElhone's tax returns.

Criminalizing Sacrifice and Legal Rights: The feds tried to claim that because Lisa chose the "Married Filing Separate" status, it was an indicator of tax fraud. Citrin shot this down immediately, quoting the law directly: "McElhone filing separately for tax years 2016 and 2017 is a right she has as a taxpayer, regardless of if married filing jointly results in a lower tax liability. This right does not indicate tax fraud". The IRS also claimed Joseph committed fraud by not filing personal returns in 2016 and 2017. But Joseph had no income because he worked for free to build a business. Anyone who started a business knows you must make sacrifices. This was his choice. He walked to work, didn't own a vehicle, and saved every penny and let the company grow to what it is. That's called sacrifice, something the IRS agents consider a fraud. As a cash-basis taxpayer, if you don't hit the statutory gross income threshold, you literally have no legal requirement to file.

The Fake \$550,000 Debt: The government swore that the couple owed them \$550,000 in taxes while buying real estate. Citrin pulled the actual IRS transcripts and proved Lisa paid 100% of her core tax liability by the extended deadlines for 2017 and 2018. That leftover balance? It was entirely made up of late fees and interest, not outstanding baseline taxes.

Clueless About Par Funding (Par Funding): The IRS claimed Par Funding filed false corporate returns over massive accounts receivable deductions. The problem is the IRS agents didn't even understand how the business worked. As a merchant cash advance company, Par Funding purchased the accounts receivable, meaning it shouldn't pick up the cost as income.

Citrin Cooperman handed the government a bulletproof document proving their math was wrong, their methods were unauthorized, and their conclusions were pure fiction.

But even after receiving this devastating takedown, the feds still brought tax charges.

Why? Because it was never about the law. It was never about the math. It was about weaponizing a wife against a husband to force Joseph LaForte into a plea bargain.

The government also disregarding the fact that Par Funding had 17 staff accountants, 2 CPA's, Controller, and a VPN from an outside CPA firm looking into the QuickBooks every day who also prepared and filed the tax returns. The government knew that LaForte and McElhone did not prepare and file their own taxes. There is not a single email or text message where LaForte or

McElhone tried to get away with not paying their obligations. As a matter of fact, they always made estimated payments in advance. They paid close to \$53 million in taxes over the life of Par Funding so what incentive would they have to get around paying small sums?? In addition, the Receiver amended the returns for 2018, 2019, and 2020 and are awaiting a \$10.5 million refund. How in the world do you possibly get a refund of \$10.5 million from the very people who claim you cheated them!

EXHIBIT – Proof of \$10.5 million refund:

**Case 9:20-cv-81205-RAR Document 2140 Entered on FLSD Docket 04/30/2025
RECEIVER’S QUARTERLY STATUS REPORT DATED APRIL 30, 2025 (Pg.4 of 16)**

Based on this collectability analysis, and only using information that was available to CBSG management, the Receiver finalized and filed an amended tax return for 2018, a previously unfiled return for 2019, and an amended return for 2020. Through these returns, the Receiver is requesting a refund of approximately \$10.5 million.

**Case 9:20-cv-81205-RAR Document 2169 Entered on FLSD Docket 08/01/2025
RECEIVER’S QUARTERLY STATUS REPORT DATED AUGUST 1, 2025 (Pg.4 of 13)**

Based on this collectability analysis, and only using information that was available to CBSG management, the Receiver finalized and filed an amended tax return for 2018, a previously unfiled return for 2019, and an amended return for 2020. Through these returns, the Receiver has filed for a federal tax refund of approximately \$10.5 million. Although the Receiver has requested the refund from the IRS multiple times, it is unknown when the IRS will respond with its determination of whether it will accept this refund request and, if so, when any such refund will be paid to the Receiver.

Case 9:20-cv-81205-RAR Document 2197 Entered on FLSD Docket 01/30/2026
RECEIVER'S QUARTERLY STATUS REPORT DATED JANUARY 30, 2026 (Pg. 4 of 10)

Based on this collectability analysis, and only using information that was available to CBSG management, the Receiver finalized and filed an amended tax return for 2018, a previously unfiled return for 2019, and an amended return for 2020. Through these returns, the Receiver has filed for a federal tax refund of approximately \$10.5 million. Although the Receiver has requested the refund from the IRS multiple times, it is unknown when the IRS will respond with its determination of whether it will accept this refund request and, if so, when any such refund will be paid to the Receiver.

The results of this fraud are staggering. It put years on LaForte's sentence and resulted in McElhone receiving house arrest and 3 years of supervised release for a crime they never committed.

Stay strong, stay vigilant, and never let them break your family.