



Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, November 17, 2022

Michigan Personal Injury Attorney Convicted of Tax Crimes

Filed False Tax Returns Omitting Over \$2.6 Million in Income Concealed in Lawyer's Trust Accounts

A federal jury convicted Michigan attorney Carl L. Collins, III on Nov. 16 of willfully filing five false tax returns for himself and one of his businesses.

Collins was a personal injury lawyer with offices in Southfield, Michigan. He also owned a real estate company, First Third LLC, and two medical-related companies, MedCity Rehabilitation Services LLC and Alpha Living LLC. At trial, the evidence proved Collins did not report substantial income he received from these businesses and deposited into undisclosed Interest on Lawyer's Trust Accounts (IOLTA), bank accounts to be used by lawyers solely to hold money in trust for clients. As a result, Collins was able to conceal these funds from his tax preparers and the IRS.

Collins was convicted of filing false personal tax returns for 2012, 2015, and 2018, filing a false 2012 amended return, and filing a false 2015 corporate return for Alpha Living. The evidence established that Collins did not report approximately \$600,000 in income he earned in 2012. He deposited most of these funds into an undisclosed IOLTA account and concealed the deposits from his tax preparer. On his 2015 personal return, Collins also did not report over \$800,000 in income. With respect to his false 2018 personal tax return, Collins omitted approximately \$300,000 in income that he deposited into another undisclosed IOLTA account. In all, the evidence showed that Collins did not report over \$2.6 million in income.

Collins is scheduled to be sentenced on March 21, 2023, and faces a maximum penalty of three years in prison for each count of filing a false tax return. He also faces a period of supervised release, restitution and monetary penalties. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and U.S. Attorney Dawn N. Ison for the Eastern District of Michigan made the announcement.

IRS-Criminal Investigation is investigating the case.

Trial Attorneys Kenneth Vert and Jeffrey McLellan of the Tax Division are prosecuting the case. Law Clerk Evan Mulbry and Paralegal Specialist Eric Mahoney of the Tax Division are assisting with the prosecution.

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