

Weaponizing Wire Fraud: How the DOJ Turned a Spouse into Leverage

This evidence brings to light a staggering reality: Lisa McElhone did not just "provide information"- she explicitly documented her Pennsylvania residency to the very people responsible for her legal and financial compliance. When you look at the facts, the "crime" evaporates, leaving behind a professional failure that was weaponized by the government.

The Truth in the "Bacon Emails"

The indictment claimed Lisa McElhone intentionally deceived the state of PA by claiming Florida residency. However, her direct communications with her accountant, Ken Bacon, tell a completely different story. In the March 2017 exchange, Lisa is doing exactly what a diligent client should: providing the truth for the record.

Explicit Disclosure: On March 9, 2017, Lisa McElhone emailed Ken Bacon to confirm that her **primary residence was held under Blue Valley Holdings LLC.**

The Pennsylvania Address: That "primary" residence was **568 Ferndale Lane, Haverford, PA**—a fact McElhone communicated directly to the professionals preparing her filings.

EXHIBIT: SEE EMAIL FROM MCELHONE TO BACON, (THE CPA FROM ROD ERMEL AND ASSOCIATES) INCLUDING ATTACHMENTS OF THE HUD-1 CONFIRMING MCELHONE'S ADDRESS AND PRIMARY RESIDENCE WAS IN PA:



Lisa Mc <lisa.mcelhone@gmail.com>

Blue Valley Holdings

4 messages

Lisa McElhone <lisa.mcelhone@gmail.com>
To: Ken Bacon <Ken@reacos.com>

Thu, Mar 9, 2017 at 1:03 PM

Hi Ken,

I hope your week is going well. I received this in the mail. **Our primary residence is in the Blue Valley Holdings LLC. The attached is for tax purposes.**

Please let me know if you have any questions.

Thank you,
Lisa

Sent from my iPhone

4 attachments



image1.JPG
95K



image2.JPG
130K



image3.JPG
110K



image4.JPG
74K

Lisa McElhone <lisa.mcelhone@gmail.com>
To: Ken Bacon <Ken@reacos.com>

Fri, Mar 24, 2017 at 11:17 AM

Hi Ken,

This is the email I was referring to.

Thanks for your help,

Lisa

Regards,

Lisa McElhone

[Quoted text hidden]
Sent from my iPhone

4 attachments



image1.JPG
95K

Ken Bacon <Ken@reacos.com>
To: Lisa McElhone <lisa.mcelhone@gmail.com>

Fri, Mar 24, 2017 at 12:56 PM

Got it Lisa... thank you. Sorry I failed to reply the first time. I'll be sure to get this in the tax folder for Blue Valley.

Happy Friday to you as well!!

Ken Bacon
Sent from my iPhone
[Quoted text hidden]

Lisa McElhone <lisa.mcelhone@gmail.com>
To: Ken Bacon <Ken@reacos.com>

Fri, Mar 24, 2017 at 1:26 PM

Thanks Ken!

Regards,

Lisa McElhone

A Settlement Statement U.S. Department of Housing and Urban Development
 CUB Approval No. 2833-0365 **FINAL**

B. Type of Loan: 1. D/F-A 2. F/R-A 3. Conv. Units 4. Conv. Units
 5. D/A 6. Conv. Int. AA1321 7. Loan Number 8. Mortgage Insurance Case Number

C. Note: This document is prepared by the lender for the borrower's use only. It is not intended to be used for any other purpose. It is not a contract. It is subject to the terms and conditions of the loan agreement. It is not a contract. It is subject to the terms and conditions of the loan agreement. It is not a contract. It is subject to the terms and conditions of the loan agreement. TitleExpress Settlement System Printed 08/22/2016 at 08:48 J.M.

D. NAME OF BORROWER: Blue Valley Holdings LLC
 ADDRESS:

E. NAME OF SELLER: Marc Dumvir and Evelyn Dumvir
 ADDRESS:

F. NAME OF LENDER:
 ADDRESS:

G. PROPERTY ADDRESS: 666 Fendick Lane, Haverford, PA 19041
 Montgomery County, Pennsylvania, Lower Merion Township

H. SETTLEMENT DATE: 08/22/16
 I. SELLER OF RECORD: World Wide Land Transfer, Inc. 19140 Fox and Hound, 1149 W Lancaster Avenue, St & Rosemont, PA 19079

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER		400. GROSS AMOUNT DUE TO SELLER	
101. Contract sales price	2,495,000.00	401. Contract sales price	2,495,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1403)	32,762.60	403. Settlement charges to seller (line 1403)	159,895.72
104.		404.	
105.		405.	
Adjustments for items paid by borrower in advance		Adjustments for items paid by seller in advance	
106. City/town taxes 09/22/16 to 12/31/16	1,277.68	406. City/town taxes 09/22/16 to 12/31/16	1,277.68
107. County taxes		407. County taxes	
108. School taxes 09/22/16 to 09/30/17	10,015.17	408. School taxes 09/22/16 to 09/30/17	10,015.17
109. Sewer 09/22/16 to 12/31/16	298.00	409. Sewer 09/22/16 to 12/31/16	298.00
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	2,499,294.25	420. GROSS AMOUNT DUE TO SELLER	2,495,991.65
200. AMOUNTS PAID BY OR ON BEHALF OF BORROWER		500. REDUCTIONS IN AMOUNT DUE TO SELLER	
201. Deposit or earnest money	389,740.10	501. Escrow Deposit (see instructions)	
202. Principal amount of new loans		502. Settlement charges to seller (line 1403)	159,895.72
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of First Mortgage Loan	
205. Buyer's Check		505.	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by borrower		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. School taxes		512. School taxes	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/BORROWER	389,740.10	520. TOTAL REDUCTION AMOUNT DUE SELLER	159,895.72
300. CASH AT SETTLEMENT FROM OR TO BORROWER		600. CASH AT SETTLEMENT TO OR FROM SELLER	
301. Gross amount due from borrower (line 120)	2,499,294.25	601. Gross amount due to seller (line 420)	2,495,991.65
302. Less amounts paid by/bor borrower (line 220)	389,740.10	602. Less reduction amount due seller (line 520)	159,895.72
310. CASH FROM BORROWER	2,119,554.15	603. CASH TO SELLER	2,206,095.93

NOTE: THIS FORM IS A SETTLEMENT STATEMENT. The information contained herein is important back information and is being furnished to the Internal Revenue Service. If you are required to file a return, report the proceeds of this sale on your tax return. If you are required to file a return, report the proceeds of this sale on your tax return. If you are required to file a return, report the proceeds of this sale on your tax return.

Zero Intent to Deceive: McElhone explicitly stated the documents were being sent "for tax purposes".

Accountant Confirmation: Ken Bacon acknowledged the information, stating, "I'll be sure to get this in the tax folder for Blue Valley".

EXHIBIT: Ken Bacon - Chance of Plea - Pg.16

Bacon and Ermel, and others would further establish that McElhone repeatedly informed Bacon and Ermel that her primary residence was in Pennsylvania and that she did not live or work in Florida, but that Bacon and Ermel nevertheless prepared her PA-40 income tax returns to falsely declare non-residency status. The evidence would show that McElhone signed or authorized the signature of her PA-40 income tax returns for tax years 2014 through 2017, and that LaForte and McElhone signed or authorized the signature of their PA-40 joint income tax returns for tax years 2018 and 2019 knowing that they did not accurately reflect the actual state of residency. The evidence would also show that Bacon and Ermel filed or caused to be filed McElhone's PA-

EXHIBIT: ROD ERMEL PLEA MEMO:

The government and the defendant have also entered into Sentencing Guidelines stipulations that are not binding upon the Court or the United States Probation Office.

Id. ¶ 11. Those stipulations include:

- As to Counts One and Two, the parties agree and stipulate that the actual tax loss to the IRS as a result of the defendant's conduct is \$8,087,385.
- The defendant understands that the government may argue that the tax loss caused to the Commonwealth of Pennsylvania as a result of his conduct

be non-residents of Pennsylvania on their personal state tax returns in order to avoid paying Pennsylvania income tax (Counts Seven through Nine). The defendant is not pleading guilty to this second scheme, although the defendant recognizes that the government may seek to prove his alleged involvement in this second scheme as relevant conduct at his sentencing hearing.

The "One-Box" Trap: Professional Negligence vs. Federal Fraud

How does a woman who pays hundreds of thousands of dollars to tax experts end up with a felony? It came down to a single checkmark on a 140-page return. Despite Lisa McElhone telling Bacon 100% that she lived in Pennsylvania, the accounting team checked the box for Florida. In the eyes of the FBI, Lisa "e-signing" that massive document constituted Wire Fraud. This was not a calculated scheme by a taxpayer; it was a clerical error by a highly paid firm that the government transformed into a federal case.

The Logic of the "Fraud"

The government's narrative falls apart under simple math. Lisa and Joseph paid over \$52 million in federal taxes. To suggest that a couple contributing that much to the Treasury would risk their freedom to defraud the state of Pennsylvania out of \$1.6 million is nonsensical. It defies every pillar of logic.

A Statistical Anomaly

Criminal convictions for "state residency" disputes are incredibly rare. Out of 150 million returns filed annually, the chance of facing criminal charges is roughly 0.0022%. Most residency disputes are handled as civil matters—you pay a fine and interest. The fact that the government pursued this as a criminal Wire Fraud case proves they were not looking for a tax error; they were looking for a weapon.

The Ultimate Irony:

The most damning evidence that this prosecution was a sham.

While the government was dragging Lisa through the mud over a supposed tax debt, the IRS was actually holding money that belonged to the estate.

Exhibit B: The court-appointed receiver confirmed a \$10.5 million refund from the IRS.

Here is the proof.

RECEIVER'S QUARTERLY STATUS REPORT DATED JANUARY 30, 2026

Case 9:20-cv-81205-RAR Document 2197 Entered on FLSD Docket 01/30/2026 Page 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 government did not just overreach—they prosecuted a woman for "tax fraud" when the family had actually overpaid the government by millions.

The True Motive: A "Leverage Indictment"

The "One Day" sentence Lisa received is the court's unspoken admission that there was no criminal intent. If there were no real crime and no real loss, why did the FBI persist?

The true motive was extracting a guilty plea from her husband, Joseph LaForte. The prosecutors knew Joseph would never risk his wife's freedom. By targeting a wife over a technicality in a 140-page document, they used her as a pawn in a high-stakes game of legal extortion.

The Human Cost

Lisa McElhone is currently serving her home confinement, a prisoner in her sister's residence (since they liquidated her home from her "primary residence") for the "crime" of trusting her accountants. Even after her sentence ends, Lisa McElhone must live with the title of "convicted felon" attached to her name for the rest of her life because the corrupt FBI knows no bounds in their pursuit of a win.

**HOW DOES SOMEONE GET ACCUSED AND CONVICTED OF WIRE FRAUD ON PA
STATE RESIDENCY ISSUES WHEN THEY TELL THE TRUTH TO PROFESSIONALS
THEY RELIED ON- AND WHEN THE GOVERNMENT THAT ACCUSES YOU OF
FRAUD GIVES YOU A 10.5 MILLION DOLLAR TAX REFUND!**