

# Attachment 9

SPORTSMAN Investigation  
IRS-CI – WDCFO

The IRS-CI investigation concerning SPORTSMAN started in November of 2018 as a result of an investigation involving a United Kingdom (“U.K.”) company for failing to report and withhold tax on payments made to U.S. contractors. Research on the company yielded bank reports indicating that SPORTSMAN made payments to a U.S. contractor, who also had received payments from that U.K. company. (Question – this UK company was the one also linked via the porn site-Yes? I presume the “bank reports” are the SARs-Yes?) A review of SPORTSMAN’s individual income tax filings was performed that indicated SPORTSMAN had failed to file his 2016 and 2017 Forms 1040 and a 2017 corporate tax return for an entity for which he was the responsible party. Around May of 2019, IRS-CI joined an ongoing [REDACTED] investigation with the FBI out of the District of Delaware. The investigation obtained evidence indicating the following: SPORTSMAN filed a false 2014 Form 1040 by not reporting income, evaded the timely payment of a portion of his 2015 individual income taxes, willfully failed to timely and fully pay individual income taxes for 2015, evaded assessment of his 2016, 2017, and 2018 individual income taxes and willfully failed to timely file Forms 1040 and pay the taxes owed for the tax years 2016, 2017, 2018, and 2019. In addition, SPORTSMAN has willfully failed to timely file an IRS Form 1120 and pay the taxes owed for the tax years 2017 and 2018 for income earned through corporate entities. During 2020, SPORTSMAN filed his 2016 – 2019 Forms 1040 as well as his 2017 – 2019 Forms 1120 for his corporation in which he reports that he owes over \$1 million in tax. The returns filed during 2020 appear to willfully omit income earned and are thereby false. No payments were made as of November 9, 2020.

Throughout May of 2019 through present day, we have utilized [REDACTED] [REDACTED] in obtaining financial records and communication records of SPORTSMAN and his associates (approximately 10 other individuals and businesses). We obtained approximately fifteen 2703-D orders from the court (email communication records) as well as executed approximately 12 email tax search warrants related to SPORTSMAN and his associates email accounts. We have also executed a tax search warrant on SPORTSMAN’s QuickBooks’s accounts as well as multiple Apple cell phone backups and a laptop / hard drive believed to have belonged to the SPORTSMAN. To date no proactive interviews have occurred as a result of guidance provided to the investigative team by the USAO in Delaware, DOJ Tax PDAG and the Deputy Attorney General’s office.

All financial records received have been reviewed and analyzed. Since 2014, SPORTSMAN and his associates have received approximately \$14 million from individuals and businesses located in Ukraine, Romania and China. During 2020, SPORTSMAN appeared to have approximately \$1 million in debts paid and living expenses paid (some relating to his tax debts) on his behalf from a very wealthy political donor in California. Electronic records obtained via numerous search warrants have gone through an extensive review process and further validate the tax investigation relating to the SPORTSMAN.

Over the last few months, the investigative team has developed an extensive plan to conduct numerous interviews and serve [REDACTED] [REDACTED] on or about November 17, 2020, effectively entering the overt stage of the investigation. We plan to conduct approximately ten key witness interviews (to include SPORTSMAN), request a consent search of SPORTSMAN’s residence and storage unit, and serve approximately 15 additional [REDACTED] to relevant individuals and companies associated with SPORTSMAN and his business. Currently, we are updating relevant financial [REDACTED] as well as executing additional electronic search warrants related to the alleged T26 and potential Foreign Agent Registration Act violations committed by SPORTSMAN and/or associates. At this time the investigation focused on the CEFC entity in China (related [REDACTED] out of [REDACTED] with assigned NYFO IRS-CI Agents) are not planning on conducting interviews and will instead take overt actions in the beginning of 2021.